



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

Financial Report

30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA
(A COMPANY LIMITED BY GUARANTEE)



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COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Responsible Entities	Adrian Basso Natalie Pozdeev Phillip Randall Jean Rau Peter Rohweder Melanie Withnall Tony Smythe
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Chief Executive Officer	Jon Bisset
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Company Secretaries	Jon Bisset Rhonda Byrne
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Youth Representative	Tess Lawley	Appointed 9 th November 2014
Women's Representative	Mikaela Simpson	Appointed 16 th November 2013

Registered Office and Principal Place of Business	Level 3 44-54 Botany Road Alexandria NSW 2015
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Auditors	Escott Aston Chartered Accountants
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Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

The Responsible Entities of the Community Broadcasting Association of Australia present their Report together with the financial statements for the year ended 30 June 2015 and the Independent Audit Report thereon.

Responsible Entities Details and Meetings

The following persons were Responsible Entities of the Community Broadcasting Association of Australia during or since the end of the financial year.

DIRECTOR NAME	DATE APPOINTED	DATE OF CESSATION	ATTENDANCE	
			A	B
Adrian Basso	25 Nov 2007	Continuing	4	4
Phillip Randall	15 Nov 2008	Continuing	4	4
Melanie Withnall	26 Aug 2011	Continuing	4	4
Peter Rohweder	26 Feb 2011	Continuing	4	4
Jean Rau	19 Nov 2011	Continuing	4	4
Natalie Pozdeev	17 Nov 2012	Continuing	4	4
Jonathan Brown	23 Oct 2010	8 Nov 2014	0	1
Tony Smythe	8 Nov 2014	Continuing	3	3

A Number of meetings attended

B Number of meetings held during the time the responsible entity/representative held office during the year

Principal Activities

Founded in 1974, the Community Broadcasting Association of Australia (CBAA) is the national peak body for community broadcasting licensees. The CBAA champions community broadcasting by building stations' capability and creating a healthy environment for the sector to thrive. As at the 30 June 2015, the CBAA had 276 member organisations nationwide (2014: 268 members) representing nearly 85% of permanently licensed community broadcasters.

The CBAA is the go-to destination for advice, knowledge and services for the community broadcasting sector. The CBAA helps to grow the capability and sustainability of stations by providing information and resources on community broadcasting matters such as financial management, compliance, online and broadcast infrastructure, content and programming, station management and community engagement.

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Principal Activities *continued*

The CBAA works to build a healthy environment in which community broadcasting can thrive by nurturing a supportive political environment, influencing public policy through leadership and research, and developing and maintaining internal and external sector relationships and networks. In particular, the CBAA proactively works with influential political stakeholders to strengthen knowledge, understanding and support of the community broadcasting sector and to pursue policy matters that may affect stations. In this role, the CBAA also leads research for community broadcasting.

During the financial year there was no significant change in the nature of the CBAA's principal activities.

Strategic Objectives

The CBAA's strategic objectives are:

- To build a healthy environment in which community broadcasting can thrive
- To grow the capability and sustainability of stations
- To strengthen the CBAA's capacity to provide leadership

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Members' Guarantee

In accordance with the company's constitution, each member is liable to contribute \$10 in the event that the company is wound up. The total amount members would contribute is \$2,760 (2014 – \$2,680).

Auditor's Independence

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included in page 9 of this financial report and forms part of the Responsible Entities' Report.

Signed in accordance with a resolution of the Responsible Entities.



ADRIAN BASSO
President

Sydney

Dated 22nd October 2015

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Responsible Entities' and Representatives experience, qualifications and special responsibilities

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Adrian Basso	Experience: General Manager, 3PBS; 17 years in community broadcasting. Qualifications: Bachelor of Accounting	President; Member, Policy Committee
Phillip Randall	Experience: CEO, Hope Media Ltd; 38 years experience in broadcasting	Vice President (Radio); Chair, Policy Committee
Melanie Withnall	Experience: Managing Director, 2SER; 18 years in community broadcasting Qualifications: Master of Arts (International Studies), Bachelor of Arts (International Studies), Bachelor of Arts (Communication), Graduate Diploma (Commercial Radio Broadcasting)	Chair, Audit, Risk & Compliance Committee
Peter Rohweder	Experience: Station Manager, 4EB; 21 years in community broadcasting Qualifications: Associate Diploma, Business Accounting	Member, Audit, Risk & Compliance Committee
Jean Rau	Experience: Board Treasurer, North West FM; 25 years in community broadcasting	
Natalie Pozdeev	Experience: Head Teacher – Media, Sydney TAFE; 14 years in community broadcasting, 9 years in education Qualifications: Bachelor of Design (Visual Communications); Hon, Graduate Diploma Vocational Education & Training	
Tony Smythe	Experience: Station Manager, Eastside Radio (2RES); 15 Years in Community Broadcasting Qualifications: Bachelor Of Commerce	Member, Audit, Risk & Compliance Committee
Jonathan Brown	Experience: Education & Training Manager, SYN Media; 10 years in Community Broadcasting Qualifications: Bachelor of Media	
Mikaela Simpson	Experience: Broadcaster/Journalist, CAAMA Radio; 3 years in community broadcasting Qualifications: Certificate II & III - Media	Women's Representative
Tess Lawley	Experience: General Manager, SYN Media; 4 years in Community Broadcasting Qualifications: Bachelor of Communication	Youth Representative; Member, Policy Committee

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Jon Bisset	Experience: 24 years managing not-for-profit organisations Qualifications: Bachelor of Applied Science (PhysEd), AICD Company Director Course	Chief Executive Officer; Company Secretary
Rhonda Byrne	Experience: 12 years in Media organisations, 4 years in not-for profit organisations Qualifications: Associate Diploma - Business, Marketing	Head of Business Services; Company Secretary

Auditor's Independence Declaration

To the Responsible Entities of the Community Broadcasting Association of Australia:

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of the Community Broadcasting Association of Australia for the year ended 30 June 2015, we declare that, to the best of our knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contravention of any applicable code of professional conduct in relation to the audit.

ESCOTT ASTON
Chartered Accountants



MICHAEL I GARCIA
Partner

(RIVERWOOD NSW 2210)

Dated 22nd October 2015

Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2015 \$	2014 \$
REVENUE	4	8,678,635	6,813,937
EXPENSES			
Programs, services and projects		6,390,617	4,748,316
Employee and consultancy expenses		1,758,957	1,552,285
Depreciation and amortisation expense		56,927	25,358
Occupancy expense		162,346	146,877
Administration expenses		172,558	171,941
Total expenses		8,541,405	6,644,777
Net surplus for the year		137,230	169,160
Other comprehensive income		-	-
Net changes in fair value of plant and equipment		-	(109,110)
Total comprehensive income attributable to the members of the entity		137,230	60,050

Statement of Financial Position

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash assets	5	4,435,589	3,308,126
Trade and other receivables	6	542,028	460,086
Other assets	7	71,740	13,530
		-----	-----
Total current assets		5,049,357	3,781,742
		-----	-----
Non-current assets			
Property, plant & equipment	8	134,676	148,129
Intangibles	9	61,876	30,975
Other financial assets	10	100	100
		-----	-----
Total non-current assets		196,652	179,204
		-----	-----
TOTAL ASSETS		5,246,009	3,960,946
		=====	=====
LIABILITIES			
Current liabilities			
Trade and other payables	11	2,357,010	1,601,700
Government and other grants	12	1,519,288	1,147,449
Other current liabilities	13	84,362	93,762
Provisions	14	182,981	135,023
		-----	-----
Total current liabilities		4,143,641	2,977,934
		-----	-----
Non-current liabilities			
Government and other grants	12	51,157	76,675
Provisions	14	25,175	17,531
		-----	-----
Total non-current liabilities		76,332	94,206
		-----	-----
TOTAL LIABILITIES		4,219,973	3,072,140
		=====	=====
NET ASSETS		1,026,036	888,806
		=====	=====
FUNDS			
Unrestricted funds		1,026,036	888,806
		=====	=====

Statement of Changes in Funds

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Notes	Unrestricted Funds \$
Balance at 30 June 2009		21,210
Total comprehensive income for the year		-
Surplus attributable to members		535
Balance at 30 June 2010		21,745
Total comprehensive income for the year		-
Surplus attributable to members		357,777
Balance at 30 June 2011		379,522
Total comprehensive income for the year		-
Surplus attributable to members		259,391
Balance at 30 June 2012		638,913
Total comprehensive income for the year		-
Surplus attributable to members		189,843
Balance at 30 June 2013		828,756
Total comprehensive income for the year	8, 9, 12	(109,110)
Surplus attributable to members		169,160
Balance at 30 June 2014 - Restated		888,806
Total comprehensive income for the year		-
Surplus attributable to members		137,230
Balance at 30 June 2015		1,026,036

Statement of Cash Flows

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2015 \$	2014 \$
Cash Flows from operating activities			
Receipt of grants		8,635,813	6,696,579
Membership fees and activities		1,091,929	1,242,739
Interest received		82,028	56,783
Payment to suppliers and employees		(8,607,932)	(7,374,353)
		-----	-----
Net cash generated from operating activities		1,201,838	621,748
		=====	=====
Cash Flows from Investing Activities			
Payments for property and equipment		(24,960)	(106,724)
Payments for intangibles		(49,415)	(37,326)
		-----	-----
Net cash flows used in investing activities		(74,375)	(144,050)
		-----	-----
Net increase in cash held		1,127,463	477,698
Cash and cash equivalents			
at beginning of the financial year	5	3,308,126	2,830,428
		-----	-----
Cash and cash equivalents		4,435,589	3,308,126
at end of the financial year		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

1 General information and statement of compliance

The general purpose financial statements of the Community Broadcasting Association of Australia have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

A Statement of Compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') cannot be made due to the Company applying Not-for-profit specific requirements contained in the Australian Accounting Standards.

The Community Broadcasting Association of Australia is a Public Company limited by guarantee incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 44-54 Botany Road, Alexandria, NSW Australia.

The financial statements for the year ended 30 June 2015 were approved and authorised for issue by the Board of Responsible Entities on 23 October 2015.

2 Changes in accounting policies

(a) Changes in accounting estimates

During the year, the responsible entities re-assessed the cost and accumulated depreciation values of assets which were purchased directly from funds received by the Community Broadcasting Foundation (CBF). Contract agreements between the CBAA and CBF specify that ownership of these assets does not vest with the CBAA until a period of five years has passed, provided that the CBAA still has an unencumbered ownership of those assets at the expiration of those five years.

The cost value of the assets purchased are reflected against a loan liability to the CBF.

The effects of the changes have been applied retrospectively for the year commencing 1 July 2012. The company has reversed the prior year's depreciation charge and have provided for an amortisation charge against the CBF loan to reduce the loan by 1/5th each year until ownership of the assets vests with the CBAA.

The effect on the 2013 and 2014 surplus is a net decrease of \$109,110. This is due to an initial decrease to the depreciation and amortisation expense of \$23,819, however this is offset by a loan amortisation charge of \$132,929. (Refer to Notes 8 and 9).

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

2 Changes in accounting policies

(b) New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014. Information on these new standards is presented below:

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the company as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB’s original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Company as they are largely of the nature of clarification of existing requirements.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

2 Changes in accounting policies

(b) New and revised standards that are effective for these financial statements continued

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 *Interests in Joint Ventures* (AAS 131) and AASB Interpretation 113 *Jointly Controlled Entities- Non-Monetary-Contributions by Venturers*. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

AASB 11 became applicable to Not for Profit entities for annual reporting periods beginning on or after 1 January 2014.

The adoption of AASB 11 has not had any impact on the Company as it is not a party to any joint arrangements.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It combines the existing disclosures in AASB 127, AASB 128 and AASB 131, and introduces a range of new disclosure requirements.

AASB 12 became applicable to Not for Profit entities for annual reporting periods beginning on or after 1 January 2014.

The adoption of AASB 12 has not had any significant impact on the Company.

3 Summary of accounting policies

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

(b) Revenue

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions. Revenue from major products and services is shown in Note 4.

Revenue is measured by reference to the fair value of consideration received or receivable by the company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts. Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the company's different activities have been met. Details of the activity-specific recognition criteria are described below.

Government funding

A number of the company's programs are supported by grants received from the federal, state and local governments. If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Donations and Bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably. Bequests are recognised when the legacy is received.

Interest income

Interest income is recognised on an accrual basis using the effective interest rate method.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

(c) Operating expenses

Operating expenses are recognised in surplus or deficit upon utilisation of the service or at the date of the origin.

(d) Intangible expenses

Recognition of other intangible assets.

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3(h). The following useful lives are applied:

- software: 3-5 years

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in surplus or deficit within other income or other expenses.

(e) Plant and equipment

Plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the company's management. Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and other equipment. The following useful lives are applied:

Property, plant and equipment	4-10 years
Website, software and re-branding	3-4 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in surplus or deficit within other income or other expenses.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on-demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Leases

Operating leases

Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(h) Impairment testing of intangible assets and plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

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

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

(i) Income taxes

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. The company holds deductible gift recipient status.

(j) 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 which case it 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 components of investing and financing activities, which are disclosed as operating cash flows.

(k) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The company's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in surplus or deficit in the periods in which the changes occur. The company presents employee benefit obligations as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

Post-employment benefits plans

The company provides post-employment benefits through defined contribution plans.

Defined contribution plans

The company pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

(l) Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

(m) Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(n) Economic dependence

The company is dependent upon the ongoing receipt of Federal and State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

(o) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The company's continued existence is ultimately dependent upon the success of future productions and government support.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

At the date of the report, the company has received notification that 2016 grant funding has been approved and it is expected that the company will be able to continue in its normal capacity.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

(p) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Make good provisions

Provisions for future costs to return certain leased premises to their original condition are based on the company's past experience with similar premises and estimates of likely restoration costs determined by the property manager. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2015 \$	2014 \$
4 Revenue			
From continuing operations			
Membership fees		399,589	378,210
Grants received – CBF	4(a)	7,000,758	5,234,042
Grants received – APRA		17,500	15,000
Grants received – DOHA	4(a)	457,702	392,300
Grants received – Other		-	50,218
CRN, Conference and activities revenues		715,885	661,171
Other income		5,174	26,213
		-----	-----
		8,596,608	6,757,154
		-----	-----
Other income			
Interest received		82,027	56,783
		-----	-----
Total revenue and other income		8,678,635	6,813,937
		=====	=====

4(a) Grant income reconciliation

CBF Grants

Unexpended grants – 1 July	1,069,946	673,647
Grants received during the year	7,493,813	5,660,341
Grants returned during the year	(69,231)	(30,000)
Unexpended grants – 30 June	(1,493,770)	(1,069,946)
	-----	-----
CBF grant income	7,000,758	5,234,042
	=====	=====

DOHA Grants

Unexpended grants – 1 July	58,403	58,464
Grants received during the year	399,299	392,239
Unexpended grants – 30 June	-	(58,403)
	-----	-----
DOHA grant income	457,702	392,300
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2015 \$	2014 \$
5 Cash and cash equivalents			
Cash at bank and on hand		4,435,589	3,308,126
		=====	=====
The deposits are bearing floating interest rates between 0.01% and 2.15% (2014 – 0.10% and 2.35%).			
6 Trade and other receivables			
Trade receivables		93,586	34,064
Less: allowance for doubtful debts		(20,000)	(20,000)
		-----	-----
		73,586	14,064
Deposits		465,205	440,710
Net GST refundable		2,640	5,312
Sundry receivables		597	-
		-----	-----
		542,028	460,086
		=====	=====
7 Other current assets			
Prepayments		71,740	13,530
		=====	=====
8 Property, plant and equipment			
Plant and equipment			
Office furniture and equipment - at cost		716,578	746,898
Accumulated depreciation	3(e)	(606,471)	(627,523)
		-----	-----
Total office furniture and equipment		110,107	119,375
		=====	=====
Leasehold improvements			
Leasehold improvements - at cost		40,782	40,782
Accumulated depreciation	3(e)	(16,214)	(12,028)
		-----	-----
Total leasehold improvements		24,568	28,754
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

8 Plant and equipment continued

Reconciliation

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current financial year:

	Plant & Equipment \$	Leasehold Improvements \$	2015 Total \$
Carrying amount – 1 July - Restated	119,375	28,754	148,129
Additions	24,960	-	24,960
Depreciation	(12,571)	(4,185)	(16,756)
Amortisation of asset grant liability	(21,657)	-	(21,657)
	-----	-----	-----
Carrying amount – 30 June	110,107	24,569	134,676
	=====	=====	=====

	Plant & Equipment \$	Leasehold Improvements \$	2014 Total \$
Carrying amount – 1 July	72,986	-	72,986
Additions	105,565	1,159	106,724
Reallocation	(31,780)	31,780	-
Depreciation	(18,742)	(4,185)	(22,927)
Additions – prior year adjustments	6,099	-	6,099
Depreciation– prior year adjustments	15,601	-	15,601
Amortisation of asset grant liability	(19,786)	-	(19,786)
Amortisation of asset grant liability – prior year adjustments	(10,568)	-	(10,568)
	-----	-----	-----
Carrying amount – 30 June – Restated	119,375	28,754	148,129
	=====	=====	=====

The net values of plant, equipment and intangibles have been adjusted to reflect the contract agreement between the company and the Community Broadcasting Foundation with respect to the vesting of ownership for assets purchased from CBF grant funds. (Refer to Note 2(a) and Note 12).

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2015 \$	2014 \$
9 Intangibles			
Intangibles			
Website and software - at cost		112,403	62,988
Accumulated amortisation	3(d)	(50,527)	(32,013)
Total intangibles		=====	=====
Reconciliation			
Reconciliation of the carrying amount of Intangibles at the beginning and end of the current financial year:			
Carrying amount – 1 July		30,975	761
Additions		49,415	37,326
Amortisation		(11,714)	(2,431)
Amortisation of asset grant liability		(6,800)	-
Amortisation – prior year adjustments		-	2,119
Amortisation of asset grant liability – prior year adjustments		-	(6,800)
Carrying amount – 1 July - Restated		=====	=====

The net values of plant, equipment and intangibles have been adjusted to reflect the contract agreement between the company and the Community Broadcasting Foundation with respect to the vesting of ownership for assets purchased from CBF grant funds. (Refer to Note 2(a) and Note 12).

10 Other financial assets

Non-current			
Available-for-sale financial assets – at cost		100	100
		=====	=====

11 Trade and other payables

Current			
Trade creditors		2,279,313	1,569,799
Other creditors and accrued charges		77,697	31,901
		=====	=====
		2,357,010	1,601,700
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	2015 \$	2014 \$
12 Government and other grants		
Current		
Unexpended grants	1,493,770	1,128,349
Asset grant liability	25,518	19,100
	-----	-----
	1,519,288	1,147,449
	=====	=====
Non - Current		
Asset grant liability	51,157	76,675
	=====	=====

The net values of plant, equipment and intangibles have been adjusted to reflect the contract agreement between the company and the Community Broadcasting Foundation (CBF) with respect to the vesting of ownership for assets purchased from CBF grant funds. (Refer to Note 2(a), Note 8 and Note 9).

13 Other current liabilities

Current		
Income in advance	80	9,480
Unexpended project funds	84,282	84,282
	-----	-----
	84,362	93,762
	=====	=====

14 Provisions

Current		
Annual leave	92,356	67,121
Long service leave	90,625	67,902
	-----	-----
	182,981	135,023
	=====	=====
Non - Current		
Long service leave	25,175	17,531
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	2015	2014
	\$	\$
15 Commitments for expenditure		
Operating leases		
<i>Leases as lessee</i>		
Minimum commitments are payable as follows:		
Within 1 year	104,166	97,705
Later than 1 years but not later than 5 years	107,534	195,411
	-----	-----
	211,700	293,117
	=====	=====

16 Related party transactions

The company's related parties transactions include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(a) Transactions with related entities

The responsible entities act in an honorary capacity and receive no compensation for their services.

Where legal services have been provided by a responsible entity, these services were provided on a pro-bono basis and no remuneration was received.

(b) Transactions with key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any responsible entity (whether executive or otherwise) of that company is considered key management personnel.

Key management of the company is the Chief Executive Officer, senior managers and non-executive members of the Board of Responsible Entities. Key management personnel remuneration includes the following expenses:

Total key management personnel remuneration	622,760	705,494
	=====	=====

17 Contingent liabilities

The Responsible Entities of the Company are not aware of any contingent liabilities at balance date.

Notes to the Financial Statements

for the year ended 30 June 2015

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

18 Other related party transactions

The responsible entities and representatives of the company also hold management positions with affiliated member organisations as follows:

NAME	ROLE	AFFILIATED ORGANISATION	POSITION WITHIN ORGANISATION
Adrian Basso	President	Progressive Broadcasting Service (3PBS)	General Manager
Phillip Randall	Vice President	Hope Media Ltd (2CBA)	CEO
Melanie Withnall	Director	Sydney Educational Broadcasting Ltd (2SER)	Managing Director
Peter Rohweder	Director	Ethnic Broadcasting Association of QLD (4EB)	Station Manager
Jean Rau	Director	North West Community Radio Ass. Inc. (3NOW)	Treasurer
Tony Smythe	Director	Eastside Radio (2RES)	Station Manager
Jonathan Brown	Director	SYN Media (3SYN)	Education & Training Manager
Tess Lawley	Youth Representative	Student Youth Network Inc. (3SYN)	General Manager
Mikaela Simpson	Women's Representative	Central Australian Aboriginal Media Assoc. (8KIN)	Trainee Broadcaster / Journalist

Transactions between related parties are on normal terms and conditions no more favourable than those available to other persons unless otherwise stated.

The responsible entities act in an honorary capacity and receive no compensation for their services. During the year, the responsible entities have been reimbursed for out-of-pocket expenses incurred on behalf of the company.

Responsible Entities' Declaration

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

In the opinion of the Responsible Entities of the Community Broadcasting Association of Australia:

- (a) The financial statements and notes of the Community Broadcasting Association of Australia are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including;
 - (i) Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (b) There are reasonable grounds to believe that the Community Broadcasting Association of Australia will be able to pay its debts as and when they become due and payable.
(Refer Note 3(o))

Signed in accordance with a resolution of the Responsible Entities.



ADRIAN BASSO
Director

Sydney

Dated 22nd October 2015

Independent Audit Report

TO THE MEMBERS OF THE COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Report on the Financial Report

We have audited the accompanying financial report of the Community Broadcasting Association of Australia, which comprises the statement of financial position as at 30 June 2015, the statement of surplus or deficit and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of accounting policies and other explanatory information, and the responsible entities' declaration.

Responsible Persons' Responsibility for the Financial Report

The responsible entities of the registered entity 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 responsible entities 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 have 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 responsible persons' 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Responsible entities, 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.

Independent Audit Report continued

TO THE MEMBERS OF THE COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Opinion

In our opinion the financial report of the Community Broadcasting Association of Australia have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2015 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

ESCOTT ASTON
Chartered Accountants



MICHAEL I GARCIA
Partner

(RIVERWOOD NSW 2210)

Dated 22nd October 2015