



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

Financial Report

30 June 2017

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



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Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors	Phillip Randall Melanie Withnall Peter Rohweder Wayne Stamm Natalie Pozdeev Tony Smythe Anne Frankenberg
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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	Philippa Younes
Women's Representative	Bethany Atkinson-Quinton

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

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

The Directors of the Community Broadcasting Association of Australia present their Report together with the financial statements for the year ended 30 June 2017 and the Independent Audit Report, in respect of those financial statements.

Directors' Details and Meetings

The following persons were Directors 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
Phillip Randall	15 Nov 2008	continuing	4	4
Melanie Withnall	26 Aug 2011	continuing	4	4
Peter Rohweder	26 Feb 2011	continuing	4	3
Jean Rau	19 Nov 2011	11 Nov 2016	1	1
Natalie Pozdeev	17 Nov 2012	continuing	4	4
Tony Smythe	8 Nov 2014	continuing	4	3
Anne Frankenberg	5 Feb 2016	continuing	4	4
Wayne Stamm	11 Nov 2016	continuing	3	3

A Number of meetings the Director was entitled to attend

B Number of meetings the Director attended

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 2017, the CBAA had 291 member organisations nationwide (2016: 276 members) representing over 86% 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

Financial Results

Building the CBAA's future sustainability continues to be a key priority for the Board, and the CBAA is committed to building a sustainable financial model, aligning the CBAA resources, structure and processes to support the organisation's strategic direction and continually building an engaged, vibrant, well-informed, effective and well-supported workforce.

The CBAA's financial policy is to continue to grow these reserves to satisfy two key objectives:

- To ensure that sufficient financial reserves exist to sustain the organisation through economic cycles and to respond to various challenges over the next decade.
- To maximise the value provided to members, either by minimising the cost of membership and other services provided, or by maximising the re-investment in long-term initiatives of benefit to the membership.

Responsible Entities' Report

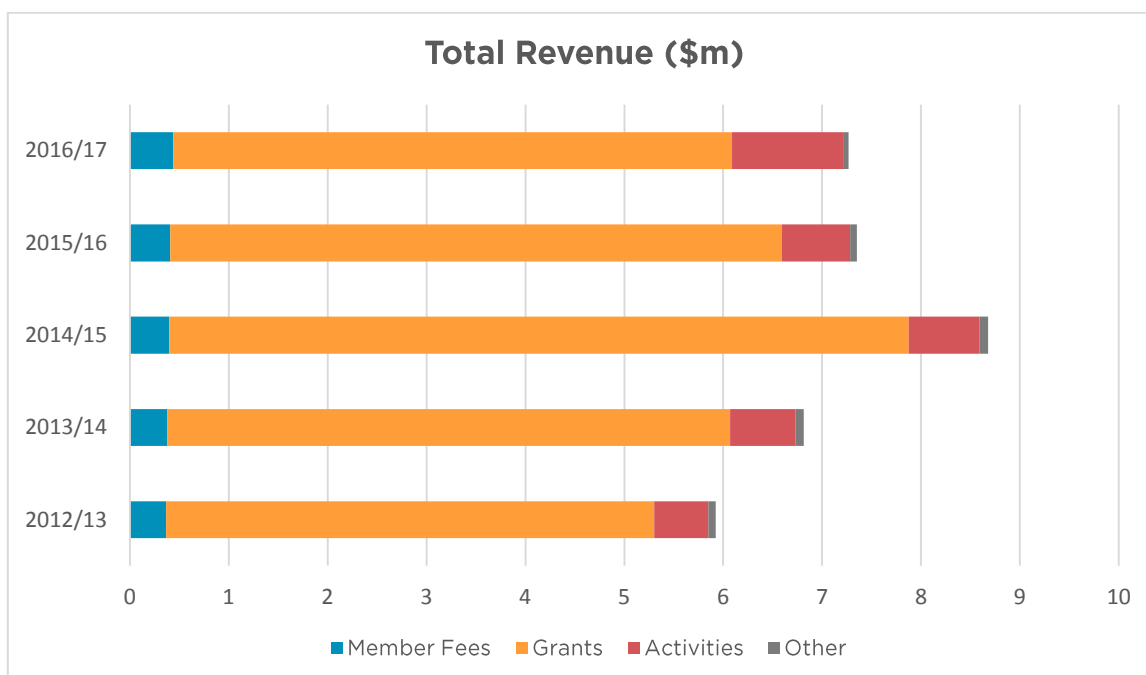
COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Review of Operations

Revenue

Overall revenue for the 2017 financial year was \$7.27m (2016: \$7.35m). Whilst this represented a decrease of \$83k from the previous year this was mainly due to a reduction in digital funding from the Community Broadcasting Foundation (CBF).

Membership revenue growth was 7.4% and growth in Community Radio Network (CRN), Digital Service fees (new) and Activities revenue cumulatively grew by 62%.



Expenses

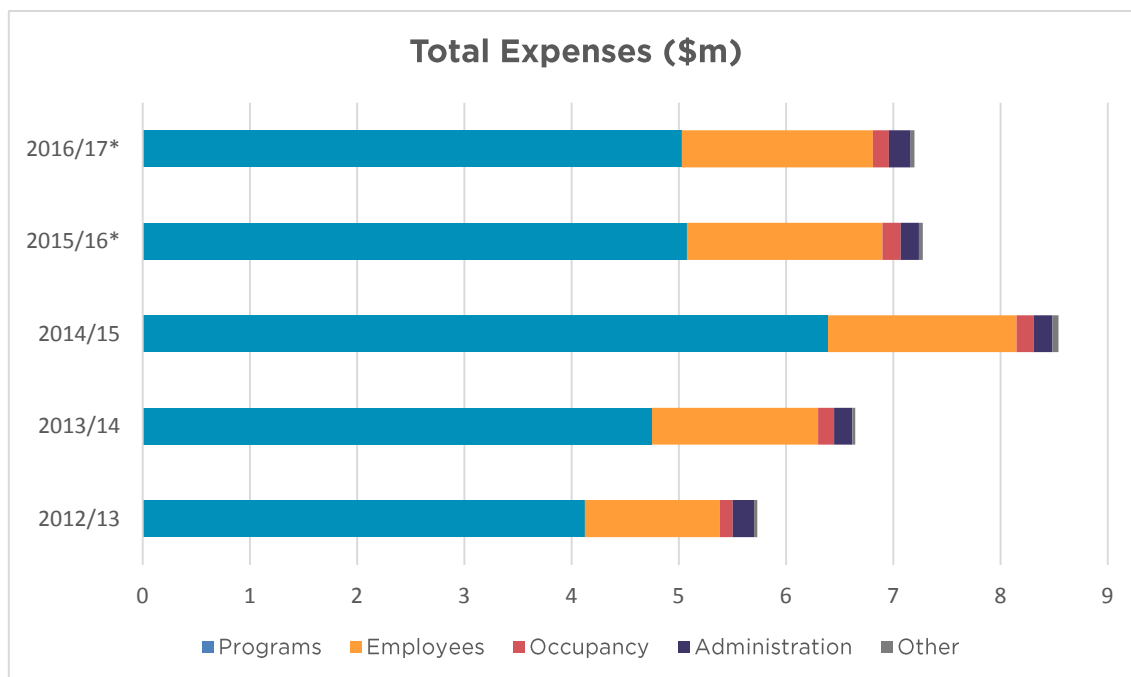
**see note 3.17 Changes in comparatives*

Total expenses for the year decreased to \$7.2m (2016: \$7.3m). This decrease was predominantly a result of a slowing of the digital program rollout as a result of funding uncertainty.

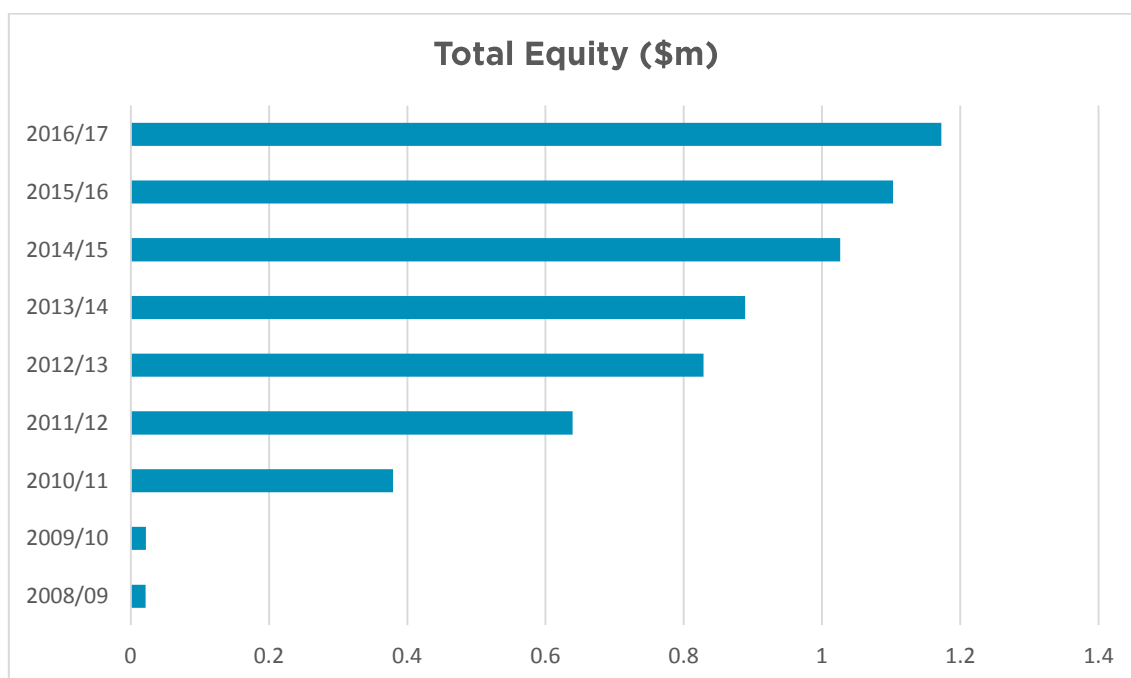
Expenditure for programs, services and projects decreased by \$50k due to increased internal efficiency. Occupancy expense decreased by 12%, while administration expenses increased by 18%.

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA



Review of Financial Condition



Total Equity increased from \$1.10m to \$1.17m during the year ended 30 June 2017.

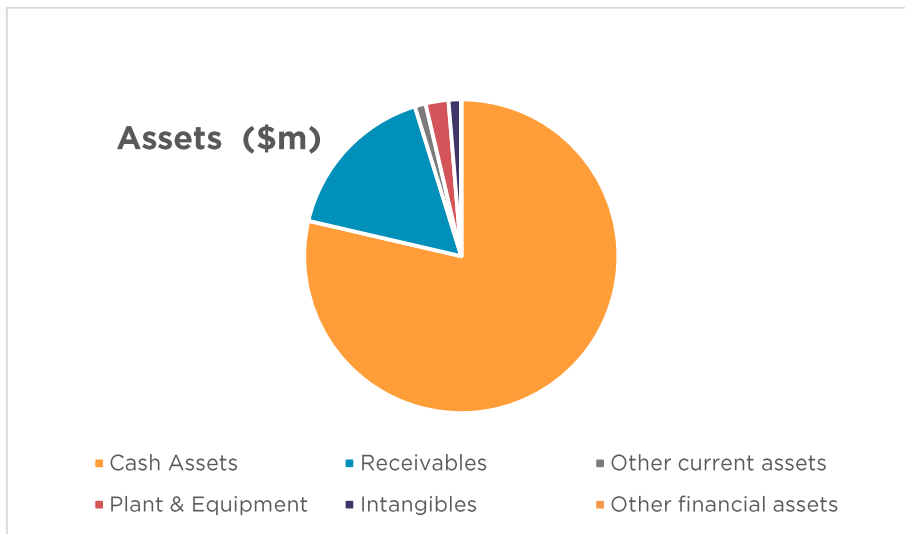
Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Assets

Total assets at 30 June 2017 total \$3.7m, a \$0.53m decrease on the previous year, again attributable to the digital funding reduction and delay in payment which resulted in the CBAA drawing down on reserves to cover the shortfall for a period of time.

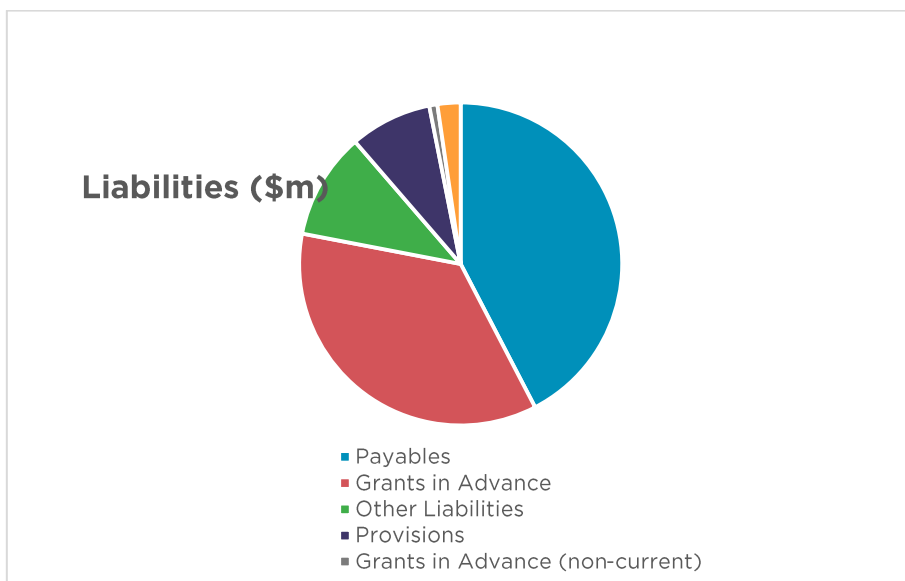
Cash assets total \$2.96m (2016: \$3.56m). In 2017 most of this cash was held in short to medium term bank accounts returning between 0.7% and 1.4% interest.



Liabilities

Total liabilities at 30 June 2017 total \$2.6m, a decrease of \$0.6m on the previous year, attributable to improved end of year processing.

\$1.1m of the current liabilities are for trade and other payables and \$0.9m are for government and other grants received in advance.



Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Board Composition

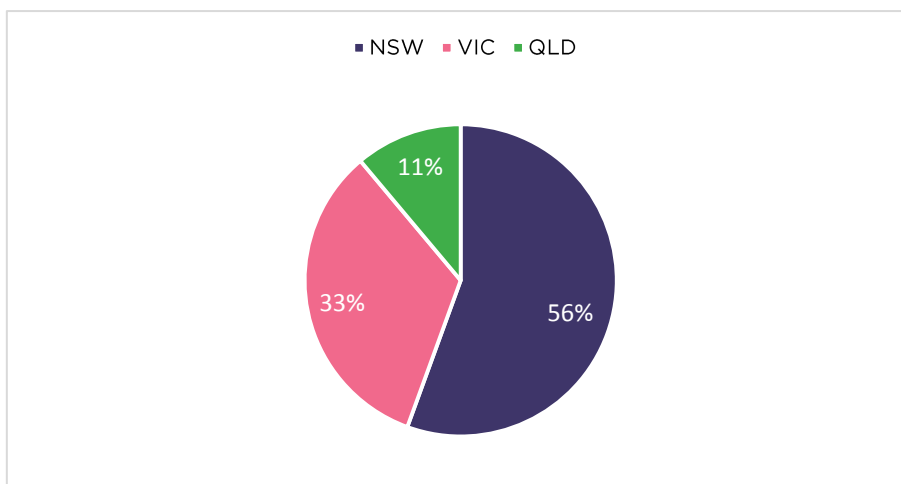
The CBAA is committed to ensuring we have a diverse workforce and an inclusive environment conducive to respect and substantive equality in the appointment of well qualified employees, senior management and board candidates so that we can:

- Achieve our strategic goals;
- Maximise member value; and
- Promote processes within our organisation that will deliver long-term economic advantages to the organisation.

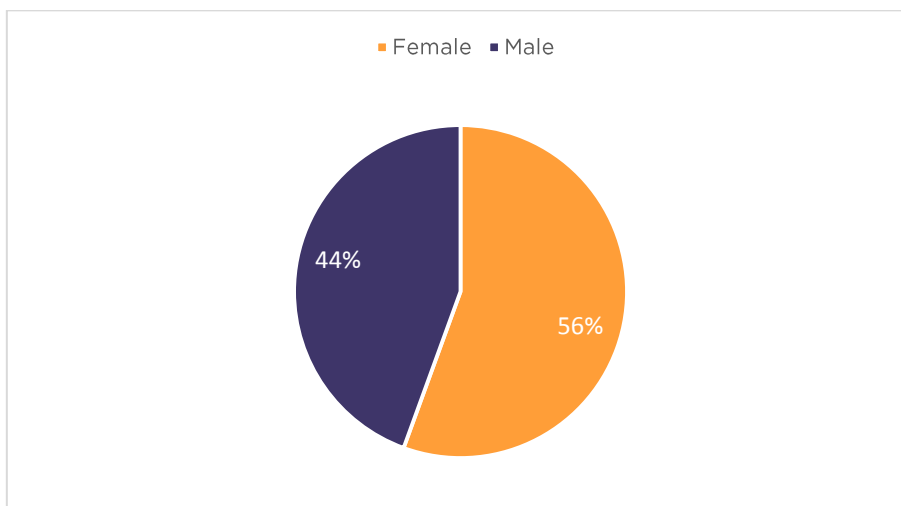
In addition the CBAA Constitution requires that, so far as possible, the Board should be representative of:

- (i) All States and Territories of Australia; and
- (ii) Different types of community broadcasting interests.

Residential Location of the Board and Youth and Women's Representatives



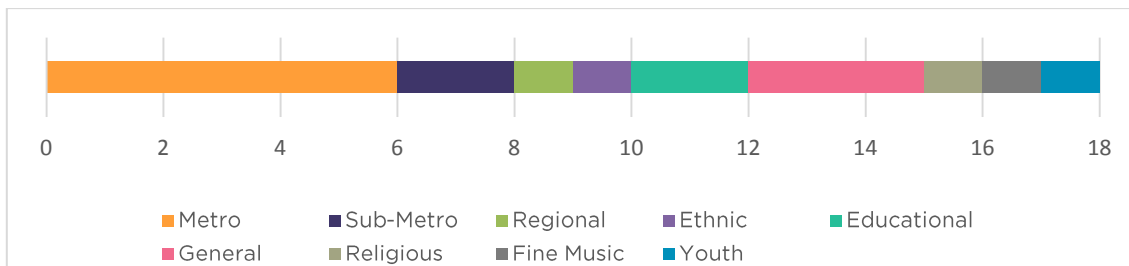
Gender Diversity of the Board and Youth and Women's Representatives



Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Different types of community broadcasting interests (more than one per Director)



Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$2,970 (2016: \$2,910)

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 13 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors.

PHILLIP RANDALL

President

JON BISSET

Chief Executive Officer & Company Secretary

Sydney

Dated 18th October 2017

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors' and Representatives experience, qualifications and special responsibilities.
(Positions held as at June 30, 2017)

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Phillip Randall	Experience: CEO, Hope Media Ltd; 40 years experience in broadcasting	President
Melanie Withnall	Experience: Managing Director, 2SER; 21 years in community broadcasting Qualifications: Master of Arts (International Studies), Bachelor of Arts (International Studies), Bachelor of Arts (Communication), Graduate Diploma (Commercial Radio Broadcasting)	Vice President
Peter Rohweder	Experience: General Manager, 4EB; 23 years in community broadcasting Qualifications: Bachelor of Business (Management), Associate Diploma, Business Accounting	
Natalie Pozdeev	Experience: Head Teacher – Media, Sydney TAFE; President, 2RRR; 16 years in community broadcasting, 12 years in education Qualifications: Master Education (Leadership), Bachelor of Design (Visual Communications); Hon, Graduate Diploma Vocational Education & Training	Chair, Audit, Risk & Compliance Committee
Tony Smythe	Experience: General Manager, Eastside Radio (2RES); 17 Years in Community Broadcasting Qualifications: Bachelor Of Communication	Member, Audit, Risk & Compliance Committee
Anne Frankenberg	Experience: 22 year managerial career in opera, international development and community radio Qualifications: Bachelor of Music, Bachelor of Arts, Graduate Diploma Music Performance, MBA (Exec), LMusA, CFRE	Member, Audit, Risk & Compliance Committee
Wayne Stamm	Experience: General Manager, 2NUR, 16 years in community broadcasting, 15 years in commercial broadcasting Qualifications: Diploma Front Line Management, Advanced Diploma Front Line Management	

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Bethany Atkinson-Quinton	Experience: 5 years in community broadcasting Qualifications: Bachelor of Arts	Women's Representative; Member, Audit, Risk & Compliance Committee
Philippa Younes	Experience: 6 years in community broadcasting Qualifications: Bachelor of Strategic Communications	Youth Representative
Jon Bisset	Experience: 25 years managing not-for-profit organisations Qualifications: Bachelor of Applied Science (PhysEd), AICD Company Director Course; Graduate: Sydney Leadership	Chief Executive Officer; Company Secretary
Rhonda Byrne	Experience: 14 years in Media organisations, 6 years in not-for profit organisations Qualifications: Associate Diploma - Business, Marketing	Head of Business Services; Company Secretary <i>(on maternity leave January 2017 - 2018)</i>

Auditor's Independence Declaration

To the Directors 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 2017, 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.

GARCIA GROUP ADVISORS

Chartered Accountants

A handwritten signature in black ink, appearing to be 'M Garcia', with a long horizontal line extending to the right.

MICHAEL GARCIA

Principal

OATLEY NSW 2223

Dated 18th October 2017

Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
REVENUE	4	7,267,560	7,350,861
EXPENSES			
Programs, services and projects		5,027,002	5,076,010
Employee and consultancy expenses		1,782,512	1,822,309
Depreciation and amortisation expense		36,405	34,963
Occupancy expense		148,220	169,760
Administration expenses		203,507	171,013
		-----	-----
Total expenses	3.17	7,197,646	7,274,055
		-----	-----
Net surplus for the year		69,914	76,806
Other comprehensive income		-	-
		-----	-----
Total comprehensive income attributable to the members of the entity		69,914	76,806
		=====	=====

Statement of Financial Position

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash assets	5	2,965,573	3,558,975
Trade and other receivables	6	625,606	532,924
Other assets	7	42,440	41,160
		-----	-----
Total current assets		3,633,619	4,133,059
		-----	-----
Non-current assets			
Property, plant & equipment	8	88,849	123,674
Intangibles	9	49,405	48,769
Other financial assets	10	100	100
		-----	-----
Total non-current assets		138,354	172,543
		-----	-----
TOTAL ASSETS		3,771,973	4,305,602
		=====	=====
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,101,278	1,301,616
Government and other grants	12	926,367	1,611,263
Other current liabilities	13	276,964	20,240
Provisions	14	213,390	190,251
		-----	-----
Total current liabilities		2,517,999	3,123,370
		-----	-----
Non-current liabilities			
Government and other grants	12	21,113	40,181
Provisions	14	60,105	39,209
		-----	-----
Total non-current liabilities		81,218	79,390
		-----	-----
TOTAL LIABILITIES		2,599,217	3,202,760
		=====	=====
NET ASSETS		1,172,756	1,102,842
		=====	=====
FUNDS			
Reserves	16	174,274	-
Unrestricted funds		998,482	1,102,842
		-----	-----
		1,172,756	1,102,842
		=====	=====

Statement of Changes in Funds

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	Reserves \$	Unrestricted Funds \$	2017 Total Funds \$
Balance at 1 July 2016		-	1,102,842	1,102,842
Surplus for the year		-	69,914	69,914
Other comprehensive income		-	-	-
Transfer from unrestricted funds	16	174,274	(174,274)	-
		-----	-----	-----
Balance at 30 June 2017		174,274	998,482	1,172,756
		=====	=====	=====
Balance at 1 July 2015		-	1,026,036	1,026,036
Surplus for the year		-	76,806	76,806
		-----	-----	-----
Balance at 30 June 2016		-	1,102,842	1,102,842
		=====	=====	=====

Statement of Cash Flows

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
Cash Flows from operating activities			
Receipt of grants		5,507,076	6,907,221
Membership fees and activities		2,295,549	1,390,837
Interest received		43,705	61,384
Payment to suppliers and employees		(8,418,238)	(9,213,457)
		-----	-----
Net cash utilised in operating activities		(571,908)	(854,015)
		=====	=====
Cash Flows from Investing Activities			
Payments for property and equipment		(4,523)	(21,849)
Payments for intangibles		(16,971)	(750)
		-----	-----
Net cash flows used in investing activities		(21,494)	(22,599)
		-----	-----
Net decrease in cash held		(593,402)	(876,614)
Cash and cash equivalents at beginning of the financial year	5	3,558,975	4,435,589
		-----	-----
Cash and cash equivalents at end of the financial year		2,965,573	3,558,975
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

1 General information and statement of compliance

The financial report includes the consolidated financial statements of the Community Broadcasting Association of Australia Limited.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The Community Broadcasting Association of Australia Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board of Directors on 18 September 2017.

2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2016. Information on the more significant standard(s) is presented below.

AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.

AASB 2015-4 amends AASB 128 Investments in Associates and Joint Ventures to ensure that its reporting requirements on Australian groups with a foreign parent align with those currently available in AASB 10 Consolidated Financial Statements for such groups. AASB 128 will now only require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.

AASB 2015-4 is applicable to annual reporting periods beginning on or after 1 July 2015.

The adoption of this amendment has not had a material impact on the Company.

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Summary of accounting policies

3.1 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.

3.2 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 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.3 Operating expenses

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

3.4 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.

3.5 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 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.6 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.

3.7 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.

3.8 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 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.9 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.

3.10 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.

3.11 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 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.12 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.

3.13 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.

3.14 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.

3.15 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 2018 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 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.16 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.

3.17 Changes in comparatives

	Restated comparative as at 30 June 2016	As Previously Stated
Revenue	7,350,861	7,575,582
Expenses	7,274,055	7,498,776
	=====	=====

The 2016 comparative figures have been adjusted for the internal charges.

The total revenues and expenses in the Statement of Comprehensive Income have been reduced by \$224,721 to reflect the company's trading activities.

There is no effect on the result for the year ended 30 June 2016 as a result of revising the comparative figures.

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
4 Revenue			
From continuing operations			
Membership fees		438,841	408,556
Grants received - CBF	4.1	5,106,881	5,768,710
Grants received - APRA		17,500	17,500
Grants received - DOHA	4.1	490,888	400,338
Grants received - Organ and Tissue Authority	4.1	35,850	-
Consultancy fees received - WA		7,264	-
CRN, Conference and activities revenues		712,598	686,995
Digital Radio Service fees received		401,787	-
Other income		12,246	7,378
		-----	-----
		7,223,855	7,289,477
		-----	-----
Other income			
Interest received		43,705	61,384
		-----	-----
Total revenue and other income	3.17	7,267,560	7,350,861
		=====	=====
4.1 Grant income reconciliation			
CBF Grants			
Unexpended grants - 1 July		1,430,875	1,492,731
Grants received during the year		4,579,521	5,830,031
Grants returned during the year		(36,044)	(123,177)
Unexpended grants - 30 June		(867,471)	(1,430,875)
		-----	-----
CBF grant income		5,106,881	5,768,710
		=====	=====
DOHA Grants			
Unexpended grants - 1 July		119,790	1,039
Grants received during the year		371,946	519,089
Unexpended grants - 30 June		(848)	(119,790)
		-----	-----
DOHA grant income		490,888	400,338
		=====	=====
Organ and Tissue Authority Grants			
Unexpended grants - 1 July		35,850	-
Grants received during the year		33,510	35,850
Unexpended grants - 30 June		(33,510)	(35,850)
		-----	-----
Organ and Tissue Authority grant income		35,850	-
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
5 Cash and cash equivalents			
Cash at bank and on hand		2,965,573 =====	3,558,975 =====
6 Trade and other receivables			
Trade receivables		200,884	95,710
Less: allowance for doubtful debts		(30,000)	(20,000)
		-----	-----
		170,884	75,710
Deposits		453,391	453,391
Net GST refundable		-	3,338
Sundry receivables		1,331	485
		-----	-----
		625,606 =====	532,924 =====
7 Other current assets			
Prepayments		42,440 =====	41,160 =====

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
8 Property, plant and equipment			
Plant and equipment			
Office furniture and equipment - at cost		599,369	590,517
Accumulated depreciation	3.5	(527,032)	(487,827)
		-----	-----
Total office furniture and equipment		72,337	102,690
		=====	=====
Leasehold improvements			
Leasehold improvements - at cost		58,781	58,781
Accumulated depreciation	3.5	(42,269)	(37,797)
		-----	-----
Total leasehold improvements		16,512	20,984
		=====	=====
Total property, plant and equipment		88,849	123,674
		=====	=====

Reconciliation

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

	Plant & Equipment \$	Leasehold Improvements \$	2017 Total \$
Carrying amount - 1 July	102,690	20,984	123,674
Additions	4,523	-	4,523
Depreciation	(15,598)	(4,472)	(20,070)
Amortisation of asset grant liability	(19,278)	-	(19,278)
	-----	-----	-----
Carrying amount - 30 June	72,337	16,512	88,849
	=====	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2017 \$	2016 \$
9 Intangibles			
Intangibles			
Website and software - at cost		96,088	79,117
Accumulated amortisation	3.5	(46,683)	(30,348)
		-----	-----
Total intangibles		49,405	48,769
		=====	=====
Reconciliation			
Reconciliation of the carrying amount of Intangibles at the beginning and end of the current financial year:			
Carrying amount - 1 July		48,769	61,876
Additions		16,971	13,966
Disposals		-	(47,251)
Amortisation		(16,335)	(11,523)
Written back on disposal		-	31,701
		-----	-----
Carrying amount - 1 July		49,405	48,769
		=====	=====
10 Other financial assets			
Non-current			
Available-for-sale financial assets - at cost		100	100
		=====	=====
11 Trade and other payables			
Current			
Trade creditors		1,011,543	1,165,024
Other creditors and accrued charges		89,735	136,592
		-----	-----
		1,101,278	1,301,616
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	2017	2016
	\$	\$
12 Government and other grants		
Current		
Unexpended grants	901,829	1,586,515
Asset grant liability	24,538	24,748
	-----	-----
	926,367	1,611,263
	=====	=====
Non - Current		
Asset grant liability	21,113	40,181
	-----	-----

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		
Deposits received	240	450
Income in advance	276,724	19,790
	-----	-----
	276,964	20,240
	=====	=====

14 Provisions

Current		
Annual leave	95,953	88,342
Long service leave	117,437	101,909
	-----	-----
	213,390	190,251
	=====	=====
Non - Current		
Long service leave	60,105	39,209
	-----	-----

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	2017 \$	2016 \$
15 Commitments for expenditure		
Operating leases		
<i>Leases as lessee</i>		
Minimum commitments are payable as follows:		
Within 1 year	126,765	113,083
Later than 1 years but not later than 5 years	17,550	135,936
	-----	-----
	144,315	249,019
	=====	=====

16 Project Reserve Funds

The details of project reserve funds are as follows:

	Digital Radio Development Fund \$	Australian Music Initiatives \$	2017 Total \$
Balance at 1 July 2016	-	-	-
Transfer from unrestricted funds	89,992	84,282	174,274
	-----	-----	-----
Balance at 30 June 2017	89,992	84,282	174,274
	=====	=====	=====

The CBAA maintains reserves for future projects, programs, services or asset acquisition (Project Funds) or as a reserve in the event of future unfavourable or unexpected circumstances (Contingency Fund).

Each year the Board considers the financial risks associated with income and expenditure streams and balance sheet items, and determines the level of reserves sufficient to protect ongoing programs and to re-structure in the event of a major downturn. The policy is to not hold more reserves than needed for these purposes in order to maximise the amount available to spend on community broadcasting sector.

17 Contingent liabilities

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

18 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

19 Member's guarantee

The company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$2,970 (2016: \$2,910).

20 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 Directors act in an honorary capacity and receive no compensation for their services.

Where legal services have been provided by a Directors, 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 Director (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 Directors. Key management personnel remuneration includes the following expenses:

	2017	2016
	\$	\$
Total key management personnel remuneration	643,113	607,203
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

21 Other related party transactions

Several Directors and representatives of the company also hold management positions with affiliated member organisations as follows:

NAME	ROLE	AFFILIATED ORGANISATION	POSITION WITHIN ORGANISATION
Phillip Randall	President	Hope Media Ltd (2CBA)	CEO
Melanie Withnall	Vice President	Sydney Educational Broadcasting Ltd (2SER)	Managing Director
Peter Rohweder	Director	Ethnic Broadcasting Association of QLD (4EB)	Station Manager
Natalie Pozdeev	Director	Ryde Regional Radio Co-operative Ltd	Chairperson
Tony Smythe	Director	Eastside Radio (2RES)	Station Manager
Wayne Stamm	Director	2NURFM- The University of Newcastle	Station Manager

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

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

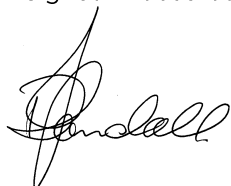
Responsible Entities' Declaration

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

In the opinion of the Directors 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 2017 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 Directors.



PHILLIP RANDALL

Director

Sydney

Dated 18th October 2017

Independent Audit Report

TO THE MEMBERS OF THE COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Audit Opinion

We have audited the financial report of Community Broadcasting Association of Australia Ltd (“the Company”), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors’ Declaration.

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

- (a) giving a true and fair view of the Company’s financial position as at 30 June 2017 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013,

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor’s Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2017, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 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.

In preparing the financial report, the Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Independent Audit Report continued

TO THE MEMBERS OF THE COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GARCIA GROUP ADVISORS

Chartered Accountants



MICHAEL GARCIA

Principal

OATLEY NSW 2223

Dated 18th October 2017