

FINANCIAL REPORT 2020-21



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

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COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors	Phillip Randall (President) Jacquie Riddell (Vice-President) Anne Frankenberg Peter Rohweder Quinn Glasson Daniel Ahern Emma Hart Hannah Rogers
Chief Executive Officer	Jon Bisset
Company Secretary	Jon Bisset Jessica Hermosilla (Resigned, April 2021)
Youth Representative	Gabrielle Andolfatto Molly George (Resigned Nov 2020)
Women and Gender Non-Conforming People's Representative	Maddy Macquine
Registered Office and Principal Place of Business	Level 3 44-54 Botany Road Alexandria NSW 2015
Auditors	Garcia Group Advisors Chartered Accountants

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

The Board of Directors of the Community Broadcasting Association of Australia (CBAA) presents their report together with the financial statements for the financial year ended 30 June 2021.

DIRECTORS' DETAILS AND MEETINGS

The following persons were Directors of the Community Broadcasting Association of Australia during 2020/21 or since the end of the financial year.

DIRECTOR NAME	DATE APPOINTED	DATE OF CESSATION	ATTENDANCE	
			A	B
Anne Frankenberg	Feb-16	continuing	6	6
Jacque Riddell	Sep-18	continuing	6	5
Phillip Randall	Nov-08	continuing	6	6
Peter Rohweder	Feb-11	continuing	6	6
Quinn Glasson	Nov-18	continuing	6	6
Daniel Ahern	Nov-18	Nov-20	2	2
Emma Hart	Nov-19	continuing	6	6
Hannah Rogers	Nov-20	continuing	4	3

A Number of meetings entitled to attend

B Number of meetings attended

PRINCIPAL ACTIVITIES

Founded in 1974, the Community Broadcasting Association of Australia (CBAA) is a cultural organisation, charity and the national peak body for community radio and TV stations. As at the 30 June 2021, the CBAA had 297 member organisations nationwide representing over 88% of permanently licensed community broadcasters.

Community radio is at the heart of every community. CBAA's purpose is to build strong and successful community broadcasters.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

STRATEGIC OBJECTIVES

The CBAA's strategy has six key focus areas, and is underpinned by four enablers:

SIX focus areas	Our FOUR enablers
<ul style="list-style-type: none">• Lead for purpose• Amplify content• Champion community broadcasting• Build capability• Advocate for a strong future• Connect audiences	<ul style="list-style-type: none">• Evidence-based decisions• Collaboration• Governance• Culture and community

REVIEW OF OPERATIONS

During the 2020/21 financial year, the CBAA has continued to provide a supportive environment, build on the capability and sustainability of the community broadcasting sector and strengthen CBAA's capacity to provide leadership.

Some highlights of 2020/21 include:

- The Community Broadcasting Association of Australia (CBAA) and RPH Australia (RPHA) extended their agreement to work collaboratively for another three years to 30 June 2024, which will benefit the Radio Reading Network. Under the agreement extension, CBAA and RPHA will continue to be co-managed by Jon Bisset, the CBAA CEO, but will remain governed by two separate boards of Directors. This will preserve the uniqueness of the Network's programs and services.
- In 2020-21, the CBAA enhanced its member-facing way of working. This included the implementation and embedding of Salesforce; an improved recurring revenue system removing the need for annual renewals of membership and service subscriptions; growing the member and client-facing team; and designing a regular, proactive member outreach campaign, ensuring our members understand how the CBAA can support them in their missions. Last year, this resulted in:
 - Our membership representing 88% of all community radio licensees.
 - 100% member retention rate.
 - 50 overall Net Promoter Score (NPS), which is above our target of 35, and highest result since 2017.
- In 2020, CBAA started work on Community Radio Plus, a massive initiative to aggregate all community radio stations onto one app – to be available on iPhone, Android and multiple smart speaker systems. Community Radio Plus will help community radio stations grow their listenership. Live, on-demand and specialist content will be available. This is on track for launch in November 2021, with a public campaign slated for early 2022 tied into the sector's 50th Anniversary celebrations.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF OPERATIONS CONTINUED

- The 2020 CBAA Conference was held online for the first time ever with an attendee satisfaction of 94% and 576 live attendees – by far the highest ever number of attendees. The sector's diverse range of broadcasters, volunteers, technicians and stakeholders came together for the national event which fosters a robust environment of collaboration, reflection, and celebration of yearly achievements.
- In 2020, we launched the podcast series From the Embers – created in partnership with nine community radio stations who faced the frontline of the catastrophic 2019-20 bushfires. It was generously funded by The Judith Neilson Institute for Journalism and Ideas and the Paul Ramsay Foundation. The podcast series takes listeners to the very heart of nine fire-affected communities – the Adelaide Hills, Bairnsdale, Braidwood, Cooma, Kangaroo Island, Mallacoota, Mongarlowe, Moruya, and Omeo. The podcast received a High Commendation at the 2020 Melbourne Press Club's Quill Awards, and two episodes won Bronze at the 2021 New York Festivals® Radio Awards, with a second series slated for 2021-22.
- The CBAA represents its members' interests with Government, advocating for:
 - Federal Government support for the sector at its critical baseline of \$20m, ideally at \$25m per annum for optimal impact.
 - Regulatory and legislative reform that supports vibrant community radio organisations.
 - DAB+ digital radio and digital infrastructure that ensures our stations are where listeners expect.
- In 2020-21 the CBAA was successful in securing an additional \$8m over two years (securing our baseline funding level at \$20m a year – our highest ever). The Minister for Communications, Urban Infrastructure, Cities and the Arts, as a result of our advocacy, also instructed his Department to commence a regulatory and legislative review, which is being undertaken in 2021.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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.

In accordance with its strategy during 2020/21 the CBAA continued to generate revenue to:

- Advance the CBAA's mission
- Increase and improve services to community broadcasters; and
- Set aside additional reserves for ongoing sustainability and future sector developments.

Operating result for the year ended 30th June:

The net Surplus for the year amounted to:

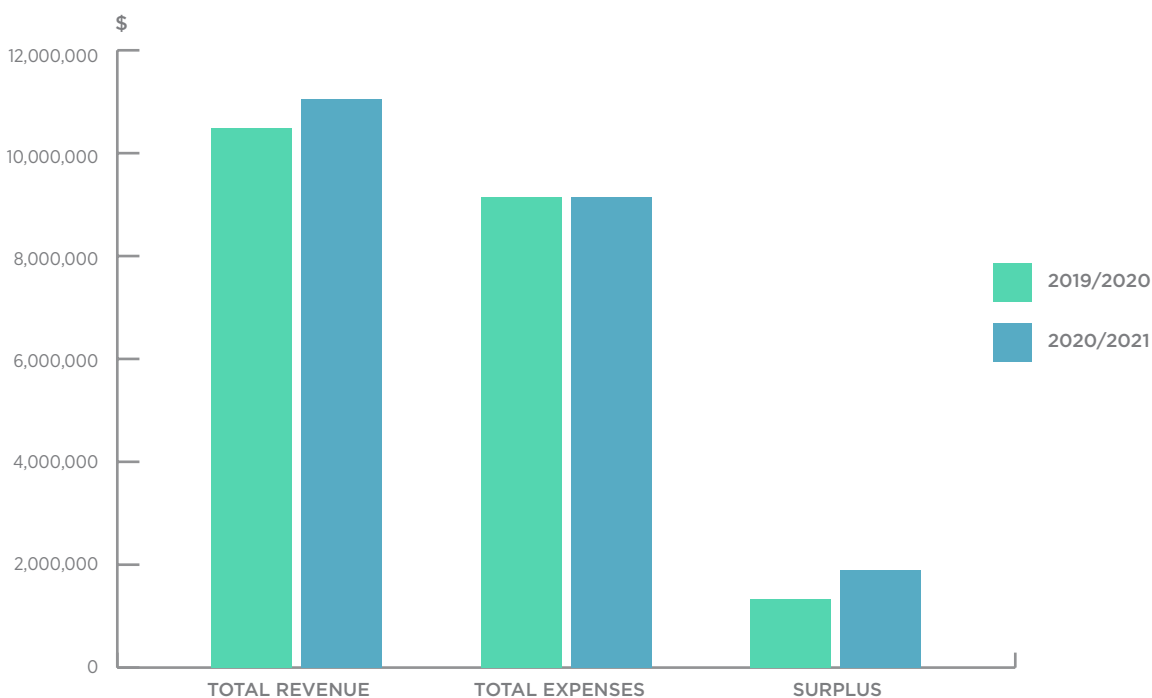
FY 2021	FY 2020
\$1,898,752	\$1,333,647

Operating result after transfer of funds to project reserve and restricted reserve funds

The net Surplus / (deficit) for the year amounted to:

\$1,285,677	\$221,882
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REVENUE, EXPENSES & SURPLUS



Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF FINANCIAL CONDITION CONTINUED

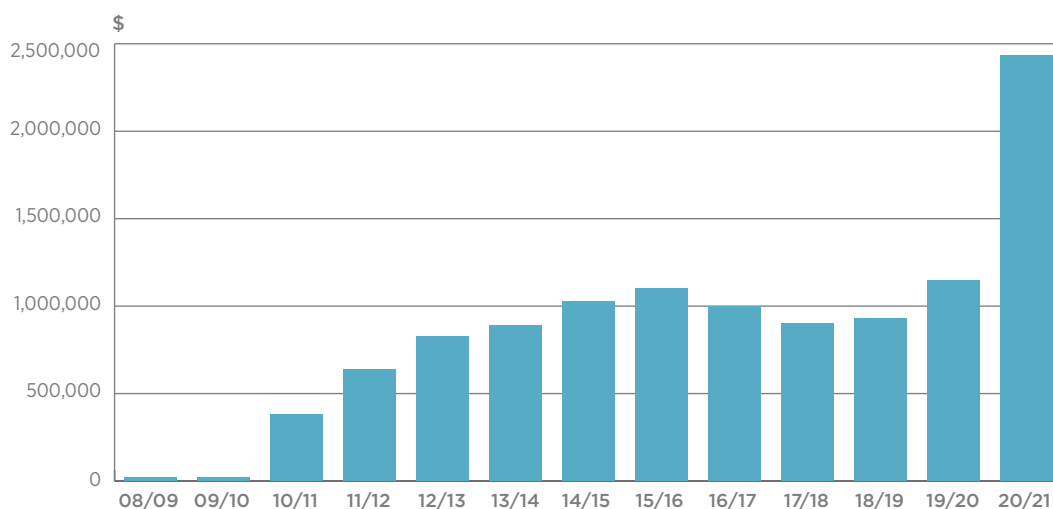
Total Members' Equity Funds increased from \$5.88m to \$7.78m during the year ended 30 June 2021.

Of the \$7.78m, \$3.5m are Restricted Funds per Accounting Standard AASB1058. When funding agreements do not meet the criteria in AASB 15 to recognise a liability, income is recognised under AASB 1058. Although the funds are recognised as income, they are restricted and have conditions imposed their use. The funds must be spent on the purpose for which they were received or are held.

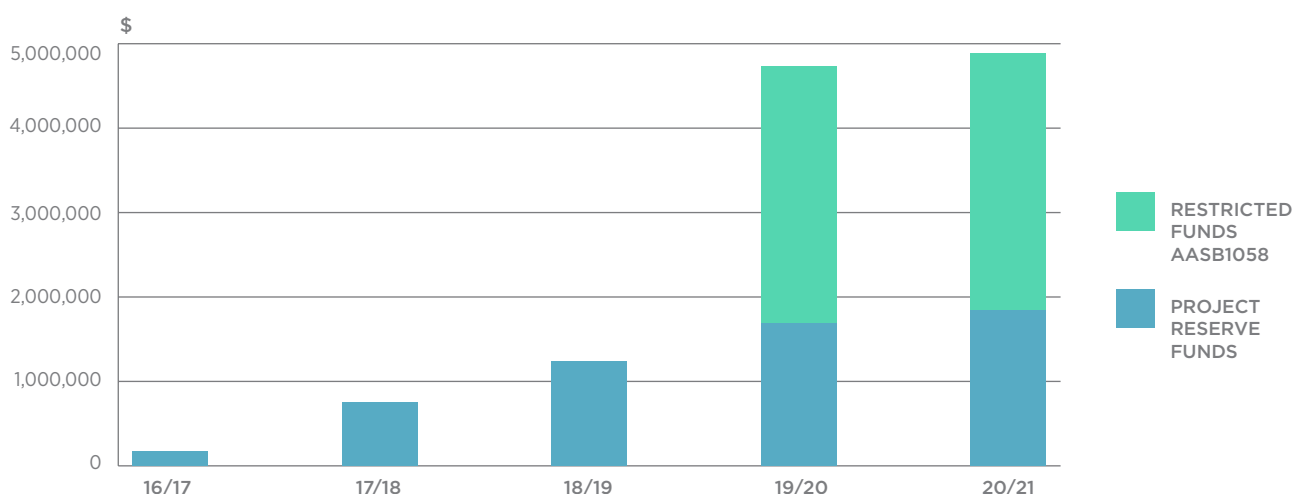
The CBAA also maintains \$1.84m reserves for future projects, programs, services or asset acquisition (Project Funds) and a reserve in the event of future unfavourable or unexpected circumstances or to fund major new projects (Unrestricted Funds \$2.43m).

At 30 June 2021, CBAA's project funds were Digital Radio Development Fund \$1,722K and the Australian Music Initiatives Fund \$118K. From FY2016/2017, CBAA has allocated surpluses generated by the Digital Radio Project and Amrap as project reserves funds to be spent on the purposes for which they were received or held. The Board has designated the Digital Radio Development Fund Reserve for future development of Digital Radio Reserves and the Australian Music Initiatives Reserve Fund Reserve for future Australian Music broadcast initiatives.

MEMBER'S EQUITY - UNRESTRICTED FUNDS



MEMBER'S EQUITY - RESTRICTED & PROJECT RESERVE FUNDS



Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF FINANCIAL CONDITION CONTINUED

RESERVES POLICY

In line with good governance and proper risk management, the CBAA Board regularly considers an appropriate level of reserves for its circumstances, as well as a strategy for building or spending its reserves in a way that is consistent with the purpose of CBAA and of the reserves. Each year the Board considers the financial risks associated with income and expenditure streams and balance sheet items, to determine the appropriate level of those reserves.

The CBAA's reserves policy provides that excess reserves should not be accumulated and reserves may only be accumulated for these purposes:

- To comply with accounting standards
- To smooth income over multi-year projects
- To provide a contingency in case of a significant reduction in recurrent funding
- To provide funds for future projects, programs, services or asset acquisitions

ASSETS

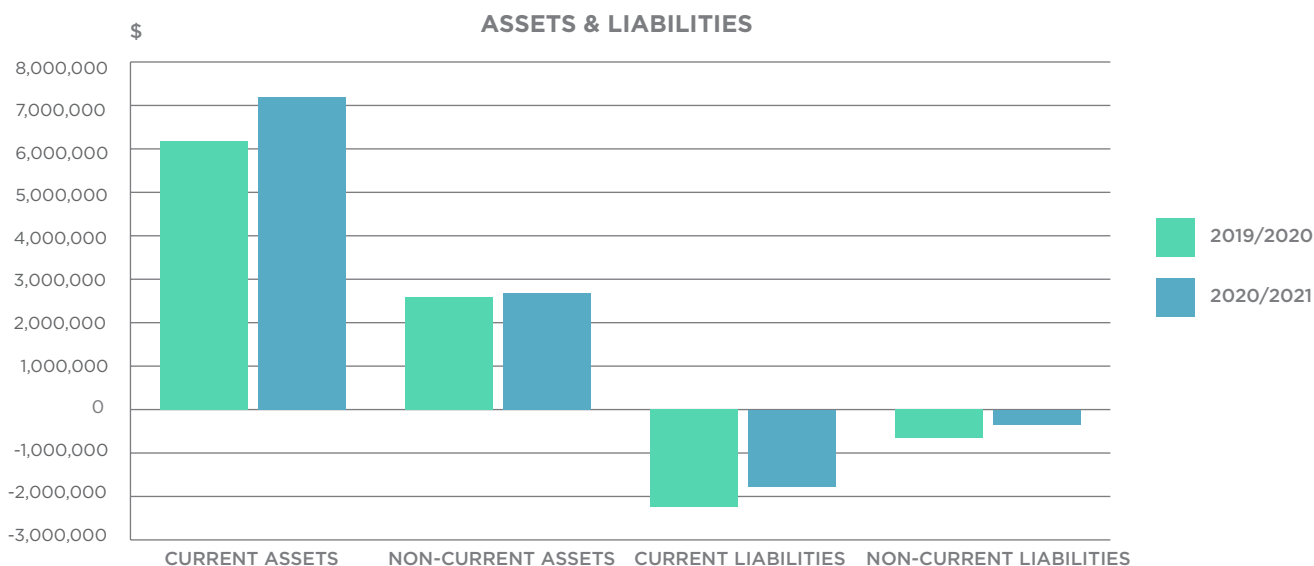
Total assets at the 30 June 2021 totalled \$9.87m (2019/20: \$8.77m), a 12.5% increase on the previous year, attributable primarily to the timing of payments required for major CBAA initiatives and to COVID income support.

Cash assets totalled \$6.61m (2019/20: \$5.08m).

Investment assets totalled \$2.06m (2019/20: \$1.72m).

LIABILITIES

Total liabilities at 30 June 2021 totalled \$2.10m (2019/20: \$2.89m), a 27.3% decrease on the previous year, attributable primarily to the timing of payments required for major CBAA initiatives.



Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company.

BOARD AND REPRESENTATIVES COMPOSITION

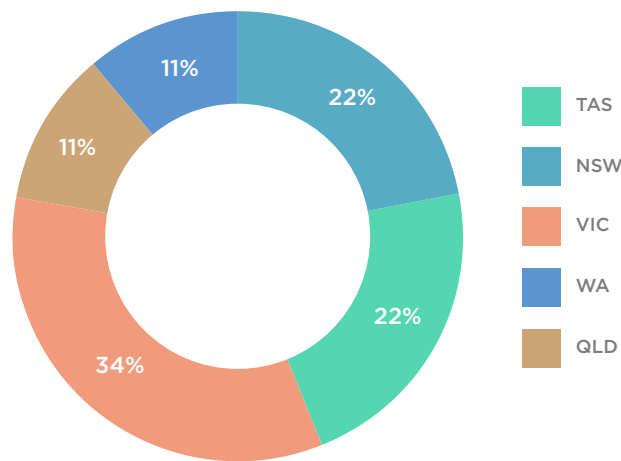
The CBAA is committed to ensuring the CBAA has a diverse workforce and an inclusive environment conducive to respect and substantive quality in appointment of well-qualified employees, senior management and board candidates so that we can:

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

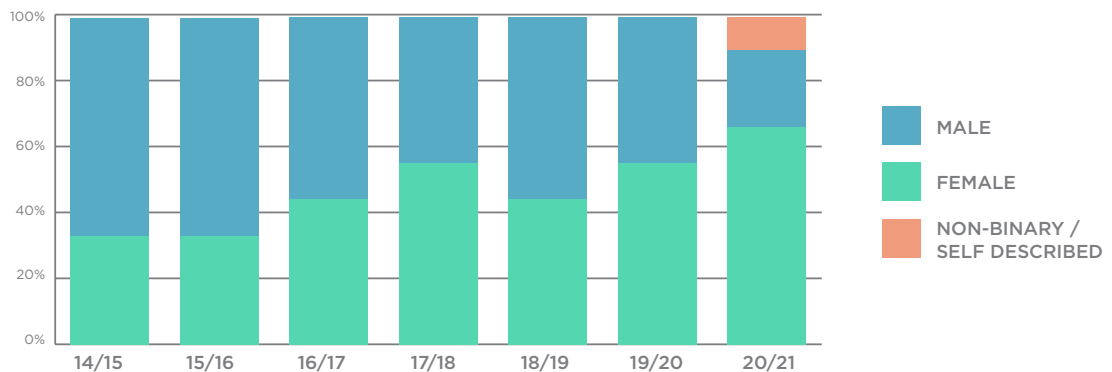
In addition, the CBAA Constitution requires that, so far as possible, the Board should be representative of:

- All States and Territories of Australia; and
- Different types of community broadcasting interests.

RESIDENTIAL LOCATION OF THE BOARD AND YOUTH AND WOMEN AND GENDER NON-CONFORMING PEOPLE'S REPRESENTATIVES



BOARD GENDER DIVERSITY

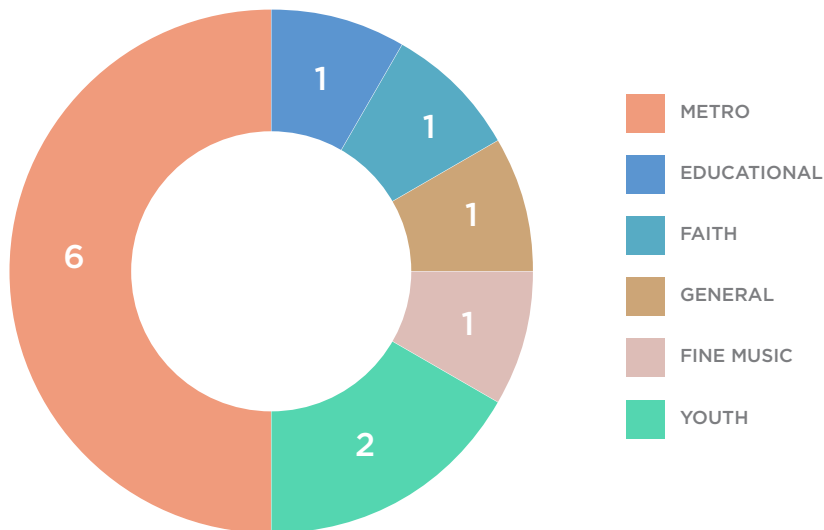


Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

BOARD AND REPRESENTATIVES COMPOSITION CONTINUED

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



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 year end 30 June 2021, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$2,970 (2020: \$2,960)

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

BOARD AND REPRESENTATIVES COMPOSITION CONTINUED

Directors' and Representatives and Officers' experience, qualifications and special responsibilities.
(Positions held during the FY2019-20 and since the end of the financial year.)

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Phillip Randall	Phillip is currently CEO of Hope Media Ltd. and has more than 44 years' experience in commercial and community radio. He has demonstrated skills in broadcasting, leadership, financial management and governance, and currently manages the operations of two of Australia's most successful community broadcasting stations in Sydney and Brisbane.	President
Jacquie Riddell	Jacquie is an experienced media executive currently working as a strategic adviser to the creative industries. Jacquie was previously the Director of Public Engagement at the Art Gallery of NSW, where she oversaw all the public operations and functions of this large art museum. Previously she held executive leadership roles at Barangaroo, SBS, XYZnetworks' music channels (Channel [V], Max, Country Music Channel and Club [V]), and the Triple J network. She is experienced in not-for-profit governance, having worked both as a board Director and alongside high-profile boards throughout her career, and a graduate of the Australian Institute of Company Directors.	Vice President
Anne Frankenberg	Anne is Deputy CEO at Musica Viva Australia. She has 18 cumulative years of experience as a Board and Representatives on not-for-profit boards, and 15 years of executive and senior management experience, including four years as General Manager of 3MBS Fine Music. Anne has Bachelor degrees in Arts (Psychology) and Music (Performance), a Graduate Diploma in Arts (Performance), an Executive MBA, and has completed the Governance Foundations for NFP Directors course with the Australian Institute of Company Directors, and the McKinsey Executive Leadership Program.	Chair - Audit, Risk & Compliance Committee
Emma Hart	Emma has been involved in the community broadcasting sector since 2014 and holds a Bachelor of Arts with first class honours. She has been a Director on the 3CR Community Radio Committee of Management since 2017 and has undertaken AICD Foundations of Directorship training in both governance and finance for Directors.	Audit, Risk & Compliance Committee (Until May 2021)

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

BOARD AND REPRESENTATIVES COMPOSITION CONTINUED

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Peter Rohweder	Peter is the Manager of the 4MBS Silver Memories service. Peter has a Bachelor of Business (Management), a Graduate Certificate in Professional Accounting and over 25 years' experience within the community media sector. He also provides governance and strategic planning advice to community organisations. Peter has more than 20 years of community radio station management experience as he was the Station Manager at Radio 4EB (2002-2018) and prior to that he was the Station Manager at 4ZZZ (1999-2002).	Audit, Risk & Compliance Committee
Quinn Glasson	Quinn Glasson has been the General Manager of Curtin Radio in Perth since 2005. Quinn is a qualified accountant and worked in the fields of financial management in the tertiary sector before commencing at Curtin Radio. He was elected to the Board of the CBAA in November 2018 where he is also a member of the Audit and Risk Committee. Quinn believes in the difference that community radio makes to the broader Australian community and is committed to assisting the sector in improving its ongoing financial sustainability. He is also Chair of the Perth Digital Radio Company.	Audit, Risk & Compliance Committee
Hannah Rogers	Hannah holds a BA Hons English and Journalism, and a Masters in Social Work. She has been Station Manager of Hobart's Edge Radio for three years, and volunteered in community radio for five years. She has also been a radio producer at ABC for 2 years and a disability support tutor for three years.	
Gabrielle Andolfatto	Gabrielle Andolfatto is an undergrad in Media and Communications (Advertising) at Swinburne Online. She is currently working with Edge Radio as a media trainer and volunteer coordinator. In addition to her work and volunteering with community radio, she also works with disability organisations to create media projects with people with a disability around Tasmania and internationally. As part of her role as Youth Representative, she aims to highlight youth media's importance and have young people's voices heard across Australia.	Youth Representative

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

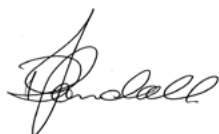
BOARD AND REPRESENTATIVES COMPOSITION CONTINUED

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Maddy Macquine	Maddy Macquine is currently the Senior Audio Producer at The Wheeler Centre. She also volunteers as a Supervising Producer on FBI Radio's flagship storytelling program, All The Best. Maddy's passion lies in facilitating skills development and improving participation throughout the sector. This includes enhancing the voices of women and gender non-conforming people in community radio spaces. She has a keen interest in using cross-sector consultation to encourage participation and diversity in all community broadcasting spaces, across metro, sub-metro, regional and rural stations.	Women and Gender Non-Conforming People's Representative
Jon Bisset	Jon is the CEO of the Community Broadcasting Association of Australia and CEO for RPH Australia, the peak body for the Radio Reading Network. He has spent more than 25 years as a Chief Executive and non-executive Director of non-profit organisations, covering health and ageing, media, technology and fundraising. He is a graduate of the Australian Institute of Company Directors, the Harvard Business School Strategic Perspectives of NFP Management Program and the Sydney Adaptive Leadership Program.	Chief Executive Officer

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

Signed in accordance with a resolution of the Directors.



PHILLIP RANDALL
President

Sydney
Dated: 21 October 2021



JACQUIE RIDDELL
Vice President

Sydney
Dated: 21 October 2021

Auditor's Independence Declaration

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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 2021, we declare that, to the best of our knowledge and belief, there have been:

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

GARCIA GROUP ADVISORS
Chartered Accountants



MICHAEL GARCIA
Principal

Sydney

Dated: 29 June 2021

Statement of Surplus or Deficit and Other Comprehensive Income

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2021

	NOTE	2021 \$	2020 \$
Revenue and other income			
Revenue and other income	4	10,988,988	10,485,248
Income from associates	10	47,263	-
Total Revenue		11,036,251	10,485,248
Expenses			
Programs, services and projects		6,231,870	6,129,678
Employee and consultancy expenses		2,300,827	2,336,976
Depreciation and amortisation expense	8	266,644	208,145
Occupancy expense		75,074	72,422
Overhead expenses		263,084	404,380
Total Expenses		9,137,499	9,151,601
Surplus for the year before income tax		1,898,752	1,333,647
Income tax expense	3.9		
Other comprehensive income			
Total comprehensive income attributable to the members of the entity		1,898,752	1,333,647

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 39.

Statement of Financial Position

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	5	6,613,332	5,077,675
Trade and other receivables	6	85,283	182,861
Other current assets	7	491,134	911,032
		<u>7,189,749</u>	<u>6,171,568</u>
Non-Current Assets			
Property, plant and equipment	3.5 & 8	587,970	811,943
Trade and other receivables	6	35,154	67,673
Intangibles	3.4 & 9	-	-
Other financial assets	10	2,061,688	1,719,223
		<u>2,684,812</u>	<u>2,598,839</u>
Total Assets		<u>9,874,561</u>	<u>8,770,407</u>
Current Liabilities			
Trade and other payables	11	1,374,827	1,665,730
Contract liabilities	12	2,750	228,444
Provisions	13	381,573	346,287
		<u>1,759,150</u>	<u>2,240,461</u>
Non-Current Liabilities			
Trade and other payables	11	235,116	432,683
Contract liabilities	12	95,668	172,978
Provisions	13	9,762	48,172
		<u>340,546</u>	<u>653,833</u>
Total Liabilities		<u>2,099,696</u>	<u>2,894,294</u>
Net Assets		<u>7,774,865</u>	<u>5,876,113</u>
Members Equity			
Project Reserves Funds	14	1,840,119	1,684,110
Unrestricted funds		2,431,902	1,146,225
Restricted funds	15	3,502,844	3,045,778
Total Equity		<u>7,774,865</u>	<u>5,876,113</u>

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 39.

Statement of Changes in Members' Equity

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2021

	NOTE	Restricted Funds - AASB1058	Project Reserve Funds	Unrestricted Funds	TOTAL
Balance at 1 July 2019		-	1,236,865	924,343	2,161,208
Application of AASB 15 and 1058		2,381,258	-	-	2,381,258
Surplus for the year		-	-	1,333,647	1,333,647
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	14/15	664,520	447,245	(1,111,765)	-
Balance at 30 June 2020		3,045,778	1,684,110	1,146,225	5,876,113
Surplus for the year		-	-	1,898,752	1,898,752
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	14/15	457,066	156,009	(613,075)	-
Balance at 30 June 2021		3,502,844	1,840,119	2,431,902	7,774,865

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 39.

Statement of Cash Flows

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		9,261,240	9,389,134
Receipts from customers		1,623,851	2,151,596
COVID government support		657,400	170,000
Interest received		17,473	37,764
Payments to employees and suppliers (incl GST where applicable)		(9,753,772)	(10,200,590)
Net cash provided by operating activities		1,806,192	1,547,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment		(109,039)	(1,056)
Investment in financial assets		-	(1,775,150)
Net cash flows used in investing activities		(109,039)	(1,776,206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liability		(161,495)	(175,564)
Net cash flows used in financing activities		(161,495)	(175,564)
Net increase / (decrease) in cash held		1,535,658	(403,866)
Cash and cash equivalents at beginning of the financial year		5,077,675	5,481,541
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5	6,613,332	5,077,675

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 39.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

1 General information and statement of compliance

The financial report includes the consolidated financial statements and notes of the Community Broadcasting Association of Australia Limited (CBAA).

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 2021 were approved and authorised for issue by the Directors on 21 October 2021.

2 New and revised accounting Standards or Interpretations

2.1 New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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.

The company recognises revenue under AASB 1058 or AASB 15 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer).

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. In other cases, AASB 1058 applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The company recognises revenue from the following major sources:

i. Government funding

A number of the company's programs are supported by grants received from the federal, state and local governments. Grant Income is recognised in accordance with AASB 15 if the contract has sufficiently specific performance obligations. Grant income without sufficiently specific performance obligations is recognised under AASB 1058.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA**ii. 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.

iii. Interest income

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

iv. Membership income

The Company accounts for membership fee revenue, net of refunds, on a deferred basis, rateably over the one-year membership period.

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 3.8. The following useful lives are applied:

- website and 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 Property, plant and equipment

Property, plant and other equipment 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. Property, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Board for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. The current threshold to expense assets is set at \$5,000. The overall impact of expensing assets is not material to the financial statements.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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

- Property, plant and equipment 3-10 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

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 property, 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.

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**

At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

The company also subleases a portion of the leased premise. If all the risks and rewards of ownership have been transferred to the sub-lessee, the sublease is treated as finance lease. Otherwise, it is treated as an operating lease. If a lease is treated as a finance lease, a portion of the right-of-use asset is derecognised, while a lease receivable is recognised at the present value of the lease receivable discounted at 3.25%. No adjustment is made to the right-of-use asset where the lease is treated as an operating sublease, and rent income is recognised in the statement of surplus or deficit and other comprehensive income on an accruals basis.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA**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 risk 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.

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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA**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 annual 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 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.

3.12 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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3.13 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.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through surplus or deficit, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in the statement of surplus or deficit are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in surplus or deficit are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (EQUITY FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to surplus or deficit. Dividends from these investments continue to be recorded as other income within the surplus or deficit unless the dividend clearly represents return of capital.

IMPAIRMENT OF FINANCIAL ASSETS

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

Stage 3 would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

TRADE AND OTHER RECEIVABLES

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

CLASSIFICATION AND MEASUREMENT OF FINANCIAL LIABILITIES

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through surplus or deficit.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in surplus or deficit (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in surplus or deficit are included within finance costs or finance income.

3.15 Investments in associates

Associates are companies over which CBAA has the ability to exercise significant influence over operating and financial policies (generally through direct or indirect ownership of 20% to 50% of the voting rights). These are recorded in the Financial Statements using the equity method and are initially recognized at cost. CBAA's share of its associate's post-acquisition profits or losses is recognized in the Statements of Surplus and Deficit and Other Comprehensive Income. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment in the associate. When CBAA's share of losses in an associate equals or exceeds its interest in the associate, CBAA does not recognize further losses, unless it incurs obligations or makes payments on behalf of the associate. The interest in an associate is the carrying amount of the investment in the associate together with any long-term interests that, in substance, form part of CBAA's net investment in the associate.

3.16 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.

3.17 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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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' 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.

CORONAVIRUS (COVID-19) PANDEMIC

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

PERFORMANCE OBLIGATIONS UNDER AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

4 Revenue	NOTE	2021 \$	2020 \$
From continuing operations			
Membership fees		420,394	467,676
Grants received - Community Broadcasting Foundation Grants	4.1	7,794,499	7,436,033
Grants received - Other Grants	4.1	779,964	979,300
Activities revenues		816,688	905,013
Digital Radio Service fees received		156,568	520,408
Other income		50,798	24,981
		10,018,912	10,333,411
Other income			
ATO Cash Booster		50,000	50,000
Jobkeeper Income		607,400	120,000
Gain / (loss) on investment		295,202	(55,927)
Interest & Dividends received		17,473	37,764
Total revenue and other income		10,988,988	10,485,248

4.1 Grant income reconciliation

Community Broadcasting Foundation Grants

Unexpended grants - 1 July		-	2,380,629
Adjustment on application of AASB 15 and 1058	15	-	(2,381,258)
Grants received during the year		7,794,499	7,436,662
Unexpended grants - 30 June		-	-
CBF grant income		7,794,499	7,436,033

Other income

Unexpended grants - 1 July		155,155	35,540
Grants received during the year		624,810	1,098,915
Unexpended grants - 30 June		-	(155,155)
Other grant income		779,964	979,300

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

5 Cash and cash equivalents	2021	2020
	\$	\$
From continuing operations		
Cash at bank and on hand	6,613,332	5,077,675
6 Trade and other receivables		
Current		
Trade receivables	190,282	299,133
Less: allowance for doubtful debts	(137,516)	(150,000)
	52,766	149,133
Sundry receivables	-	3,700
Right-of-use - Lease Receivable	32,517	30,028
	85,283	182,861
Non-current		
Right-of-use - Lease Receivable	35,154	67,673
7 Other current assets		
Community Broadcasting Foundation Grants		
Deposits	453,391	453,391
Prepayments	37,743	457,641
	491,134	911,032

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8 Property, plant and equipment

		2021 \$	2020 \$
Plant and equipment			
Office furniture and equipment - at cost		955,579	943,595
Accumulated depreciation	3.5	(781,450)	(736,469)
Total office furniture and equipment		<u>174,129</u>	<u>207,126</u>
Leasehold improvements			
Leasehold improvements - at cost		146,861	183,570
Accumulated depreciation	3.5	(84,467)	(89,978)
Total leasehold improvements		<u>62,394</u>	<u>93,592</u>
Right-of-use Assets (ROU)			
Right-of-use Asset - at cost		687,702	676,761
Accumulated depreciation	3.5	(336,255)	(165,535)
Total Right-of-use Asset		<u>351,447</u>	<u>511,226</u>
Total property, plant and equipment		<u>587,970</u>	<u>811,943</u>

During the year, CBAA undertook a review of its assets register for obsolescent assets, and, subsequently, disposed of multiple assets. The assets disposed had a \$nil carrying amount.

Reconciliation

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

	Right-of-use Assets \$	Plant & Equipment \$	Leasehold Improvements \$	2021 Total \$
Carrying amount - 1 July	511,226	207,126	93,592	811,944
Additions / (Disposals)	10,941	109,039	-	119,980
Depreciation	(170,720)	(64,726)	(31,198)	(266,644)
Amortisation of asset grant liability	-	(77,310)	-	(77,310)
Carrying amount - 30 June	<u>351,447</u>	<u>174,129</u>	<u>62,394</u>	<u>587,970</u>

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9 Intangibles	NOTE	2021 \$	2020 \$
Intangibles			
Website and software - at cost		79,197	96,487
Accumulated amortisation	3.4	(79,197)	(96,487)
Total intangibles		-	-

Reconciliation

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

Carrying amount - 1 July		-	-
Additions		-	-
Amortisation		-	-
Carrying amount - 30 June		-	-

10 Other financial assets**Non-current**

Investments in associates*		47,313	50
Investments designated at Fair Value through Surplus and Deficit		2,014,375	1,719,173
		2,061,688	1,719,223

* Profit attributed to CBAA during the 2021 financial year was \$47,263.

11 Trade and other payables**Current**

Trade creditors		872,466	1,062,057
Other creditors and accrued charges		293,788	409,773
Lease payable*		208,573	193,900
		1,374,827	1,665,730

Non-current

Lease payable*		235,116	432,683
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*Interest expense incurred on lease liabilities during 2021 was \$17,849 (2020: \$23,066).

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

12 Contract liabilities	NOTE	2021 \$	2020 \$
Current			
Unexpended grants		-	121,750
Grants received in advance		-	33,405
Income received in advance		-	73,289
Deposits received		2,750	-
		2,750	228,444
Non-current			
Asset grant liability		95,668	172,978

The above Unexpended Grants include Government funding and related interest that must be spent in accordance with the terms of a funding agreement. Each year the Government funding received is acquitted with the Grant body, and approval is sought to retain any surplus to meet project activities that are not yet complete. (Refer to Note 3.2).

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 8 and Note 9).

13 Provisions

Current			
Annual leave		171,893	199,909
Time off in Lieu		69,382	-
Long service leave		140,298	146,378
		381,573	346,287
Non-Current			
Long service leave		9,762	48,172

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

14 Project Reserve Funds

The details of project reserve funds are as follows:

	Digital Radio Development Fund	Australian Music Initiatives	2021 Total
Balance at 1 July 2020	1,566,015	118,095	1,684,110
Transfer from unrestricted funds	156,568	(559)	156,009
Balance at 30 June 2021	1,722,583	117,536	1,840,119

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 (Unrestricted Funds). The Board has designated the Digital Radio Development Fund Reserve for future development of Digital Radio Reserves and the Australian Music Initiatives Reserve Fund Reserve for future Australian Music broadcast initiatives.

The above Reserves are Restricted Funds that are designated to be spent on the purpose for which they are held.

Project reserves record the cumulative surpluses attributable to long-term programs which move from surplus to deficit over time or which require significant periodic investments. These reserves represent the resources needed to complete long-term programs and are set aside to ensure their sustainability.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

15 Restricted grant funds

The details of restricted grant funds are as follows:

	Balance on 30 June 2020	Transfer (from) /to Unrestricted Funds	2021 Total
Community Radio Network, sector leadership and station support services (CBF)	10,000	(10,000)	-
Governance improvement (CBF)	28,000	(11,000)	17,000
Digital Radio Project Fund (CBF)	1,968,831	447,493	2,416,324
CBOonline project (Digital Delivery Network, research & data initiatives and website services) (CBF)	180,000	(19,136)	160,864
Enhanced national news programming Fund (CBF)	400,000	(72,581)	327,419
Codes of Practice Review (CBF)	3,947	(1,416)	2,531
Multiplatform Development Project (CBF)	355,000	129,411	484,411
Australia Cultural Diplomacy Grant (DFAT) (KCRW)	-	21,220	21,220
First Sounds (Australia Council for the Arts)	-	73,075	73,075
COVID-19 Consumer Financial Capability on Community Radio (Ecstra Foundation)	100,000	(100,000)	-
	<u>3,045,778</u>	<u>457,066</u>	<u>3,502,844</u>

The above Reserves are Restricted Funds that must be spent on the purpose for which they were received or are held. When funding agreements do not meet the criteria in AASB 15 to recognise a liability, income is recognised under AASB 1058.

Although the funds are recognised as income, they are restricted and have conditions imposed their use.

16 Contingent liabilities

There are no contingent liabilities that have been incurred by the company in relation to 2021 or 2020.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

17 Post-reporting date events**Coronavirus (COVID-19)**

Beginning in February 2020, the Australian Government has issued increasingly stringent orders to contain the spread of COVID-19, including social restrictions and travel bans. In response the Company has implemented COVID safe measures, including (but not limited to):

- Remote work of staff and committee meetings
- Other steps for the safety of members and clients

This has ensured the Company can continue to provide essential services to its clients.

The Directors have reviewed their financial forecasts in response to COVID-19 and, where possible, adjusted for potential impacts to revenue, expenses and cash flows. While the Directors are confident of the financial forecasts prepared, the quantum of any such impact is currently unable to be accurately estimated and, as such, no adjustments to the financial statements have been made as a result of the COVID-19 situation.

The Directors will continue to assess the impact of COVID-19 on the Company, including the impact on existing or planned projects.

Other than the above, the Directors are not aware of any significant events since the end of the reporting period.

18 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 licence holding member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2021, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$2,970 (2020: \$2,960).

19 Expenses

	2021 \$	2020 \$
Surplus before income tax includes the following specific expenses:		
Defined contribution superannuation expense	191,068	196,017

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

20 Information pertaining to investment in associates

Statement of financial position	2021	2020
	\$	\$
Current assets	1,434,689	885,092
Total assets	1,434,689	885,092
Current liabilities	1,110,275	743,453
Total liabilities	1,110,275	743,453
Net assets	<u>324,414</u>	<u>141,639</u>
Statement of profit or loss and other comprehensive income		
Profit/(loss) for the year after tax	95,920	170,236
Other comprehensive income	-	-
Total comprehensive income	<u>95,920</u>	<u>170,236</u>

21 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:

	2021	2020
	\$	\$
Total key management personnel remuneration	<u>1,266,591</u>	<u>1,207,815</u>

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

22 Other related party transactions

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

NAME	ROLE AT CBAA	AFFILIATED ORGANISATION	POSITION WITHIN ORGANISATION
Phillip Randall	President	Hope Media Ltd Family Radio Ltd Sunshine Coast Christian Broadcasters Association Inc.	Chief Executive Officer
Jon Bisset	Chief Executive Officer	Spots & Space Ltd	Director
Quinn Glasson	Director	Curtin FM 100.1 (Curtin University)	Station Manager
Peter Rohweder	Director	Silver Memories, Music Broadcasting Society of Queensland Ltd	Manager
Hannah Rogers	Director	Tasmanian Youth Broadcasters Inc.- Trading as Edge radio	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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2021

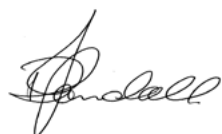
In the opinion of the Directors of the Community Broadcasting Association of Australia:

- 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 2021 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 3.16)

Declaration under the Charitable Fundraising Act 1991:

- a. the financial statements of the Community Broadcasting Association of Australia show a true and fair view of the financial results of charitable and fundraising activities for the year ended 30 June 2021;
- b. the financial statements and associated records of Community Broadcasting Association of Australia have been properly kept during the year ended 30 June 2021 in accordance with the Charitable Fundraising Act 1991;
- c. money received as a result of charitable and fundraising activities conducted during the year ended 30 June 2021 has been properly accounted for and applied in accordance with the Act.

Signed in accordance with a resolution of the Directors.



PHILLIP RANDALL
President

Sydney
Dated: 21 October 2021



JACQUIE RIDDELL
Vice President

Sydney
Dated: 21 October 2021

Independent Audit Report to the Members of Community Broadcasting Association of Australia Limited For the Year Ended 30 June 2020

Audit Opinion

We have audited the financial report of Community Broadcasting Association of Australia Limited (“the Company”), which comprises the statement of financial position as at 30 June 2021, 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 Responsible Persons’ Declaration.

In our opinion, the financial report of Community Broadcasting Association of Australia Limited 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 2021 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 Responsible Persons 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 2021, 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 Responsible Persons for the Financial Report

The Responsible persons 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 Responsible Persons 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 responsible persons 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 responsible persons either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Independent Audit Report to the Members of Community Broadcasting Association of Australia Limited For the Year Ended 30 June 2020

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 responsible persons.
- Conclude on the appropriateness of the responsible persons 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 Responsible Persons 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

Sydney

Dated: 22 October 2021

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Auditor's Disclaimer to Members

The additional data presented in the Income & Expenditure Statement on pages 44 to 55 is in accordance with the books and records of Community Broadcasting Association of Australia Limited ("the Company") which have been subjected to the auditing procedures applied in the statutory audit of the Company for the year ended 30 June 2021. It will be appreciated that the statutory audit did not cover all details of the financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the client) in respect of such data, including any errors or omissions therein however caused.

GARCIA GROUP ADVISORS
Chartered Accountants



MICHAEL GARCIA
Principal

Sydney
Dated: 22 October 2021