

FINANCIAL REPORT 2019/20

(A COMPANY LIMITED BY GUARANTEE) ABN. 92 003 108 030



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

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Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors	Phillip Randall (President) Jacquie Riddell (Appointed Vice-President March 2020) Anne Frankenberg (Vice-President until March 2020) Peter Rohweder Quinn Glasson Daniel Ahern Emma Hart (Appointed November 2019) Wayne Stamm (Resigned November 2019)
Chief Executive Officer	Jon Bisset
Company Secretary	Jessica Hermosilla
Youth Representative	Molly George
Women and Gender Non-Conforming People's Representative	Maddy Macquine (Appointed November 2019) Emma Hart (Resigned November 2019)
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 2020.

DIRECTORS' DETAILS AND MEETINGS

The following persons were Directors of the Community Broadcasting Association of Australia during 2019/20 or since the end of the financial year.

DIRECTOR NAME	DATE OF CESSATION	ATTENDANCE	
		A	B
Anne Frankenberg	continuing	7	7
Jacque Riddell	continuing	7	5
Phillip Randall	continuing	7	6
Peter Rohweder	continuing	7	7
Quinn Glasson	continuing	7	7
Daniel Ahern	continuing	7	7
Emma Hart	continuing	5	5
Wayne Stamm	Nov-19	2	2

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 a cultural organisation, charity and the national peak body for community radio and TV stations. As at the 30 June 2020, the CBAA had 296 member organisations nationwide representing over 89% of permanently licensed community broadcasters.

CBAA's Purpose is to champion and support Community Broadcasting for the benefit of sector participants and the audiences they serve. CBAA recognises that community broadcasting is a vital part of the Australian media landscape and that we are leaders for the community broadcasting sector.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

STRATEGIC OBJECTIVES

The CBAA has six aspirations for the CBAA and six aspirations for the community radio sector that guide decision-making:

SIX Aspirations for CBAA	SIX Aspirations for community radio Sector
<ul style="list-style-type: none">• Satisfied customers• Financial viability• A credible and influential advocate• High quality, member driven services• A great place to work• Insights used effectively to guide strategy	<ul style="list-style-type: none">• Supportive regulatory environment• A future focus• Adequate resources• Sector is trusted and well know• Strong Organisations• Audience and participation growing

REVIEW OF OPERATIONS

During the 2019/20 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 2019/20 include:

- Digital radio expanded to Canberra, Darwin and Hobart with community DAB+ services commencing on-air under implementation. The CBAA is working with the thirteen eligible community licensees in these locations towards the launch of permanent services in 2021. Further regional extension is planned for DAB+ radio to ensure community broadcasters have affordable access to digital broadcasting.
- A revamped and improved Amrap website (amrap.org.au). Launched in May 2020, the new websites provides artists with an easy way to distribute their music to hundreds of stations nationwide, and provides community radio program makers with seamless access to Australian music for broadcast. Since launching, program makers have downloaded over 22,000 tracks with more than 8,000 new releases uploaded by artists. Invaluable user testing post-launch has seen further enhancements added for the benefit of both program makers and artists.
- In January 2020, the CBAA was awarded funding for a Community Media Multiplatform Distribution Project by the Community Broadcasting Foundation. Funding support over the next four years will enable community radio stations to provide Australian community media audiences with personalised digital experiences that allow them to enjoy and engage with content regardless of where they live, time of day or their preferred device.
- The CBAA's Enhanced Community Radio News Programming initiative received support of the Judith Neilson Institute in March 2020 to subsidise the broadcast of National Radio News bulletins for six months (including three months in FY2020/21). The subsidy enabled National Radio News to reach around 5m audience per month through 119 stations, supporting communities across Australia.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF OPERATIONS *continued*

- While stations were isolated and unable to broadcast live, the CBAA subsidised the cost of Community Radio Network programming for member stations experiencing financial hardship. Programs were made available for six months (including three months in FY20/21) and as a result, 162 CBAA member stations subscribed to the Community Radio Network – an increase of 10%.
- COVID-19 may be dominating the world's attention, but the CBAA haven't forgotten that only months ago, bushfires tore across the country. With generous support from the Judith Neilson Institute for Journalism and Ideas and the Paul Ramsay Foundation, the CBAA developed From the Embers – a nine-part podcast series produced for radio in partnership with nine community stations who faced the fire front. This podcast was led by these communities, providing space for the stories they have wanted to tell.

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 2019/20 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 2020	FY 2019
\$ 1,333,647	\$ 504,240

The operational result after transfer of funds to project reserve and restricted reserve funds

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

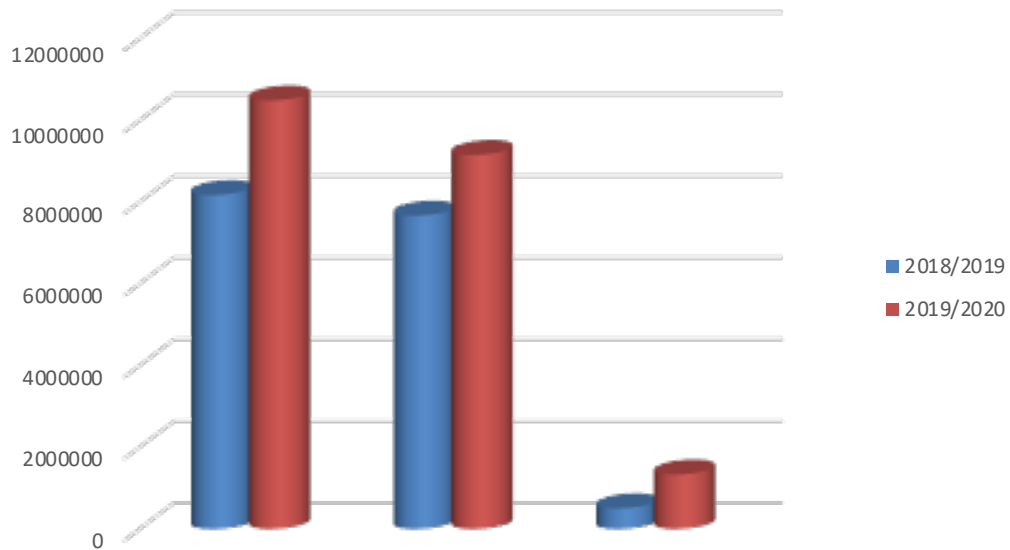
\$ 221,882	\$ 25,520
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Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

FINANCIAL RESULTS *continued*

Revenue, Expenses & Surplus



REVIEW OF FINANCIAL CONDITION

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).

Total Members' Equity Funds increased from \$2.16m to \$5.88m during the year ended 30 June 2020.

Of the \$5.88m, \$3.05m 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.

Though, the funds are recognised as income, the funds are restricted and have conditions imposed upon its utilisation.

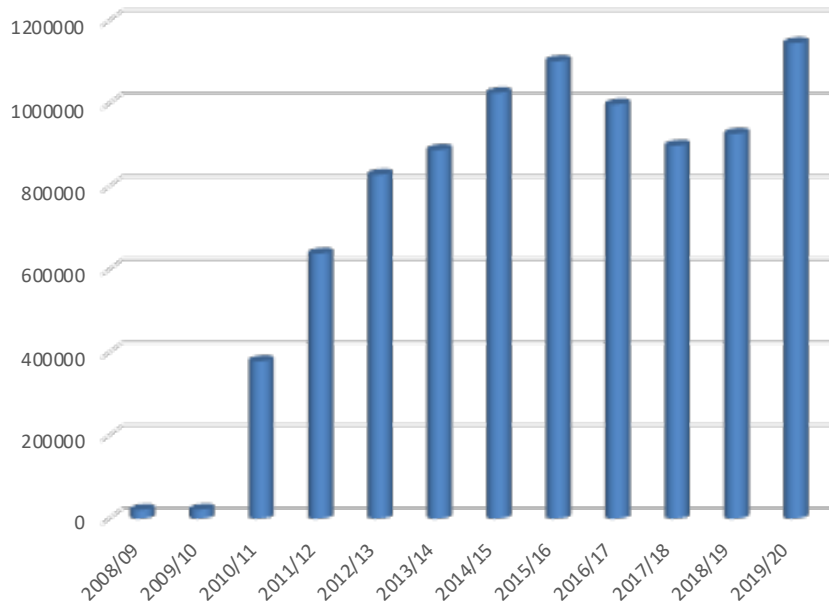
The CBAA maintains \$1.68m for future projects, programs, services or asset acquisition (Project Funds) or as a reserve in the event of future unfavourable or unexpected circumstances (Unrestricted Funds). As from FY2016/2017, CBAA has allocated surpluses generated by DRP & Amrap as project reserves funds to be spent on the purposes for which they were received or held.

Directors' Report

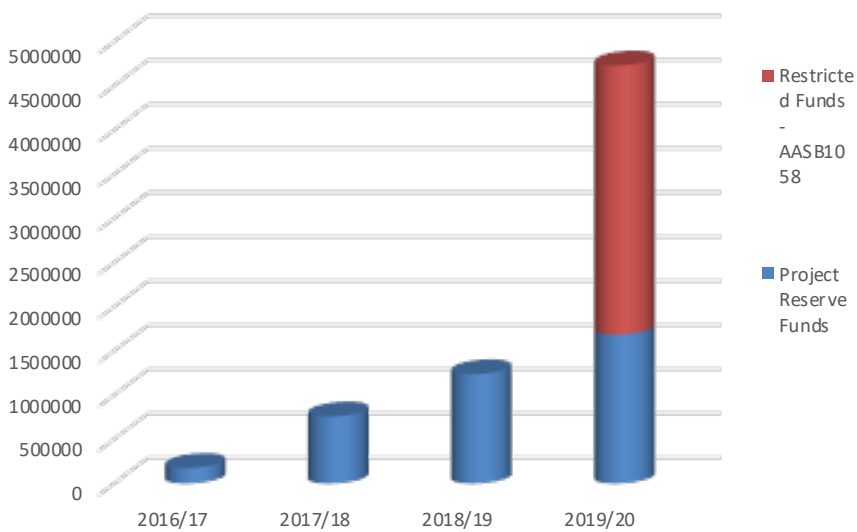
COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF FINANCIAL CONDITION *continued*

Members Equity - Unrestricted Funds



Members Equity - Restricted and Project Reserve Funds



Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Reserves Policy

Reserves play an important role in the financial stability and long-term sustainability of an organisation. Managing reserves is an important aspect of the overall financial management – a crucial element of good charity governance.

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 its purpose. Each year the Board considers the financial risks associated with income and expenditure streams and balance sheet items, to determine the level of reserves sufficient to protect and safeguard assets, meet liabilities as they fall due, provide resilience and capacity to manage unforeseen financial difficulties and deliver against the CBAA's strategic mission and aspirations.

The CBAA identifies 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).

At 30 June 2020, the CBAA held \$1,566K in its Digital Radio Development Fund and \$118K in its Australian Music Initiatives Fund. These two funds are restricted funds that are to be spent on the purposes for which they were received or held.

Assets

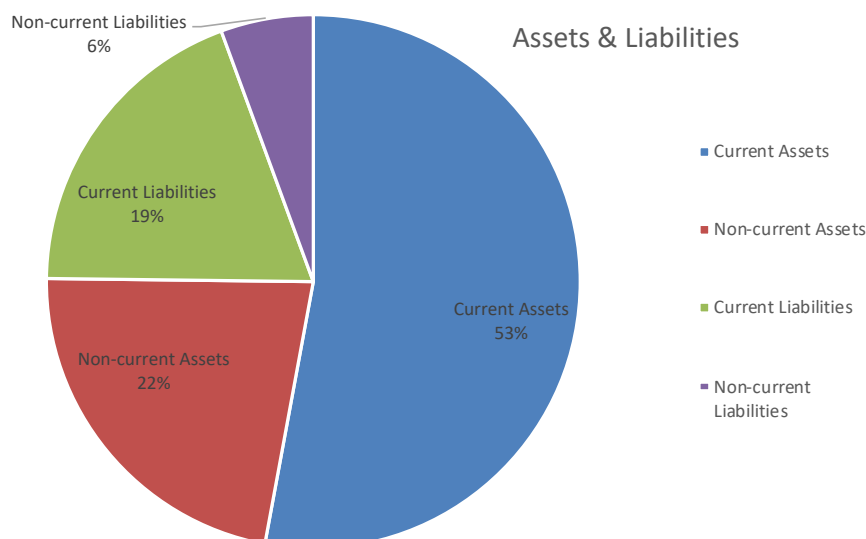
Total assets at the 30 June 2020 totalled \$8.8m (2018/19: \$6.7m), a 30.0% increase on the previous year, attributable primarily to the timing of payments required for major CBAA initiatives.

Cash assets totalled \$5.08m (2018/19: \$5.5m)

Investment assets totalled \$1.72m (2018/19: \$0m)

Liabilities

Total liabilities at 30 June 2020 totalled \$2.89m (2018/19: \$4.59m), a 36.9% 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 COMPOSITION

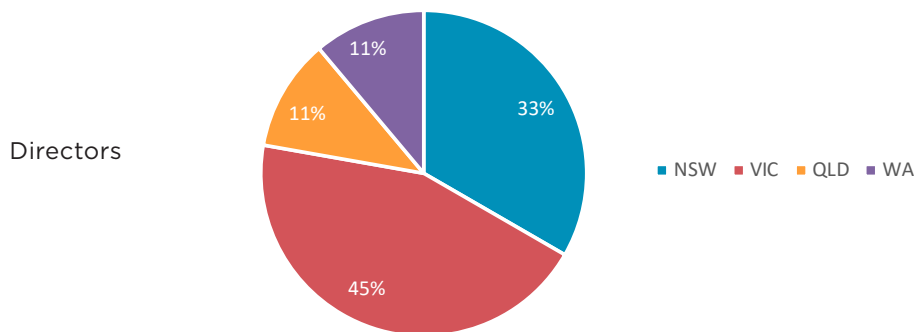
The CBAA is committed to ensuring the CBAA has a diverse workforce and an inclusive environment conducive to respect and substantive quality in appointment of well-qualified employees, senior management and board candidates so that we can:

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

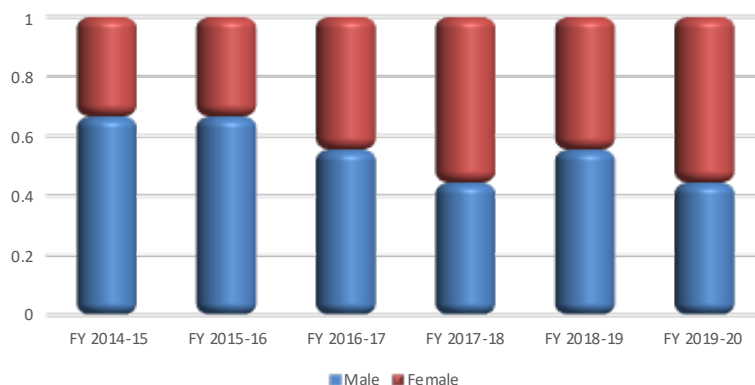
In addition, the CBAA Constitution requires that, so far as possible, the Board should be representative of:

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

Residential Location of the Board including Youth, Women and Gender Non-Conforming People's Representative



Gender Diversity of the Board including Youth, Women and Gender Non-Conforming People's Representative

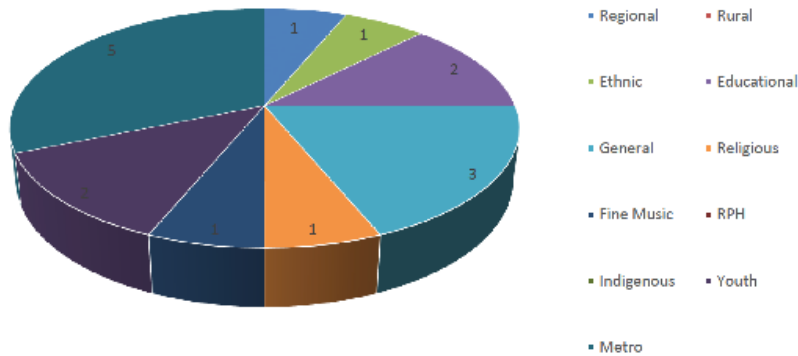


Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

BOARD COMPOSITION *continued*

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 year end 30 June 2020, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$2,960 (2019: \$3,030)

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: 4 November 2020

JACQUIE RIDDELL
Vice President

Sydney
Dated: 4 November 2020

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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 43 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
Jacque Riddell	Jacque is an experienced media executive currently working as a strategic adviser to the creative industries. Jacque 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.	Vice President (from March 2020)
Anne Frankenberg	Anne is Deputy CEO at Music Viva Australia. She has 17 cumulative years of experience as a Director on not-for-profit boards, and 14 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, is a Certified Fund Raising Executive, and has completed the Governance Foundations for NFP Directors course with Australian Institute of Company Directors.	Chair - Audit, Risk & Compliance Committee
Peter Rohweder	Peter is the Customer Support Manager for 4MBS's Silver Memories. He is the Chairperson of Broadcasting Park Pty Ltd. 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 almost 20 years of community radio station management experience.	

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
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. He is also Chair of the Perth Digital Radio Company.	
Daniel Ahern	Dan Ahern has been involved in community broadcasting for almost ten years, including as FBi Radio's Program Director between 2017-2020, Assistant and Acting Music Director at 2SER from 2013-17, and before that as a volunteer at 2RRR. Dan Ahern holds a Bachelor of Arts/Bachelor of Laws degrees from UNSW, has worked at media law firms, and completed the NFP short course at the Australian Institute of Company Directors in 2019.	
Wayne Stamm	Wayne is semi-retired and works as a consultant and advisor for community radio stations and as a reporter for Radioinfo. He has over 30 years' experience in radio, 18 of which is in community broadcasting. Wayne is a graduate of the Australian Business Institute with an Advanced Diploma of Management, and has completed the advanced NFP Directors course with the Australian Institute of Company Directors.	
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.	

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Molly George	Molly is the current Media Learning Manager at SYN Media, overseeing the social enterprise 'SYN Media Learning', and previously held the position of Pathways Manager, supporting a community of over 500 young volunteers.	Youth Representative
Maddy Macquine	Maddy Macquine is currently SYN Media's Community Manager and the host of FBi Radio's flagship storytelling program, All The Best. Maddy's passion lies in facilitating skills development and improving participation throughout the sector.	Women and Gender Non-Conforming People's Representative
Jessica Hermosilla	Jessica is the COO of the Community Broadcasting Association of Australia. She has worked in the non-profit sector for over 18 years and as an executive and senior manager for 10+ years, she has cultivated a level of expertise in financial management, leadership and governance. She holds degrees in Master of Business Administration, Post Grad Diploma in Humanitarian Assistance, and a Bachelor of Arts - Liberal Arts.	Chief Operating Officer; Company Secretary
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 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 2020, 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



MICHAEL GARCIA
Principal

SYDNEY
Dated: 4 November 2020

Statement of Surplus or Deficit and other Comprehensive Income

Year ended 30 June 2020

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	FY 2020 \$	FY 2019 \$
Revenue	4	10,485,248	8,170,751
Expenses			
Programs, services and projects		6,129,678	5,252,234
Employee and consultancy expenses		2,336,976	1,888,973
Depreciation and amortisation expense	8	208,145	49,446
Occupancy expense		72,422	227,517
Overhead expenses		404,380	248,341
Total Expenses		9,151,601	7,666,511
Surplus for the year		1,333,647	504,240
Other comprehensive income		-	-
Total comprehensive income attributable to the members of the entity	14 & 15	1,333,647	504,240

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 37.

Statement of Financial Position

Year ended 30 June 2020

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	30-Jun-20	30-Jun-19
		\$	\$
Current Assets			
Cash and cash equivalents	5	5,077,675	5,481,541
Trade and other receivables	6	182,861	345,809
Other current assets	7	911,032	513,927
		6,171,568	6,341,277
Non-Current Assets			
Property, plant and equipment	8	811,943	406,408
Trade and other receivables	6	67,673	-
Intangibles	9	-	-
Other financial assets	10	1,719,223	100
		2,598,839	406,508
Total Assets		8,770,407	6,747,785
Current Liabilities			
Trade and other payables	11	1,665,731	1,575,484
Contract liabilities	12	228,444	2,517,882
Provisions	13	346,287	230,908
		2,240,463	4,324,274
Non-Current Liabilities			
Trade and other payables	11	432,683	-
Contract liabilities	12	172,978	237,115
Provisions	13	48,172	25,188
		653,833	262,303
Total Liabilities		2,894,296	4,586,577
Net Assets		5,876,112	2,161,208
Members Equity			
Project Reserves Funds	14	1,684,110	1,236,865
Unrestricted funds		1,146,225	924,343
Restricted funds	15	3,045,778	-
Total Equity		5,876,112	2,161,208

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 37.

Statement of Changes in Members' Equity

Year ended 30 June 2020

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	Restricted Funds - AASB1058	Project Reserve Funds	Unrestricted Funds	TOTAL
Balance at 1 July 2018		-	758,145	898,823	1,656,968
Surplus for the year		-	-	504,240	504,240
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	15	-	478,720	(478,720)	-
Balance at 30 June 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	5,876,112

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 37.

Statement of Cash Flows

Year ended 30 June 2020

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	FY 2020	FY 2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		9,389,134	8,180,446
Receipts from customers		2,151,596	1,917,324
COVID government support		170,000	-
Interest received		37,764	55,732
Payments to employees and suppliers (incl GST where applicable)		(10,200,590)	(8,672,725)
Net cash provided by operating activities		<u>1,547,904</u>	<u>1,480,777</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,056)	(171,398)
Investment in financial assets		(1,775,150)	-
Net cash flows used in investing activities		<u>(1,776,206)</u>	<u>(171,398)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liability		(175,564)	-
Net cash flows used in financing activities		<u>(175,564)</u>	<u>-</u>
Net increase / (decrease) in cash held		(403,866)	1,309,379
Cash and cash equivalents at beginning of the financial year		5,481,541	4,172,162
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		<u>5,077,675</u>	<u>5,481,541</u>

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 21 to 37.

Notes to the Financial Statements

Year ended 30 June 2020

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Notes to the Financial Statements

Year ended 30 June 2020

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 2020 were approved and authorised for issue by the Board of Directors on 15 October 2020.

2 New and revised accounting Standards or Interpretations

2.1 AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

These Standards supersede all the income recognition requirements relating to private sector Not-for-Profit (NFP) entities and the majority of income recognition requirements relating to public sector NFP entities (previously in AASB 1004 Contributions). The new Standards have been applied as at 1 July 2019 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, and comparatives are not restated. In accordance with the transition guidance, the new Standards have only been applied to contracts that are incomplete as at 1 July 2019.

On the date of initial application of AASB 15 and AASB 1058 on 1 July 2019, the impact to retained earnings of the company was as follows:

Impacted area	Note	Restricted funds	Total funds
		\$	\$
Grants that didn't have sufficiently specific performance obligations		2,381,258	2,381,258
		<u>2,381,258</u>	<u>2,381,258</u>

The tables below highlight the impact of AASB 15 and AASB 1058 on the Statement of Surplus or Deficit and Other Comprehensive Income and the Statement of Financial Position for the year ending 30 June 2019. The adoption of AASB 15 did not have a material impact on the Statement of Cash Flows:

	Note	As per AASB 1004	Adjustments*	As per AASB 15/1058
		\$	\$	\$
Statement of Surplus or Deficit for the financial year ended 30 June 2019 (Extract)				
Revenue	4	8,115,019	781,451	8,896,470
CBF grant income	4.1	5,767,491	781,451	6,548,942
Total comprehensive income		<u>504,240</u>	<u>781,451</u>	<u>1,285,691</u>

Notes to the Financial Statements

*Adjustments for 2019 grants of \$2,381,258, less the effect of 2018 grant adjustments impacting 2019 grant revenue by \$1,599,807.

Statement of Financial Position as at 30 June 2019 (Extract)

Unexpended CBF Grants	2,380,629	(2,381,258)	(629)
Unexpended Grants	2,416,169	(2,381,258)	34,911
Current Liabilities	4,324,274	(2,381,258)	1,943,016
Total Liabilities	4,586,577	(2,381,258)	2,205,319
Net Assets	2,161,208	2,381,258	4,542,466
Restricted Funds	15	-	(2,381,258)
Total Equity		2,161,208	2,381,258

2.2 AASB 16 Leases

AASB 16 'Leases' replaces AASB 117 'Leases' along with three Interpretations (AASB Interpretation 4 'Determining whether an Arrangement contains a Lease', INT 115 'Operating Leases-Incentives' and INT 127 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in the company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The company also sublets the leased premise to one other entity. The sub-lease is treated as a finance lease.

The new Standard has been applied using the modified retrospective approach, under which no adjustment is required to retained earnings. Instead, the right of use asset has been recognised in the books at the discounted (at 3.25%) value of the lease liability on 1 July 2019.

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:

Notes to the Financial Statements

(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.

(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, ratably 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.

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

Notes to the Financial Statements

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.

OPERATING LEASES - MEASUREMENT BASIS FOR COMPARATIVES

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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

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 Deferred income (Measurement basis for comparative figures - 30 June 2019)

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 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).

Notes to the Financial Statements

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 at amortised cost

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

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. Dividend 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 included 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.

Notes to the Financial Statements

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.

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.

3.16 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.

Notes to the Financial Statements

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.

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.

Notes to the Financial Statements

4 Revenue	Note	2020	2019
		\$	\$
From continuing operations			
Membership fees		467,676	461,128
Grants received - Community Broadcasting Foundation Grants	4.1	7,436,033	5,767,491
Grants received - Other Grants	4.1	559,235	15,000
Grants received - Department of Health & Ageing Grants	4.1	384,524	384,525
Grants received - Organ and Tissue Authority	4.1	35,540	32,880
Activities revenues		905,013	905,975
Digital Radio Service fees received		520,408	517,007
Other income		24,981	31,014
		10,333,411	8,115,019
Other income			
ATO Cash Booster		50,000	-
Jobkeeper Income		120,000	-
Gain / (loss) on investment		(55,927)	-
Interest received		37,764	55,732
Total revenue and other income		10,485,248	8,170,751
4.1 Grant income reconciliation			
Community Broadcasting Foundation Grants			
Unexpended grants - 1 July		2,380,629	1,146,416
Adjustment on application of AASB 15 and 1058	15	(2,381,258)	-
Grants received during the year		7,436,662	7,001,704
Grants returned during the year		-	-
Unexpended grants - 30 June		-	(2,380,629)
CBF grant income		7,436,033	5,767,491
Other Grants			
Unexpended grants - 1 July		-	-
Grants received during the year		680,986	15,000
Unexpended grants - 30 June		(121,750)	-
Other grant income		559,235	15,000

Notes to the Financial Statements

	Note	2020 \$	2019 \$
Department of Health & Ageing Grants			
Unexpended grants - 1 July		-	-
Grants received during the year		384,524	384,525
Unexpended grants - 30 June		-	-
DOHA grant income		<u>384,524</u>	<u>384,525</u>
Organ and Tissue Authority Grants			
Unexpended grants - 1 July		35,540	32,880
Grants received during the year		33,405	35,540
Unexpended grants - 30 June		(33,405)	(35,540)
Organ and Tissue Authority grant income		<u>35,540</u>	<u>32,880</u>
5 Cash and cash equivalents			
Cash at bank and on hand		<u>5,077,675</u>	<u>5,481,541</u>
6 Trade and other receivables			
Current			
Trade receivables		299,133	375,677
Less: allowance for doubtful debts		(150,000)	(30,000)
		149,133	345,677
Sundry receivables		3,700	132
Right-of-use - Lease Receivable		<u>30,028</u>	<u>-</u>
		<u>182,861</u>	<u>345,809</u>
Non-current			
Right-of-use - Lease Receivable		<u>67,673</u>	<u>-</u>
7 Other current assets			
Deposits		453,391	453,391
Prepayments		457,641	60,536
		<u>911,032</u>	<u>513,927</u>
8 Property, plant and equipment			
Plant and equipment			
Office furniture and equipment - at cost		943,595	942,539
Accumulated depreciation	3.5	(736,469)	(660,919)
Total office furniture and equipment		<u>207,126</u>	<u>281,619</u>
Leasehold improvements			
Leasehold improvements - at cost		183,570	183,570
Accumulated depreciation	3.5	(89,978)	(58,781)
Total leasehold improvements		<u>93,592</u>	<u>124,789</u>

Notes to the Financial Statements

	Note	2020 \$	2019 \$
Right-of-use Assets (ROU)			
Right-of-use Asset - at cost		676,761	-
Accumulated depreciation	3.5	(165,535)	-
Total Right-of-use Asset		<u>511,226</u>	<u>-</u>
Total property, plant and equipment		<u>811,943</u>	<u>406,408</u>

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 \$	Plants & Equipment \$	Leasehold Improvements \$	2020 Total \$
Carrying amount - 1 July	-	281,619	124,789	406,408
Adjustment on application of AASB 16	676,761	-	-	676,761
Additions	-	1,056	-	1,056
Depreciation	(165,535)	(11,413)	(31,197)	(208,146)
Amortisation of asset grant liability	-	(64,137)	-	(64,137)
Carrying amount - 30 June	<u>511,226</u>	<u>207,126</u>	<u>93,592</u>	<u>811,943</u>

	Note	2020 \$	2019 \$
9 Intangibles			
Intangibles			
Website and software - at cost		96,487	96,487
Accumulated amortisation	3.4	(96,487)	(96,487)
Total intangibles		<u>-</u>	<u>-</u>

Reconciliation

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

Carrying amount - 1 July	-	12,945
Additions	-	-
Amortisation	-	(12,945)
Carrying amount - 30 June	<u>-</u>	<u>-</u>

Notes to the Financial Statements

	Note	2020	2019
10 Other financial assets		\$	\$
Non-current			
Investments designated at Fair Value through Surplus and Deficit		1,719,223	100
<hr/>			
11 Trade and other payables			
Current			
Trade creditors		1,062,058	1,111,971
Other creditors and accrued charges		409,773	463,513
Lease payable*		193,900	-
		<hr/> 1,665,731	<hr/> 1,575,484
Non-current			
Lease payable*		432,683	-
		<hr/> 432,683	<hr/> -
*Interest expense incurred on lease liabilities during 2020 was \$23,066.			
12 Contract liabilities			
Current			
Unexpended grants		121,750	2,416,169
Grants received in advance		33,405	-
Income received in advance		73,289	101,468
Deposits received		-	245
		<hr/> 228,444	<hr/> 2,517,882
Reconciliation			
Reconciliation of the movement in contract liabilities:			
Balance of contract liabilities at 1 July		2,517,882	1,729,833
Reclassified to retained earnings on initial application of AASB 15		(2,381,258)	-
Additions during the year		91,819	788,049
Balance of contract liabilities at 30 June		<hr/> 228,444	<hr/> 2,517,882
Non-current			
Asset grant liability		172,978	237,115
		<hr/> 172,978	<hr/> 237,115

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).

Notes to the Financial Statements

	Note	2020 \$	2019 \$
13 Provisions			
Current			
Annual leave		199,909	123,094
Long service leave		146,378	107,814
		346,287	230,908
Non - Current			
Long service leave		48,172	25,188

14 Project Reserve Funds

The details of project reserve funds are as follows:

	Digital Radio Development Fund	Australian Music Initiatives	2020 Total
Balance at 1 July 2019	1,130,607	106,258	1,236,865
Transfer from unrestricted funds	435,408	11,837	447,245
	1,566,015	118,095	1,684,110

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

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.

Notes to the Financial Statements

15 Restricted grant funds

The details of restricted grant funds are as follows:

	Balance on 30 June 2019	Transfer from/ (to) unrestricted funds	Balance on 30 June 2020
Community Radio Network, sector leadership and station support services	-	10,000	10,000
Governance improvement	24,635	3,365	28,000
Digital Radio Project Fund	1,772,676	196,155	1,968,831
CBOonline project (Digital Delivery Network, research & data initiatives and website services)	180,000	-	180,000
Enhanced national news programming Fund	400,000	-	400,000
Codes of Practice Review	3,947	-	3,947
Multiplatform Development Project	-	355,000	355,000
Ecstra Foundation - COVID-19 Consumer Financial Capability on Community Radio	-	100,000	100,000
	<hr/> 2,381,258	<hr/> 664,520	<hr/> 3,045,778

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.

Though, the funds are recognised as income, the funds are restricted and have conditions imposed upon its utilisation.

Once the funding has been acquitted to and accepted by the funding body, the amount is reclassified from restricted funds to unrestricted funds.

16 Contingent liabilities

There are no contingent liabilities that have been incurred by the company in relation to 2020 or 2019.

Notes to the Financial Statements

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 2020, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$2,960 (2019: \$3,030).

19 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:

	2020	2019
	\$	\$
Total key management personnel remuneration	1,207,815	935,642

Notes to the Financial Statements

20 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	CEO
		Family Radio Ltd	
		Sunshine Coast Christian Broadcasters Association Inc.	
Jon Bisset	CEO	Spots & Space Ltd	Non-Executive Director
Quinn Glasson	Director	Curtin FM 100.1 (Curtin University)	Station Manager
Peter Rohweder	Director	Silver Memories, Music Broadcasting Society of Queensland Ltd	Customer Support 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.

Directors' Declaration

Year ended 30 June 2020

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

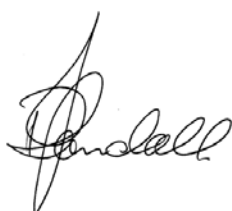
In the opinion of the Directors of the Community Broadcasting Association of Australia:

- (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 2020 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 2020;
- (b) the financial statements and associated records of Community Broadcasting Association of Australia have been properly kept during the year ended 30 June 2020 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 2020 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: 4 November 2020



JACQUIE RIDDELL

Vice President
Sydney

Dated: 4 November 2020

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 2020, 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 2020 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 2020, 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.

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: 4 November 2020