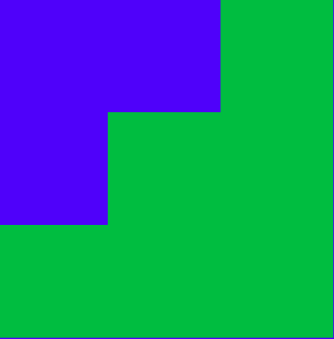
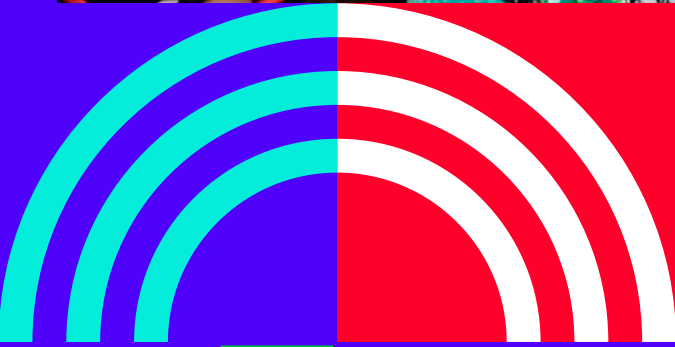
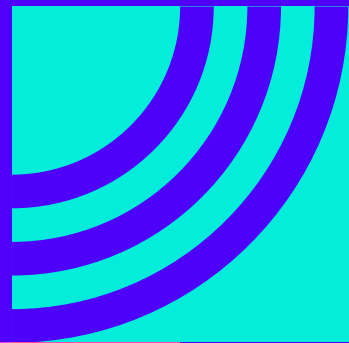
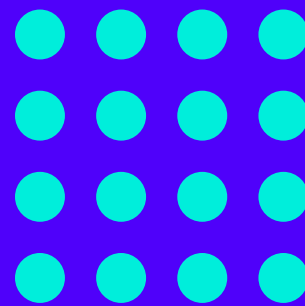
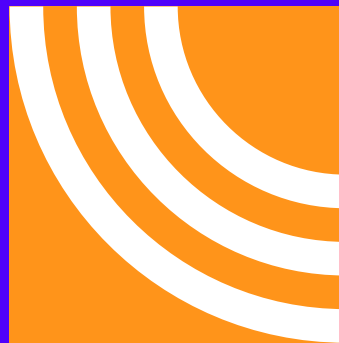


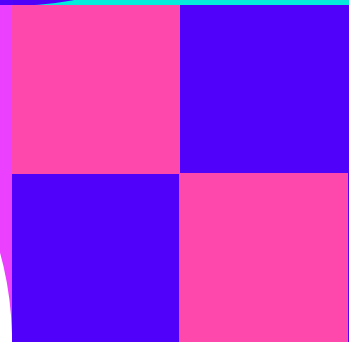
Kate Lyons-Dawson, Andrew Harrison and Mark Bensted from 8CCC Big Brekky



Financial Report 2022 - 23



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA



Contents

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	PAGE
Corporate Information	3
Directors' Report	4
Auditor's Independence Declaration	14
Statement of Surplus or Deficit and Other Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Members' Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Directors' Declaration	36
Independent Auditor's Report to the Members	37

Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors	Jacquie Riddell (President) Peter Rohweder (Vice-President) Quinn Glasson Hannah Rogers Gavin Brett Louisa Graham Sewar Mitanis
Chief Executive Officer	Jon Bisset
Company Secretaries	Jon Bisset, John Fink
Youth Representative	Gabrielle Andolfatto
Women and Gender Diverse People's Representative	Megan Williams
Registered Office and Principal Place of Business	Level 3 44-54 Botany Road Alexandria NSW 2015
Auditors	Garcia Group Advisors Chartered Accountants

Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

The Board of Directors of the Community Broadcasting Association of Australia (CBAA) present their report together with the financial statements for the financial year ended 30 June 2023

DIRECTORS' DETAILS AND MEETINGS

The following persons were Directors of the Community Broadcasting Association of Australia during the year ended 30 June 2023 or since the end of the financial year.

Director Name	Date Appointed	Date Ceased	Meetings Eligible to Attend	Meetings Attended
Anne Frankenberg	05 Feb 2016	28 Oct 2022	2	2
Gavin Brett	02 Dec 2021	-	6	6
Hannah Rogers	01 Nov 2020	-	6	6
Jacquie Riddell	21 Sep 2018	-	6	6
Louisa Graham	29 Apr 2022	-	6	5
Peter Rohweder	26 Feb 2011	-	6	6
Quinn Glasson	14 Nov 2018	-	6	6
Sewar Mitanis	28 Oct 2022	-	4	4

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. CBAA's vision is for community Radio to be at the heart of every community. CBAA's purpose is to build strong and successful community broadcasters.

STRATEGIC OBJECTIVES

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

Our 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

The CBAA has delivered on its strategy to support strong and successful broadcasters in 2022/23. Our advocacy efforts have yielded significant results, including securing budget commitments of \$12 million for community radio and maintaining the sector's minimum base level of funding in line with inflationary pressures.

In partnership with the Community Broadcasting Foundation (CBF) we have initiated and sponsored a sector-wide collaboration for the development of Roadmap 2033. This process has engaged an unprecedented number of stakeholders from across our sector, ensuring that the soon to be published Roadmap 2033 represents the diverse experiences and collective wisdom of our members and other stakeholders. This comprehensive roadmap aims to put the sector on a path to increased impact over the next decade.

Our strategy of investing in data analysis has paid dividends this year as multiple data sets begin to reveal new insights and trends that educate our members, inform our priorities and build a sector-wide understanding of the challenges and opportunities we face.

The CBAA faced a challenging turnover of staff in the 2022/23 Financial Year which negatively impacted our project continuity and member service. A number of technology failures negatively impacted satellite hub services and related on-demand program file delivery services. New recruitment and reporting structures in place from mid-year have strengthened our operations in both of these areas.

The CBAA continues to deliver quality services to members that amplify community broadcasting content and build their audiences and community connections.

We have achieved strong results in supporting stations to access and build their audience for new Australian music with increasing use of amrap.org.au promoting diversity of music and artists represented on the site. Our ongoing partnerships with First Nations Media Australia (FNMA), music industry events and state government arts funding bodies have reinforced the importance of community radio in promoting Australian music.

We have launched a new project for enhanced news collaboration with a new strategy for news planning across a broader group of journalists and stations.

We continue to support our member to reach their audiences who are increasingly accessing radio through digital devices and services, especially in the rapidly growing number of cars with digital devices. Our Digital Radio Project (DRP) continues to play a vital role in enabling community broadcasters to access DAB+ digital transmission with the support of targeted Federal Government funding. We were pleased to launch digital community radio on the Gold Coast during 2022/23 year.

The Community Radio Plus app continued its development this year with a number of enhancements to support a seamless experience on Apple CarPlay and Android Auto as well as in-home devices Amazon Alexa and Sonos Speakers. Station guides have been added to the app and an app rating system and a function to support listener content sharing have been launched.

The CBAA continued to focus on increasing its revenue streams during the financial year and was successful with several significant grants received from both government and philanthropic funders. The Board is grateful for the support for our sector through support from the Lionel & Yvonne Spencer Trust, Creative Victoria, the Federal Department of Health and the Community Broadcasting Foundation.

Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

FINANCIAL RESULTS

CBAA's financial sustainability remains a key priority for the Board. In accordance with the organisation's strategy during the financial year CBAA continued to generate revenue to advance its mission and improve services to members. The financial results reported in this section of the Director's report are for CBAA alone, not the consolidated results.

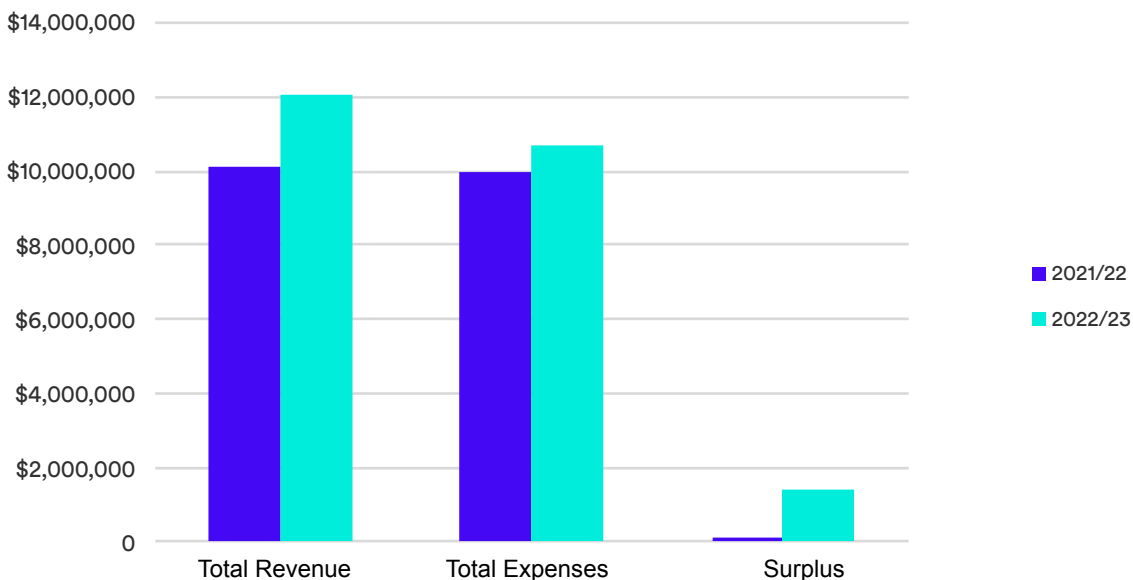
Operating result for the year ended 30th June:	2023	2022
	\$	\$
Operating Surplus	1,390,310	105,512
Operating result after transfer of funds to project reserve and restricted reserve funds ¹	104,019	(328,327)

¹2022 includes a one off transfer of \$349,097 from unrestricted funds to the Data Project Reserve.

Revenue, Expenses & Surplus

In the 2023 year total revenue was \$12.1M compared to \$10.1M the year before. The most significant contributor to this change was increased grant income of \$900,000 and increased Activities revenue of \$500,000. Total expenses rose from \$10.0M to \$10.7M. The main driver was \$400,000 higher personnel costs, consistent with higher activity over the year.

Revenue, Expenses & Surplus



Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Review of Financial Condition

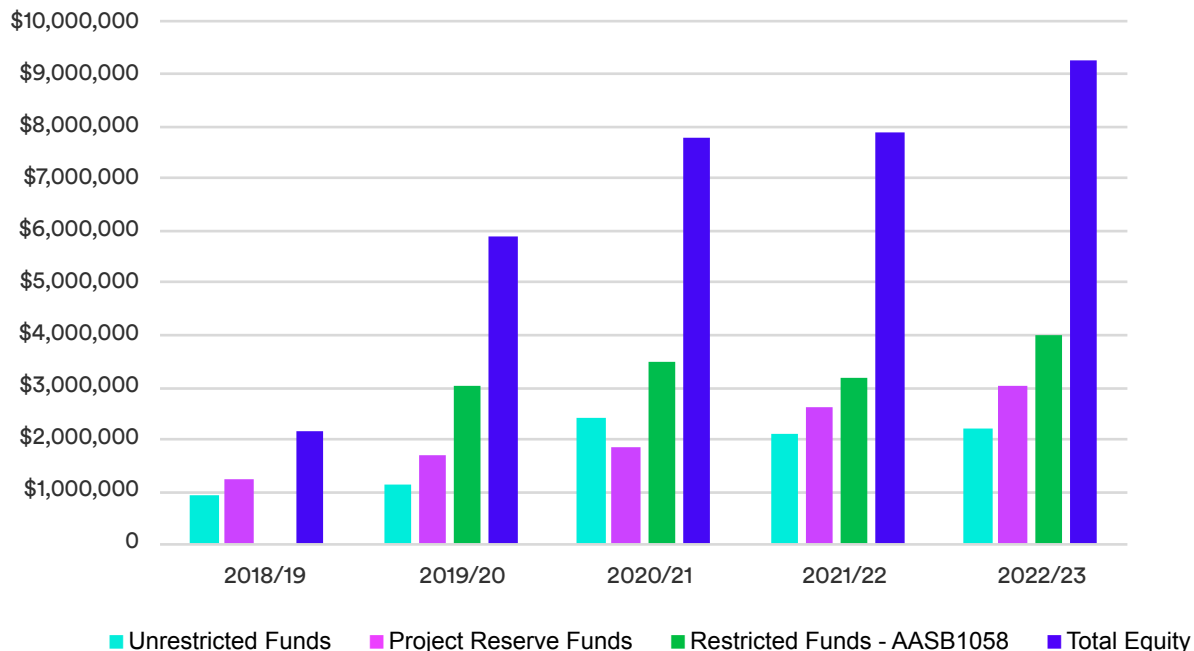
Total Members' Equity Funds increased from \$7.9M to \$9.3M during the financial year.

Of the \$9.3M, \$4.0M 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 \$3.1M 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 at year end were \$2.2M (2022:\$2.1M).

At the end of the financial year, CBAA's project funds included Digital Radio Development (DRP) Fund \$2.7M and the Australian Music Initiatives (AMRAP) Fund \$.2M. From FY2016/17, CBAA has allocated surpluses generated by DRP & AMRAP as project reserve funds. The Board has designated the DRP Reserve for future development of digital radio and the AMRAP Reserve for future Australian music broadcast initiatives.

The following graph shows the pattern of Reserves and Unrestricted Funds over the past five years.

Composition of Equity



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.

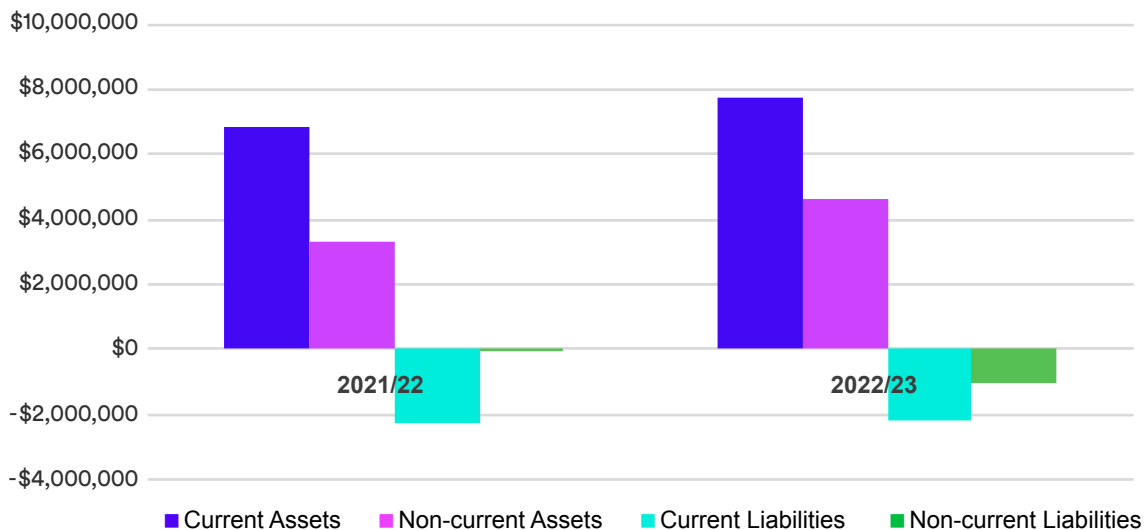
The CBAA's reserves policy provides that excess reserves should not be accumulated and reserves may only be accumulated for these purposes:

- 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 and Liabilities

Net assets at the end of the financial year totalled \$9.3M (2022: \$7.9M), an 18% increase. Cash comprised \$6.6M (2022: \$6.0M). Investment assets totalled \$3.4M (2022: \$2.9M). Liabilities at 30 June 2023 totalled \$3.2M (2022: \$2.3 M), a 40% increase on the previous year, relating to the recognition of the liability for a new five year lease on CBAA's Alexandria office. The following chart shows assets and liabilities at the end of the current and past financial year.

Assets and Liabilities



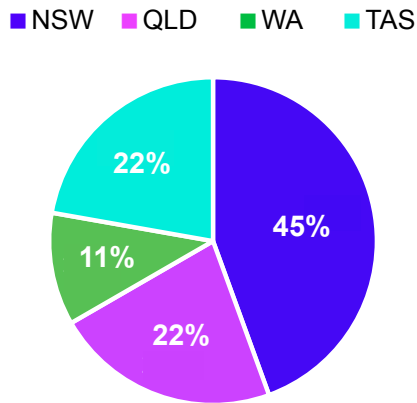
SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

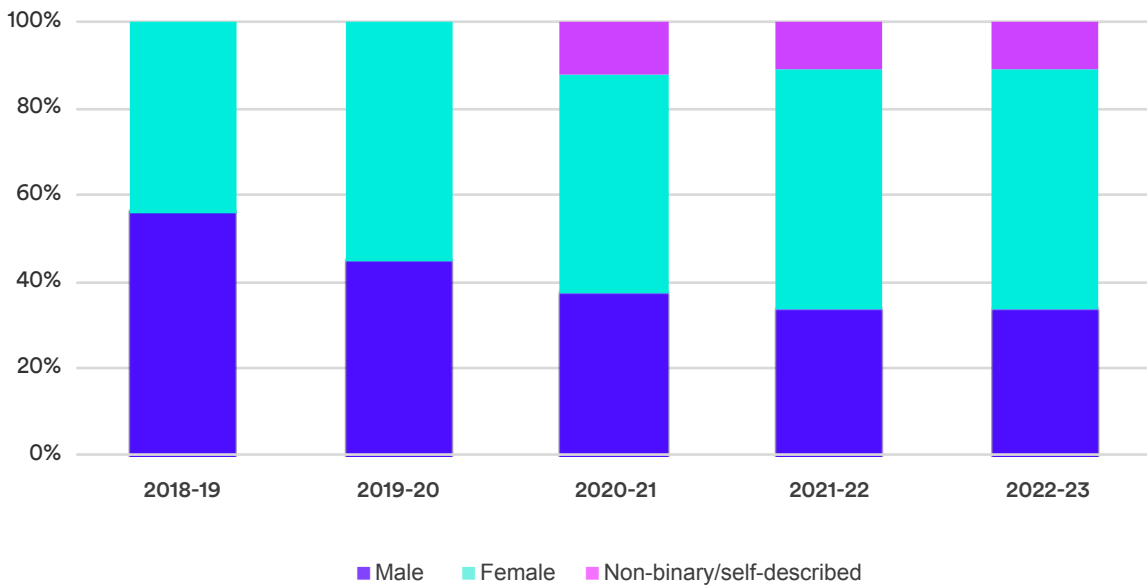
BOARD AND REPRESENTATIVES COMPOSITION

The CBAA is committed to ensuring it has a diverse workforce and an inclusive governance. The organisation recruits well-qualified employees, management and Board members so that it can achieve its strategic goals and maximise member value. In addition, the CBAA constitution requires that, as far as possible, the Board should be representative of Australian States and Territories and different community broadcasting interests. The following charts provide the geographic spread and gender diversity of Board members and representatives and their communities of interest.

Current Board Member & Representatives' States of Residence



Board and Representatives' Gender Diversity Over Last Five Years



Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Director & Representatives' Community Broadcasting Interests

(more than one per person)



■ Educational
 ■ Faith
 ■ Family
 ■ General
 ■ Metro
 ■ Music
 ■ Regional
 ■ Youth

DIRECTORS', REPRESENTATIVES' AND OFFICERS' QUALIFICATIONS AND EXPERIENCE

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Jacque Riddell	Jacque is an experienced executive currently working as CEO of global environmental movement Take 3 for the Sea. 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 leadership roles at Barangaroo, SBS, Foxtel 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.	President
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).	Vice President; Member Audit, Risk & Compliance Committee

Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Gabrielle Andolfatto	At 18, Gabrielle connected with Edge Radio 99.3FM as a radio presenter for 'The Ripple Effect', a radio program focusing on Tasmanian volunteers' stories, earning respect and following in Australia and internationally. Starting as a production assistant in 2017, she quickly attained roles as Production Coordinator, Volunteer Coordinator, Events Manager and Programs Coordinator for the station within two years. Gabrielle is an undergrad in Media and Communications (Advertising) at Swinburne Online. She works with Edge Radio as a Youth Engagement Coordinator and received a Tasmanian Young Achievers Award for her commitment to volunteering and community broadcasting in 2022. Gabrielle aims to highlight the importance of youth media and is passionate about having young people's voices heard.	Youth Representative
Gavin Brett	Gavin has been involved in community radio for over 12 years and has held several senior roles in community radio governance; currently he is a board member on 4 regional community stations. He started his community radio career at Hope Media Ltd as Group Sales Manager and established the national sponsorship platform Media Sales Australia. Serving as its Executive Officer for approx 5 years. He is now the CEO of the Christian Media Hub which partners with and manages currently 6 community stations across regional Australia. Gavin has also served on the CBAA Audience Research Advisory Group for two years. Gavin is committed to local community radio that is relevant, sustainable and professional.	Board Member
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 four years, and volunteered in community radio since 2014 years. She has also been a radio producer at ABC for 2 years. Hannah also creates media as a disability support tutor and content producer.	Board Member
Louisa Graham	Louisa Graham has extensive experience in not-for-profit management and governance and is a graduate of the Australian Institute of Company Directors. She is currently the CEO of the Australian Scholarships Foundation and was most recently Chief Executive Officer of The Walkley Foundation for Journalism. Louisa has worked in community broadcasting at 2XX and 2SER and began her career in journalism at Network Ten. She has worked in senior leadership roles for the Australian Institute of International Affairs, the Sydney Writers' Festival and UNWomen, and has led awareness campaigns for White Ribbon Day and the Australian Public Movement. She has also served on the boards of the Alliance for Journalists' Freedom, Media Diversity Australia, Taikoz and the Copyright Council.	Board Member; Member Audit, Risk & Compliance Committee

Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Megan Williams	Megan is the Station Manager at 2DRY FM in Broken Hill where they oversee operations, training, volunteer support and sit on the programming committee. Megan began broadcasting in 2018 at 3CR In Melbourne and they now host Out in the Outback and Water Watch on 2DRY FM and Earth Matters on the Community Radio Network. Megan strongly identifies with the struggles of both women and gender diverse people and they are passionate about understanding and addressing the barriers to participation for all members of our community.	Women and Gender Diverse People's Representative
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 Chair 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.	Board Member; Member Audit, Risk & Compliance Committee
Sewar Matinis	<p>Sewar has over ten years' experience in community radio and is currently a member of the Aramaic Language Group at Radio 4EB FM, Brisbane's ethnic community radio station. Sewar served on the Board of Directors and the Governance Sub-Committee at Radio 4EB for a period spanning 3.5 years.</p> <p>Having migrated to Australia over 17 years ago Sewar is committed to the empowerment of diverse communities through community broadcasting and engagement. She is also an active supporter of the Ethnic Communities Council of Queensland.</p> <p>Through her experience and background, Sewar has established a rapport with diverse language groups and has acquired a strong knowledge of the community broadcasting sector, as well as of various local communities' cultures and values. As a result, she has developed a reputation as being a committed and approachable member of the community.</p>	Board Member
Jon Bisset	Jon has spent more than 30 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. Jon is also the CEO of RPH Australia, a Non-Executive Director of Infoxchange Ltd, the Community Council for Australia Ltd and Spots and Space Pty Ltd and is a Director of the Local and Independent News Association.	Chief Executive Officer

Director's Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

CONTRIBUTION ON 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 2023, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$3,030 (2022: \$3,010).

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

Signed in accordance with a resolution of the Directors.



PETER ROHWEDER
Vice President

Sydney

Dated: 19 October 2023



QUINN GLASSON
Director

Perth

Dated: 19 October 2023

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 2023, 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: 23 October 2023

Statement of Surplus or Deficit and Other Comprehensive Income

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2023

	NOTE	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
Revenue and other income					
Revenue and other income	4	12,188,654	10,332,313	12,191,318	10,014,813
Income from associates	10	(101,635)	85,882	(101,635)	85,882
Total Revenue		12,087,019	10,418,195	12,089,683	10,100,695
Expenses					
Programs, services and projects		6,742,849	6,546,268	6,683,010	6,545,946
Employee and consultancy expenses		3,523,117	2,899,439	3,315,854	2,899,439
Depreciation and amortisation expense	8	237,238	225,035	237,238	225,035
Occupancy expense		74,861	79,714	74,861	79,714
Overhead expenses		402,745	252,716	388,410	245,049
Total Expenses		10,980,810	10,003,172	10,699,373	9,995,183
Surplus for the year before income tax		1,106,209	415,023	1,390,310	105,512
Income tax expense	3.9	-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income attributable to the members of the entity		1,106,209	415,023	1,390,310	105,512

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 35.

Statement of Financial Position

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2023

	NOTE	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
Current Assets					
Cash and cash equivalents	5	6,667,832	6,349,548	6,617,346	5,986,548
Trade and other receivables	6	318,835	206,575	346,757	229,113
Other current assets	7	807,867	651,440	807,867	651,440
		<u>7,794,534</u>	<u>7,207,563</u>	<u>7,771,970</u>	<u>6,867,101</u>
Non-Current Assets					
Property, plant and equipment	3.5 & 8	1,153,897	371,309	1,153,897	371,309
Trade and other receivables	6	155,310	-	155,310	-
Other financial assets	10	3,356,232	2,930,001	3,356,232	2,930,001
		<u>4,665,438</u>	<u>3,301,310</u>	<u>4,665,438</u>	<u>3,301,310</u>
Total Assets		<u>12,459,972</u>	<u>10,508,873</u>	<u>12,437,408</u>	<u>10,168,411</u>
Current Liabilities					
Trade and other payables	11	1,832,675	1,583,228	1,835,523	1,552,277
Contract liabilities	12	25,921	352,976	25,921	352,976
Provisions	13	312,156	341,812	312,156	341,812
		<u>2,170,752</u>	<u>2,278,016</u>	<u>2,173,600</u>	<u>2,247,065</u>
Non-Current Liabilities					
Trade and other payables	11	970,013	-	970,013	-
Contract liabilities	12	1,170	26,898	1,170	26,898
Provisions	13	21,940	14,071	21,940	14,071
		<u>993,123</u>	<u>40,969</u>	<u>993,123</u>	<u>40,969</u>
Total Liabilities		<u>3,163,875</u>	<u>2,318,985</u>	<u>3,166,723</u>	<u>2,288,034</u>
Net Assets		<u>9,296,097</u>	<u>8,189,888</u>	<u>9,270,686</u>	<u>7,880,377</u>
Members Equity					
Project Reserve Funds	15	3,053,087	2,598,211	3,053,087	2,598,211
Unrestricted funds		2,233,005	2,103,577	2,207,594	2,103,577
Restricted funds	16	4,010,005	3,488,100	4,010,005	3,178,589
Total Equity		<u>9,296,097</u>	<u>8,189,888</u>	<u>9,270,686</u>	<u>7,880,377</u>

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 35.

Statement of Changes in Members' Equity

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2023

Consolidated	Note	Restricted Funds - AASB1058	Project Reserve Funds	Unrestricted Funds	TOTAL
					\$
Balance at 1 July 2021		3,502,844	1,840,119	2,431,902	7,774,865
Surplus for the year		-	-	415,023	415,023
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	15/16	(14,743)	758,092	(743,349)	-
Balance at 30 June 2022		3,488,101	2,598,211	2,103,576	8,189,889
Surplus for the year		-	-	1,106,209	1,106,209
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	15/16	521,904	454,876	(976,780)	-
Balance at 30 June 2023		4,010,005	3,053,087	2,233,005	9,296,097

Parent	Note	Restricted Funds - AASB1058	Project Reserve Funds	Unrestricted Funds	TOTAL
					\$
Balance at 1 July 2021		3,502,844	1,840,119	2,431,902	7,774,865
Surplus for the year		-	-	105,512	105,512
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	15/16	(324,254)	758,092	(433,838)	-
Balance at 30 June 2022		3,178,590	2,598,211	2,103,575	7,880,376
Surplus for the year		-	-	1,390,310	1,390,310
Other comprehensive income		-	-	-	-
Transfer from unrestricted funds	15/16	831,415	454,876	(1,286,291)	-
Balance at 30 June 2023		4,010,005	3,053,087	2,207,594	9,270,686

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 35.

Statement of Cash Flows

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

YEAR ENDED 30 JUNE 2023

	NOTE	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from grants		9,548,951	9,658,777	9,548,951	9,295,777
Receipts from customers		2,771,668	2,116,841	2,769,214	2,108,054
Receipts from insurance recoveries		51,658	-	51,658	-
Interest and dividends received		158,577	68,823	158,577	68,823
Payments to employees and suppliers (incl GST where applicable)		(11,702,315)	(10,855,027)	(11,387,347)	(10,846,239)
Net cash provided by operating activities		828,540	989,414	1,141,053	626,415
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of plant and equipment		(71,278)	(77,143)	(71,278)	(77,143)
Investment in financial assets		(250,000)	(1,000,000)	(250,000)	(1,000,000)
Net cash flows used in investing activities		(321,278)	(1,077,143)	(321,278)	(1,077,143)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of principal portion of lease liability		(188,977)	(176,056)	(188,977)	(176,056)
Net cash flows used in financing activities		(188,977)	(176,056)	(188,977)	(176,056)
Net increase / (decrease) in cash held		318,285	(263,785)	630,798	(626,784)
Cash and cash equivalents at beginning of the financial year		6,349,548	6,613,332	5,986,548	6,613,332
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5	6,667,832	6,349,547	6,617,346	5,986,548

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 35.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NOTE	CONTENTS	PAGE
1	General information and statement of compliance	20
2	New and revised accounting Standards or Interpretations	20
3	Summary of accounting policies	21
4	Revenue	28
5	Cash and cash equivalents	28
6	Trade and other receivables	29
7	Other current assets	29
8	Property, plant and equipment	29
9	Intangibles	30
10	Other financial assets	30
11	Trade and other payables	30
12	Contract liabilities	31
13	Provisions	31
14	Controlled entities	31
15	Project Reserve Funds	32
16	Restricted Grant Funds	32
17	Contingent liabilities	32
18	Post-reporting date events	33
19	Members' guarantee	33
20	Expenses	33
21	Information pertaining to investment in associates	33
22	Related party transactions	34
23	Auditor's Remuneration	34
24	Other related party transactions	35

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 – Simplified 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 financial reporting purposes under Australian Accounting Standards.

The financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Directors on XX October 2023.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, CBAA, and its subsidiaries, the Local and Independent News Association (LINA) and Free Digital Radio Pty Ltd (FDR). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the subsidiary are provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries either at fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets when the holders are entitled to a proportionate share of the subsidiary’s net assets on liquidation. All other components of non-controlling interests are initially measured at their acquisition-date fair value. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests (when applicable) are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

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.

Initial adoption of AASB1060: General Purpose Financial Statements - Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in new and/or increased disclosures in areas such as Audit Fees.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Summary of accounting policies

3.1 Overall considerations

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

3.2 Revenue

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

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 (ie 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 and state 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, 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 origin.

3.4 Intangible expenses

Recognition of other intangible assets.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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. A useful life for website and software of three to five years has been applied. Subsequent expenditures on the maintenance of computer software and brand names have been 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.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and other equipment. A useful life of three to ten years has been applied for property, plant and equipment. 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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3.7 Leases

Operating Leases

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 4.43%. 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.

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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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 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 upon initial recognition into amortised cost, fair value through profit or loss (FVPL) or 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 and the contractual cash flow characteristics of the financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet these 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 and 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. Dividends from these investments continue to be recorded as other income within the surplus or deficit unless the dividend clearly represents return of capital.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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. 'Twelve 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.

3.15 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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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.

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.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

4 Revenue

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
From continuing operations					
Membership fees		495,736	473,339	490,393	473,339
Grants received – Community Broadcasting Fou	4.1	8,177,754	7,235,031	8,177,754	7,235,031
Grants received – Other Grants	4.1	830,805	1,202,170	830,805	872,170
Activities revenues		1,598,233	1,067,861	1,589,274	1,067,861
Digital Radio Service fees received		533,455	435,367	533,455	435,367
Other income		48,477	46,714	65,442	59,214
		<u>11,684,460</u>	<u>10,460,482</u>	<u>11,687,124</u>	<u>10,142,982</u>
Other income					
Insurance recoveries		51,658	-	51,658	-
Gain / (loss) on investment		277,866	(217,568)	277,866	(217,568)
Interest & Dividends received		174,670	89,399	174,670	89,399
Total revenue and other income		<u>12,188,654</u>	<u>10,332,313</u>	<u>12,191,318</u>	<u>10,014,813</u>

4.1 Grant income reconciliation

Community Broadcasting Foundation Grants

Unexpended grants – 1 July	12	-	-	-	-
Grants received during the year		8,177,754	7,235,031	8,177,754	7,235,031
Unexpended grants – 30 June	12	-	-	-	-
CBF grant income		<u>8,177,754</u>	<u>7,235,031</u>	<u>8,177,754</u>	<u>7,235,031</u>

Other Grants

Unexpended grants – 1 July	12	343,506	-	343,506	-
Grants received during the year		503,111	1,545,676	503,111	1,215,676
Unexpended grants – 30 June	12	(15,812)	(343,506)	(15,812)	(343,506)
Other grant income		<u>830,805</u>	<u>1,202,170</u>	<u>830,805</u>	<u>872,170</u>

5 Cash and cash equivalents

Cash at bank and on hand		<u>6,667,832</u>	<u>6,349,548</u>	<u>6,617,346</u>	<u>5,986,548</u>
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COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

6 Trade and other receivables

	Note	Consolidated		Parent	
		2023 \$	2022 \$	2023 \$	2022 \$
Current					
Trade receivables		470,874	306,443	498,796	328,980
Less: allowance for doubtful debts		(183,623)	(135,021)	(183,623)	(135,021)
		<u>287,251</u>	<u>171,421</u>	<u>315,173</u>	<u>193,959</u>
Right-of-use - Lease Receivable		31,584	35,154	31,584	35,154
		<u>318,835</u>	<u>206,575</u>	<u>346,757</u>	<u>229,113</u>
Non-current					
Right-of-use - Lease Receivable		155,310	-	155,310	-

7 Other current assets

Deposits		453,391	453,391	453,391	453,391
Prepayments		317,808	177,473	317,808	177,473
Interest Receivable		36,668	20,576	36,668	20,576
		<u>807,867</u>	<u>651,440</u>	<u>807,867</u>	<u>651,440</u>

8 Property, plant and equipment

Plant and equipment

Office furniture and equipment - at cost		724,054	601,362	724,054	601,362
Accumulated depreciation	3.5	(554,878)	(519,339)	(554,878)	(519,339)
Total office furniture and equipment		<u>169,176</u>	<u>82,023</u>	<u>169,176</u>	<u>82,023</u>

Leasehold improvements

Leasehold improvements - at cost		146,861	146,861	146,861	146,861
Accumulated depreciation	3.5	(146,861)	(115,664)	(146,861)	(115,664)
Total leasehold improvements		<u>-</u>	<u>31,197</u>	<u>-</u>	<u>31,197</u>

Right-of-use Assets (ROU)

Right-of-use Asset - at cost		1,002,761	687,702	1,002,761	687,702
Accumulated depreciation	3.5	(18,040)	(506,756)	(18,040)	(506,756)
Total Right-of-use Asset		<u>984,721</u>	<u>180,946</u>	<u>984,721</u>	<u>180,946</u>

Work In Progress

Work in Progress (WIP)	3.5	-	77,143	-	77,143
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Total property, plant and equipment

		<u>1,153,897</u>	<u>371,309</u>	<u>1,153,897</u>	<u>371,309</u>
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COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Reconciliation

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

CONSOLIDATED AND PARENT	Right-of-use Assets	Plant & Equipment	Leasehold Improve ments	2023 Total
	\$	\$	\$	\$
Carrying amount – 1 July	180,946	82,023	31,197	294,166
Additions / (Disposals)	974,276	148,421	-	1,122,697
Depreciation	(170,501)	(35,540)	(31,197)	(237,238)
Amortisation of asset grant liability	-	(25,728)	-	(25,728)
Carrying amount – 30 June	984,721	169,176	-	1,153,897

9 Intangibles

Note	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Intangibles				
Website and software - at cost	79,197	79,197	79,197	79,197
Accumulated amortisation	3.4 (79,197)	(79,197)	(79,197)	(79,197)
Total intangibles	-	-	-	-

No additions, disposals or amortisation were applied to intangibles in 2023 or 2022

10 Other financial assets

Non-current

Investments in associates*	31,560	133,195	31,560	133,195
Investments designated at Fair Value through Profit and Loss	3,324,673	2,796,807	3,324,673	2,796,807
	3,356,232	2,930,001	3,356,232	2,930,001

* Loss attributed to CBAA during the 2023 financial year was \$101,635 (2022: profit \$85,882.)

11 Trade and other payables

Current

Trade creditors	911,174	1,250,133	905,781	1,250,133
Other creditors and accrued charges	719,360	97,979	727,600	67,028
Lease payable*	202,141	235,116	202,141	235,116
	1,832,675	1,583,228	1,835,523	1,552,277

Non-current

Lease payable*	970,013	-	970,013	-
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*Interest expense incurred on lease liabilities during 2023 was \$4,322 (2022: \$11,331).

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

12 Contract liabilities

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
Current					
Unexpended grants		15,812	343,506	15,812	343,506
Income received in advance		7,359	-	7,359	-
Deposits received		2,750	9,470	2,750	9,470
		<u>25,921</u>	<u>352,976</u>	<u>25,921</u>	<u>352,976</u>
Non-current					
Asset grant liability		1,170	26,898	1,170	26,898

Unexpended grants are classed as contract liabilities under AASB1015 when they have both enforceable and sufficiently specific performance obligations. See also 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.

13 Provisions

Current					
Annual leave		230,892	221,029	230,892	221,029
Time off in Lieu		3,631	13,130	3,631	13,130
Long service leave		77,633	107,653	77,633	107,653
		<u>312,156</u>	<u>341,812</u>	<u>312,156</u>	<u>341,812</u>
Non - Current					
Long service leave		21,940	14,071	21,940	14,071

14 Controlled entities

CBA is the sole member of the Local and Independent News Association, (LINA), a company limited by Guarantee, and the sole shareholder of Free Digital Radio Pty Ltd. The assets, liabilities, income and expenses of these entities have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. The proportion of ownership interests held equals the voting rights held by the Group. Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

15 Project Reserve funds

Project	Entity	Balance on 30 June 2022	Transfer from/ (to) unrestricted funds	Balance on 30 June 2023
	Consolidated	2,598,211	454,876	3,053,087
Australian Music Initiatives	Parent	91,003	140,331	231,334
Data Project	Parent	349,097	(218,910)	130,187
Digital Radio Development	Parent	2,158,111	533,455	2,691,566
		2,598,211	454,876	3,053,087

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 data project reserve is for funds set aside for the development of CBAA's data capability.

16 Restricted grant funds

Project	Entity	Balance on 30 June 2022	Transfer from/ (to) unrestricted funds	Balance on 30 June 2023
	Consolidated	3,488,100	521,904	4,010,005
Australian Council for the Arts - FirstSounds	Parent	19,462	(19,462)	-
CBF - CBOOnline Project	Parent	114,464	(71,252)	43,212
CBF - Codes of Practice Review	Parent	2,531	(2,531)	-
CBF - Digital Radio Project	Parent	2,666,765	665,721	3,332,486
CBF - Multiplatform Development Project	Parent	229,754	312,316	542,070
eSafety Commissioner - Online Safety	Parent	77,806	(77,806)	-
Lord Mayor's Charitable Fund - Climate Change Project	Parent	17,237	-	17,237
Perpetual News Ecosystem	Parent	-	75,000	75,000
RPHA Australia Co-Operative Ltd - Service Agreement	Parent	50,571	(50,571)	-
		3,178,590	831,415	4,010,005

The above Reserves are Restricted Funds under AASB1058. See Note 3.2.

17 Contingent liabilities

There are no contingent liabilities that have been incurred by the company in relation to 2023 or 2022.

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

18 Post-reporting date events

The accounts contain a prepayment to United States registered company, Greenbaum Projections, Inc. (OnPlan) of \$75,467 for the implementation of the OnPlan financial planning and analysis system and a three year product subscription. On 26 September 2023 Onplan advised that it was ceasing all implementation and support activities pending a company restructure. On 28 September OnPlan advised that it had entered into an Arrangement for the Benefit of Creditors. The Directors are unable to determine if the implementation will proceed as contracted and if not, the amount of funds which are recoverable. Other than this, the Directors are not aware of any significant events since the end of the reporting period.

19 Members' 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 2023, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$3,030 (2022: \$3,010).

20 Expenses

Note	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Surplus before income tax includes the following specific expenses:				
Defined contribution superannuation expense	336,119	259,386	317,628	259,386

21 Information pertaining to investment in associates

Note	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Statement of financial position				
Current assets	2,815,875	3,049,020	2,815,875	3,049,020
Total assets	2,815,875	3,049,020	2,815,875	3,049,020
Current liabilities	2,223,321	1,869,920	2,223,321	1,869,920
Total liabilities	2,223,321	1,869,920	2,223,321	1,869,920
Net assets	592,554	1,179,100	592,554	1,179,100
Statement of profit or loss and other comprehensive income				
Profit/(loss) for the year after tax	214,029	825,463	214,029	825,463
Other comprehensive income	-	-	-	-
Total comprehensive income	214,029	825,463	214,029	825,463

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

22 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 Director, 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 Ordinary Board Member (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:

	2023	2022	2023	2022
	\$	\$	\$	\$
Total key management personnel remuneration	1,145,373	844,822	1,145,373	844,822

23 Auditor's remuneration

Auditing or reviewing the financial statements	30,800	28,946	30,800	28,946
Taxation and other non-assurance services	360	350	360	350
	31,160	29,296	31,160	29,296

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

24 Other related party transactions

Several Directors and representatives of the company also hold or held management positions during the financial year with affiliated member organisations as follows:

NAME	ROLE AT CBAA	AFFILIATED ORGANISATION	POSITION WITHIN ORGANISATION
Peter Rohweder	Vice-President	Silver Memories, Music Broadcasting Society of Queensland Ltd	Manager
Hannah Rogers	Board Member	Tasmanian Youth Broadcasters Inc.- Trading as Edge radio	Station Manager
Quinn Glasson	Board Member	Curtin FM 100.1 (Curtin University)	Station Manager
Sewar Mitanis	Board Member	Ethnic Broadcasting Association of Brisbane, Trading as 4EB.	Director
Megan Williams	Board Representative	Broken Hill Community FM Assoc Inc, Trading as 2DRYFM	Station Manager
Jon Bisset	CEO and Company Secretary	Free Digital Radio Pty Ltd Local and Independent News Association Ltd Spots & Space Ltd	Director Director Director
John Fink	Company Secretary	Free Digital Radio Pty Ltd Local and Independent News Association Ltd	Director & Company Secretary Company Secretary

Gavin Brett, a CBAA Director, is the CEO of Christian Media Hub - Regional NSW Incorporated. This organisation provides management services to six CBAA broadcaster members.

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.

CBAA ("the parent") exercises control over LINA and Free Digital Radio ("the subsidiaries"). The parent and the subsidiaries are collectively referred to as the "Consolidated Group" and are constituent parts of the consolidated financial statements. Accordingly, the subsidiaries are considered as related parties in the separate financial statements of the parent entity rather than in the consolidated financial statements.

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 2023 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 2023;
- (b) the financial statements and associated records of Community Broadcasting Association of Australia have been properly kept during the year ended 30 June 2023 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 2023 has been properly accounted for and applied in accordance with the Act.

Signed in accordance with a resolution of the Directors



PETER ROHWEDER
Vice President

Sydney

Dated: 19 October 2023



QUINN GLASSON
Director

PERTH

Dated: 19 October 2023

Independent Audit Report to the Members of the Community Broadcasting Association of Australia Limited for the Year Ended 30 June 2023

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 2023, 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 2023 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards – Simplified 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 2023, 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 – Simplified 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 the Community Broadcasting Association of Australia Limited for the Year Ended 30 June 2023

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 skepticism 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: 23 October 2023