



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

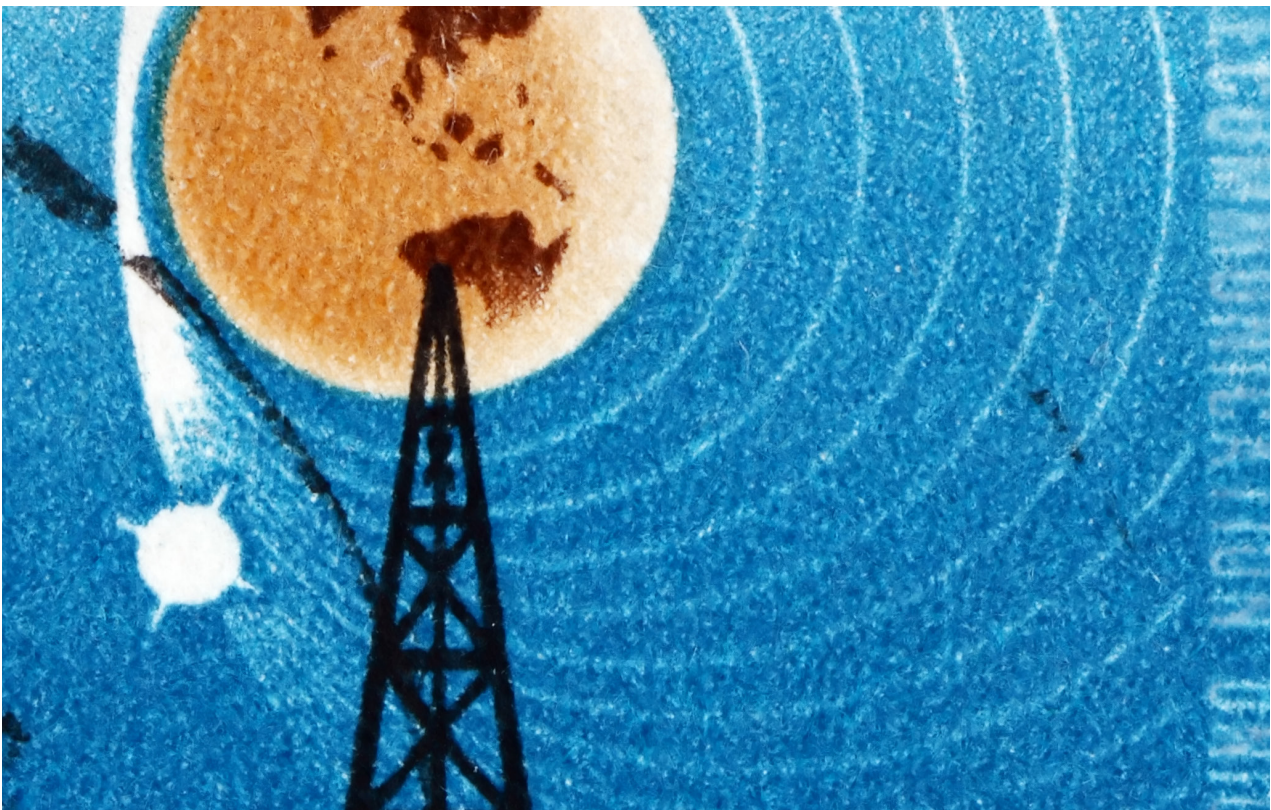
Financial Report

30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

(A COMPANY LIMITED BY GUARANTEE)

ABN 92 003 108 030



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Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors	Phillip Randall Anne Frankenberg Jacquie Riddell (Appointed Sept 2018) Peter Rohweder Wayne Stamm Quinn Glasson (Appointed Nov 2018) Daniel Ahern (Appointed Nov 2018) Natalie Pozdeev (Resigned Nov 2018) Tony Smythe (Resigned Nov 2018) Melanie Whithnall (Resigned July 2018)
Chief Executive Officer	Jon Bisset
Company Secretary and Chief Operating Officer	Jessica Hermosilla
Youth Representative	Molly George (Appointed Nov 2018) Philippa Younes (Resigned Nov 2018)
Women's Representative	Emma Hart
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 2019.

DIRECTORS' DETAILS AND MEETINGS

The following persons were Directors of the Community Broadcasting Association of Australia during 2018/2019 or since the end of the financial year.

DIRECTOR NAME	DATE APPOINTED	DATE OF CESSATION	ATTENDANCE	
			A	B
Anne Frankenberg	Feb-16	continuing	6	6
Jacquie Riddell	Sep-18	continuing	6	6
Natalie Pozdeev	Nov-12	Nov-18	2	2
Phillip Randall	Nov-08	continuing	6	6
Peter Rohweder	Feb-11	continuing	6	6
Quinn Glasson	Nov-18	continuing	4	2
Tony Smythe	Nov-14	Nov-18	4	3
Wayne Stamm	Nov-16	continuing	6	5
Daniel Ahern	Nov-18	continuing	4	4
Melanie Whithnall	Aug-11	Jul-18	0	0

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 2019, the CBAA had 303 member organisations nationwide (2018: 302 members) representing over 89% of permanently licensed community broadcasters.

The CBAA champions community broadcasting by building stations' capability and creating a healthy environment for the sector to thrive.

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 that guide decision-making:

- High quality, member driven services
- Financial viability
- A credible and influential advocate
- A great place to work
- Insights used effectively to guide strategy
- Satisfied customers

REVIEW OF OPERATIONS

During the 2018-19 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.

CBAA has reached many achievements in the past 12 months. Some highlights include:

- Selected as one of twenty-three winners in the Google News Initiative Asia Pacific Innovation Challenge to share in a \$3.2 million funding pool. The CBAA's project is focused on digital philanthropy and digital content in community radio news.
- The commencement of the CBAA's Enhanced Community Radio News Programming initiative. CBAA is developing a network infrastructure to link community radio newsrooms together and share content. The priority of the first phase is to re-negotiate the partnership with CSU to deliver National Radio News and the recruitment of a National News Director.
- Providing information, coordination and infrastructure to support the rollout and introduction of DAB+ in the new locations of Canberra, Hobart and Darwin. Continued service support and the provision of next generation digital radio equipment for stations operating existing digital radio services in Sydney, Melbourne, Adelaide, Brisbane and Perth.
- Maintaining a high level of data integrity with the National Listener Survey and Station Community Engagement Survey, which stations use to assist with sponsorship sales, ACMA licence renewals and community engagement. The national data this year also displayed the health and sustainability of the sector with community radio enjoying almost 6 million weekly listeners.
- Supplying subscribing stations access to a wide range of the sector's best program content through the CBAA's Community Radio Network; including 116 regular programs and over 50 specials.
- Leading advocacy on behalf of the sector including participation in the 2019 Federal Budget process; inquiry into the Australian music industry; inquiry into the music and arts economy in New South Wales; National Arts and Disability Strategy Consultation; Joint Select Committee on Sydney's night-time economy.
- Championing Australian musicians through the Amrap initiative in which 6000 (3,500 new) Artists supplied music for distribution to community broadcasters. Last year, there were 144,465 music files ordered for airplay, 4% increase. Finally, the CBF investigation into Amrap concluded that the CBAA was operating the Amrap service in accordance with the terms and conditions of the CBF Grant.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

FINANCIAL RESULTS

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

In accordance with its strategy during FY2018/2019 the CBAA continued to generate revenue to:

- Advance the CBAAs 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:

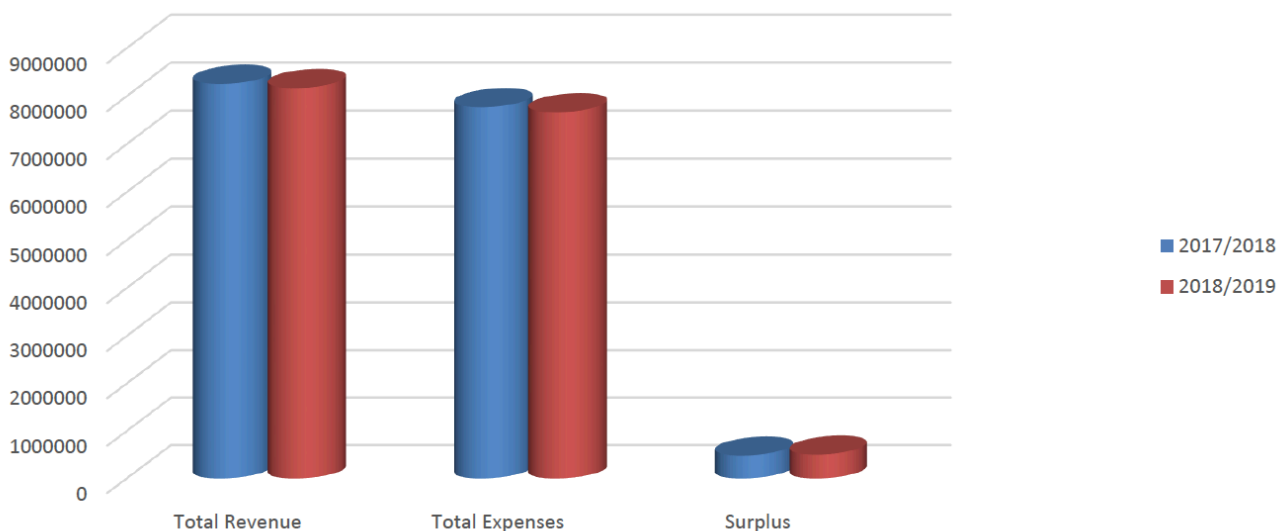
	FY 2019	FY 2018
The net Surplus for the year amounted to:	\$504,240	\$484,212

The operational result after transfer of funds to project Reserve funds

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

The net Surplus / (deficit) for the year amounted to:	\$25,520	\$(39,396)
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Revenue, Expenses & Surplus



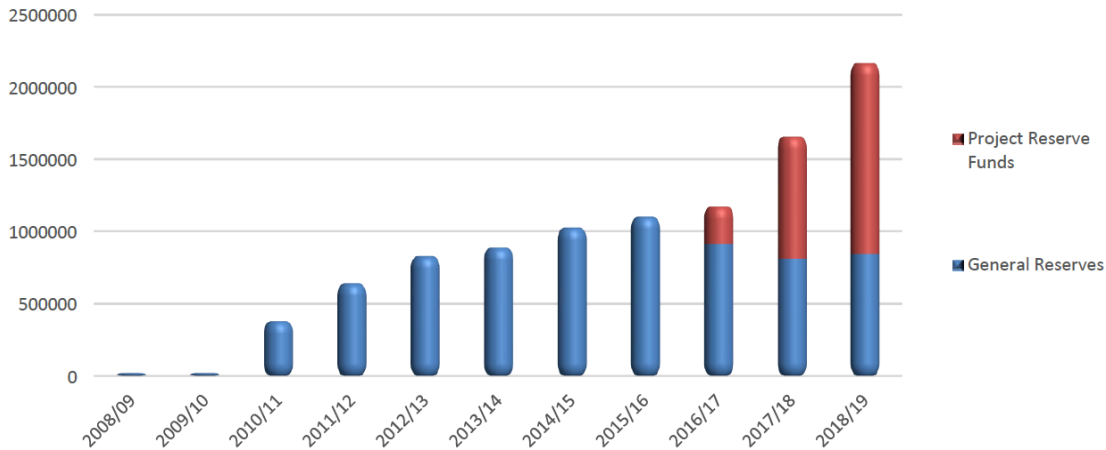
Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF FINANCIAL CONDITION

Members' Funds increased by 31% from \$1.66m to \$2.16m during the year ended 30 June 2019.

Total Equity



*As from FY2016/2017, CBAA has allocated surpluses generated through CBAA's DRP & Amrap Initiatives as project reserves funds to be spent on the purposes for which they were received or held.

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).

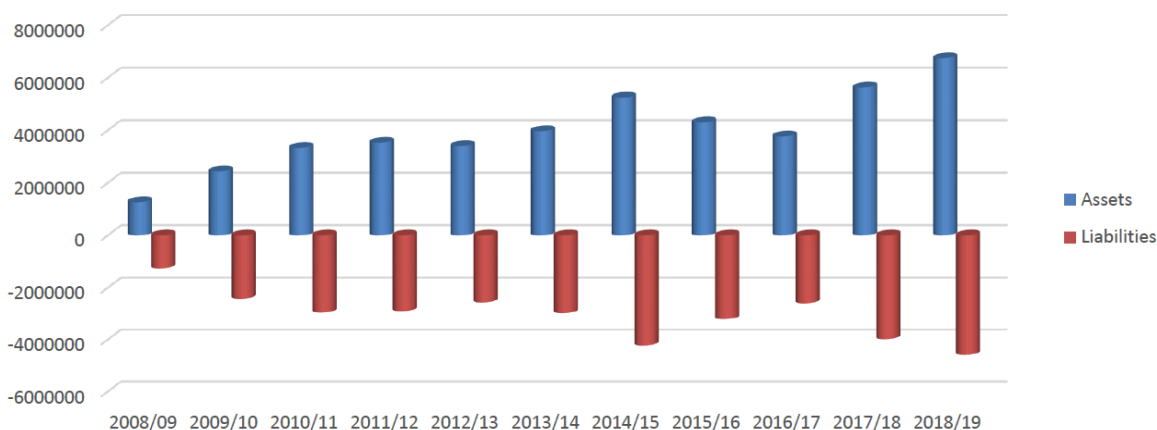
At 30 June 2019, the CBAA held \$1,130K in its Digital Radio Development Fund and \$107K in its Australian Music Initiatives Fund. These two funds are restricted funds that must be spent on the purposes for which they were received or held. In addition \$924K are held as unrestricted funds.

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

REVIEW OF FINANCIAL CONDITION *continued*

Assets & Liabilities



Assets

Total assets at the 30 June 2019 totalled \$6.7m, a 19.8% increase on the previous year, attributable primarily to the timing of payments required for major CBAA initiatives.

Cash assets totalled \$5.52m (2017/18: \$4.2m).

Liabilities

Total liabilities at 30 June 2019 totalled \$4.53m, a 15.3% increase on the previous year, again attributable primarily to the timing of payments required for major CBAA initiatives.

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 we have 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:

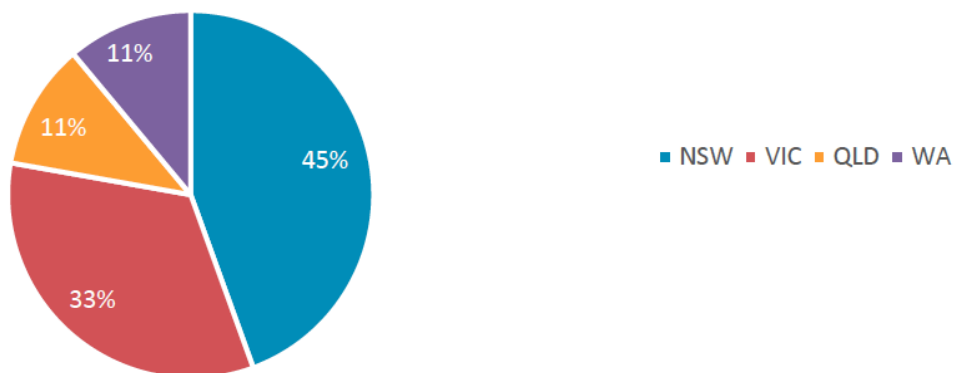
- i. All States and Territories of Australia; and
- ii. Different types of community broadcasting interests.

Directors' Report

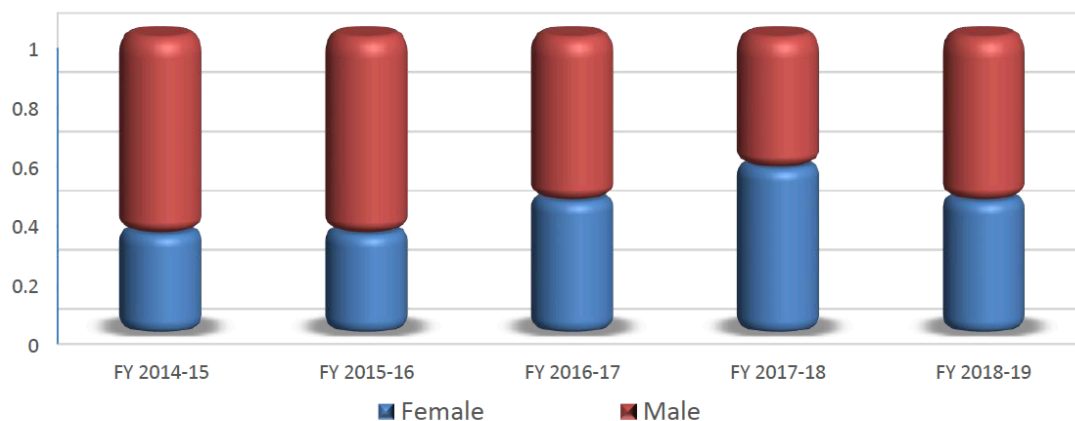
COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

BOARD COMPOSITION continued

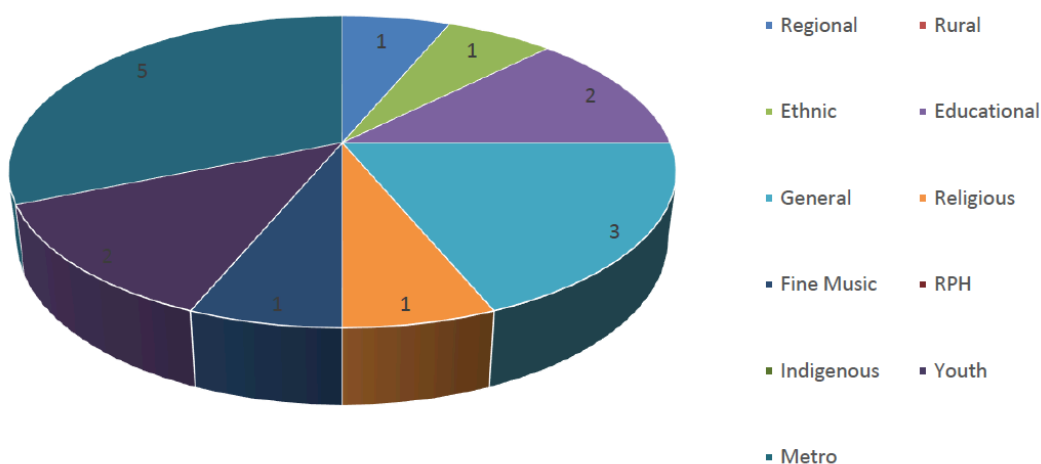
Residential Location of the Board including Youth and Women's Representatives



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



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



Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

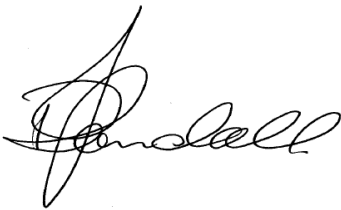
CONTRIBUTION IN WINDING UP

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 2019, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$3,030 (2018: \$3,020).

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 14 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 20th September 2019



ANNE FRANKENBERG

Vice President

SYDNEY

Dated 20th September 2019

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Directors' and Representatives and Officers' experience, qualifications and special responsibilities. (Positions held as at 30 June 2019.)

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
<p>Phillip Randall</p>	<p>Phillip has more than 42 years experience in commercial and community radio and is currently CEO of Hope Media Ltd.</p> <p>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.</p>	<p>President</p>
<p>Anne Frankenberg</p>	<p>Anne is Deputy CEO at Music Viva Australia. She has 16 cumulative years of experience as a Director on not-for-profit boards, and 13 years of executive and senior management experience.</p> <p>Anne also undertakes voluntary and professional mentoring of NFP executives and boards, particularly in fundraising and governance areas.</p> <p>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 completed the Governance Foundations for NFP Directors course with Australian Institute of Company Directors.</p>	<p>Vice President (from 21 Jul 2018)</p> <p>Chair - Audit, Risk & Compliance Committee</p>
<p>Jacquie Riddell</p>	<p>Jacquie currently works as a strategic advisor to several clients in the media and creative industries. Her main client is the National Gallery of Australia, where she works as a strategic and creative consultant. 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.</p> <p>Previously she held executive leadership roles at Barangaroo, SBS, XYZnetworks' 4 high profile music channels (Channel [V], Max, Country Music Channel and Club [V]), and the national Triple J network.</p>	

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
<p>Peter Rohweder</p>	<p>Chairperson of Broadcasting Park Pty Ltd, Peter has a Bachelor of Business (Management) and over 20 years' experience within the community media sector.</p> <p>Peter was previously employed as the Station Manager at Radio 4EB and prior to that he was the Station Manager at 4ZZZ. Prior to his employment at 4ZZZ Peter organised festivals and volunteered in many different capacities at the station.</p>	<p>Member - Audit, Risk & Compliance Committee</p>
<p>Wayne Stamm</p>	<p>Wayne is semi-retired and works as a consultant and advisor for community radio stations and as a reporter for Radioinfo.</p> <p>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.</p>	
<p>Quinn Glasson</p>	<p>Quinn Glasson has been the General Manager of Curtin Radio since 2005. Quinn is critically aware of the need for the sector to increasingly engage with their communities of interest as well as to gain a greater understanding of our respective audiences.</p>	<p>Member - Audit, Risk & Compliance Committee</p>
<p>Daniel Ahern</p>	<p>Dan Ahern is the Program Director of FBi Radio in Sydney. As Program Director, he has responsibility for the station's listenership and engagement, overseeing all programming and managing content teams and talent. He also sits on the AFTRS Industry Advisory panel for Radio and Podcasting.</p> <p>He holds Bachelor of Arts/Bachelor of Laws degrees from UNSW and prior to working at FBi Radio was the Assistant and Acting Music Director at Sydney radio station 2SER.</p>	

Directors' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
<p>Emma Hart</p>	<p>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.</p>	<p>Women's Representative</p> <p>Member - Audit, Risk & Compliance Committee</p>
<p>Molly George</p>	<p>Molly George is the Media Learning Manager at SYN Media in Melbourne. Molly became involved in community radio producing content for All The Best and volunteering at SYN.</p>	<p>Youth Representative</p>
<p>Jessica Hermosilla</p>	<p>Jessica has over 17 years in not-for-profit organisations. She is a member of the NonProfit Alliance.</p> <p>She holds degrees in Master of Business Administration, Master of General Management, and a Bachelor of Arts - Liberal Arts.</p>	<p>Chief Operating Officer and Company Secretary</p>
<p>Jon Bisset</p>	<p>Jon has spent more than 25 years as a Chief Executive and non-executive Director of significant organisations, including with NFP organisations covering professional services, health and ageing, business events, sport, media, technology, fundraising and association management.</p> <p>Jon is a Non-Executive Director of Infoxchange and of Connecting Up Australia and is a Graduate of the Australian Institute of Company Directors, the Harvard Business School Strategic Perspectives of NFP Management Program, and of Sydney Leadership and has a Bachelor of Applied Science.</p>	<p>Chief Executive Officer</p>

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 2019, 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 5th July 2019

Statement of Surplus or Deficit and other Comprehensive Income

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	FY 2019 \$	FY 2018 \$
Revenue	4	8,170,751	8,253,863
Expenses			
Programs, services and projects		5,252,234	5,676,395
Employee and consultancy expenses		1,888,973	1,583,490
Depreciation and amortisation expense		49,446	56,606
Occupancy expense		227,517	152,203
Administration expenses		248,341	300,957
Total Expenses		7,666,511	7,769,651
Net surplus for the year		504,240	484,212
Other comprehensive income		-	-
Total comprehensive income attributable to the members of the entity		504,240	484,212

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 38.

Statement of Financial Position

AS AT 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	30-Jun-2019 \$	30-Jun-2018 \$
Current Assets			
Cash and cash equivalents	5	5,481,541	4,172,162
Trade and other receivables	6	799,200	1,028,366
Other current assets	7	60,536	67,469
		6,341,277	5,267,997
Non-Current Assets			
Property, plant and equipment	8	406,408	351,192
Intangibles	9	-	12,945
Other financial assets	10	100	100
		406,508	364,237
Total Assets		6,747,785	5,632,234
Current Liabilities			
Trade and other payables	11	1,575,484	1,703,110
Government and other grants	12	2,416,169	1,181,167
Other current liabilities	13	101,713	550,537
Short term provisions	14	230,908	218,899
		4,324,274	3,653,713
Non-Current Liabilities			
Government and other grants	12	237,115	314,924
Non - Current provisions	14	25,188	6,629
		262,303	321,553
Total Liabilities		4,586,577	3,975,266
Net Assets		2,161,208	1,656,968
Members Equity			
Reserves	16	1,236,865	758,145
Unrestricted funds		924,343	898,823
Total Equity		2,161,208	1,656,968

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 38.

Statement of Changes in Members Equity

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	Reserves \$	Unrestricted Funds \$	TOTAL \$
Balance at 1 July 2017		174,274	998,482	1,172,756
Surplus for the year		-	484,212	484,212
Other comprehensive income		-	-	-
Transfer from unrestricted funds	16	583,871	(583,871)	-
Balance at 30 June 2018		758,145	898,823	1,656,968
Surplus for the year		-	504,240	504,240
Other comprehensive income		-	-	-
Transfer from unrestricted funds	16	478,720	(478,720)	-
Balance at 30 June 2019		1,236,865	924,343	2,161,208

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 38.

Statement of Cash Flows

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	FY 2019 \$	FY 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		8,180,446	7,483,400
Receipts from customers		1,917,324	1,706,777
Interest received		55,732	45,586
Payments to employees and suppliers (incl GST where applicable)		(8,672,725)	(8,017,829)
Net cash provided by operating activities		1,480,777	1,217,934
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property and equipment		(171,398)	(11,345)
Payments for intangibles		-	-
Net cash flows used in investing activities		(171,398)	(11,345)
Net increase / (decrease) in cash held		1,309,379	1,206,589
Cash and cash equivalents at beginning of the financial year		4,172,162	2,965,573
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5	5,481,541	4,172,162

The above statement is to be read in conjunction with the notes to the financial statements set out on pages 19 to 38.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

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.

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 2019 were approved and authorised for issue by the Board of Directors on 20th September 2019.

2 BASIS OF PREPARATION

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

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of these amendments has not had a material impact on the company.

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.2 Revenue

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

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

(i) Government funding

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

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

Where the company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised. Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

(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.

3.3 Operating expenses

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

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

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

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.7 Leases

Operating leases

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

3.8 Impairment testing of intangible assets and plant and equipment

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

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

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

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.10 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

3.11 Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Post-employment benefits plans

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

Defined contribution plans

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

3.12 Deferred

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

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).

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)

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.15 Financial instruments *continued*

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 principle 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 deposit that were previously classified as held-to-maturity under AASB 139.

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.15 Financial instruments *continued*

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.

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).

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.15 Financial instruments *continued*

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.

Accounting policies applicable to comparative period (30 June 2018)

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

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:

- loans and receivables
- financial assets at fair value through profit or loss (FVPL)
- Held-to-maturity (HTM) investments
- Available-for-sale (AFS) financial asset

Different criteria to determine impairment are applied for each category of financial assets, which are described below. All income and expenses relating to financial assets that are recognised in surplus or deficit are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

3.15 Financial instruments *continued*

Assets in this category are measured at fair value with gains or losses recognised in surplus or deficit. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the company has the intention and ability to hold them until maturity. The company currently holds long-term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets: are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The company's AFS financial assets may include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in surplus or deficit. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to surplus or deficit and presented as a reclassification adjustment within other comprehensive income.

Interest calculated using the effective interest method and dividends are recognised in surplus or deficit within 'revenue' (see Note 3.2).

Reversals of impairment losses for AFS debt securities are recognised in surplus or deficit if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in surplus or deficit and any subsequent increase in fair value is recognised in other comprehensive income.

Classification and subsequent measurement of financial liabilities

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

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in surplus or deficit.

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 SUMMARY OF ACCOUNTING POLICIES *continued*

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.

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	2019 \$	2018 \$
4 REVENUE			
From continuing			
Membership fees		461,128	446,104
Grants received - CBF	4.1	5,767,491	6,101,329
Grants received - APRA	4.1	15,000	17,500
Grants received - DOHA	4.1	384,525	385,373
Grants received - Organ and Tissue Authority	4.1	32,880	33,510
CRN, Conference and activities revenues		905,975	722,921
Digital Radio Service fees received		517,007	480,984
Other income		31,014	20,556
		8,115,019	8,208,277
Other income			
Interest received		55,732	45,586
Total revenue and other income		8,170,751	8,253,863
4.1 GRANT INCOME RECONCILIATION			
CBF Grants			
Unexpended grants - 1 July		1,146,416	867,471
Grants received during the year		7,001,704	6,380,274
Grants returned during the year		-	-
Unexpended grants - 30 June		(2,380,629)	(1,146,416)
CBF grant income		5,767,491	6,101,329
APRA Grants			
Unexpended grants - 1 July		-	-
Grants received during the year		15,000	17,500
Unexpended grants - 30 June		-	-
APRA grant income		15,000	17,500

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	2019 \$	2018 \$
4.1 GRANT INCOME RECONCILIATION			
<i>continued</i>			
Department of Health & Ageing (DOHA) Grants			
Unexpended grants - 1 July		-	848
Grants received during the year		384,525	384,525
Unexpended grants - 30 June		-	-
DOHA grant income		384,525	385,373
Organ and Tissue Authority Grants			
Unexpended grants - 1 July		32,880	33,510
Grants received during the year		35,540	32,880
Unexpended grants - 30 June		(35,540)	(32,880)
Organ and Tissue Authority grant income		32,880	33,510
5 CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		5,481,541	4,172,162
6 TRADE AND OTHER RECEIVABLES			
Trade receivables		375,677	602,559
Less: allowance for doubtful debts		(30,000)	(30,000)
		345,677	572,559
Deposits		453,391	453,391
Sundry receivables		132	2,417
		799,200	1,028,366
7 OTHER CURRENT ASSETS			
Prepayments		60,536	67,469

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	2019 \$	2018 \$
8 PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment			
Office furniture and equipment - at cost		942,539	920,102
Accumulated depreciation	3.5	(660,919)	(580,950)
Total office furniture and equipment		281,619	339,152
Leasehold improvements			
Leasehold improvements - at cost		183,570	58,781
Accumulated depreciation	3.5	(58,781)	(46,741)
Total leasehold improvements		124,789	12,040
Total property, plant and equipment		406,408	351,192

Reconciliation

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

	Plants & Equipment \$	Leasehold Improvements \$	2019 Total \$
Carrying amount - 1 July	339,152	12,040	351,192
Additions	39,434	124,788	164,222
Depreciation	(24,062)	(12,039)	(36,101)
Amortisation of asset grant liability	(72,905)	-	(72,905)
Carrying amount - 30 June	281,619	124,789	406,408

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	2019 \$	2018 \$
9 INTANGIBLES			
Intangibles			
Website and software - at cost		96,487	96,088
Accumulated amortisation	3.4	(96,487)	(83,143)
Total intangibles		<u>0</u>	<u>12,945</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	49,405
Additions		-	-
Amortisation		(12,945)	(36,460)
Carrying amount - 30 June		<u>0</u>	<u>12,945</u>
10 OTHER FINANCIAL ASSETS			
Non-current			
Available-for-sale financial assets - at cost		<u>100</u>	<u>100</u>
11 TRADE AND OTHER PAYABLES			
Current			
Trade creditors		1,111,971	1,572,641
Other creditors and accrued charges		463,513	130,469
		<u>1,575,484</u>	<u>1,703,110</u>

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	2019 \$	2018 \$
12 GOVERNMENT AND OTHER GRANTS			
Current			
Unexpended grants		2,416,169	1,179,296
Asset grant liability		-	1,871
		<u>2,416,169</u>	<u>1,181,167</u>
Non-current			
Asset grant liability		<u>237,115</u>	<u>314,924</u>

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).

	NOTE	2019 \$	2018 \$
13 OTHER CURRENT LIABILITIES			
Deposits received		245	195
Income in advance		101,468	550,342
		<u>101,713</u>	<u>550,537</u>

14 PROVISIONS

Current

Annual leave		123,094	96,082
Long service leave		107,814	122,817
		<u>230,908</u>	<u>218,899</u>

Non-current

Long service leave		<u>25,188</u>	<u>6,629</u>
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Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	NOTE	2019 \$	2018 \$
15 COMMITMENTS FOR EXPENDITURE			
Operating leases			
<i>Leases as lessee</i>			
Minimum commitments are payable as follows:			
Unexpended grants		186,656	198,032
Asset grant liability		586,693	854,102
		<u>773,349</u>	<u>1,052,134</u>

16 PROJECT RESERVE FUNDS

The details of project reserve funds are as follows:

	Digital Radio Development Fund	Australian Music Initiatives	2019 Total \$
Balance at 1 July 2018	613,600	144,545	758,145
Transfer from unrestricted funds	517,007	(38,287)	478,720
Balance at 30 June 2019	<u>1,130,607</u>	<u>106,258</u>	<u>1,236,865</u>

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 must be spent on the purpose for which they were received or 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

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

17 CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the company in relation to 2019 or 2018.

18 POST-REPORTING DATE EVENTS

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

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 2019, the total amount that licence holding members of the Company are liable to contribute if the Company wound up is \$3,030 (2018: \$3,020).

20 RELATED PARTY TRANSACTIONS

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

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

(a) Transactions with related entities

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

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

(b) Transactions with key management personnel

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

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

	2019 \$	2018 \$
Total key management personnel remuneration	935,642	808,826

Notes to the Financial Statements

YEAR ENDED 30 JUNE 2019

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

21 OTHER RELATED PARTY TRANSACTIONS

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

NAME	ROLE	AFFILIATED ORGANISATION	POSITION WITHIN ORGANISATION
Phillip Randall	President	Hope Media Ltd (2CBA)	CEO
		Family Radio Ltd (4FRE)	CEO
Quinn Glasson	Director	Curtin FM 100.1 in Perth	Station Manager
Daniel Ahern	Director	FBI Radio	Program Director
Peter Rohweder	Director	Ethnic Broadcasting Association of QLD (4EB)	Station Manager (Resigned April 2018)
Wayne Stamm	Director	2NURFM- The University of Newcastle	Station Manager (Retired March 2018)
Natalie Pozdeev	Director (Resigned Nov 2018)	Ryde Regional Radio Co-operative Ltd	Chairperson
Tony Smythe	Director (Resigned Nov 2018)	Eastside Radio (2RES)	Station Manager

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

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

During the year, the Directors have been reimbursed for out-of-pocket expenses incurred on behalf of the company.

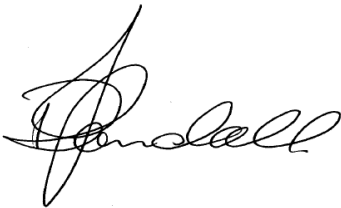
Directors' Declaration

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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

- a. The financial statements and notes of the Community Broadcasting Association of Australia are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including;
 - I. Giving a true and fair view of its financial position as at 30 June 2019 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)

Signed in accordance with a resolution of the Directors.



PHILLIP RANDALL
President

SYDNEY

Dated 20th September 2019



ANNE FRANKENBERG
Vice President

SYDNEY

Dated 20th September 2019

Independent Audit Report

YEAR ENDED 30 JUNE 2019

TO THE MEMBERS OF COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA LIMITED

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 2019, 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 2019 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 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 2019, 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.

Independent Audit Report

YEAR ENDED 30 JUNE 2019

TO THE MEMBERS OF COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA LIMITED

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.

Independent Audit Report

YEAR ENDED 30 JUNE 2019

TO THE MEMBERS OF COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA LIMITED

Auditor's Responsibilities for the Audit of the Financial Report *continued*

- 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 23rd September 2019