



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

Financial Report

30 June 2016

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

A photograph of a person wearing large headphones, with their hands near the earcups. The image is overlaid with a dark teal gradient. The numbers '15' and '16' are prominently displayed in a large, light teal font, indicating the financial years 2015 and 2016.

15
16

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COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Corporate Information

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Responsible Entities	Phillip Randall Melanie Withnall Peter Rohweder Jean Rau Natalie Pozdeev Tony Smythe Anne Frankenberg
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Chief Executive Officer	Jon Bisset
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Company Secretaries	Jon Bisset Rhonda Byrne
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Youth Representative	Tess Lawley
Women's Representative	Bethany Atkinson-Quinton

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

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

The Responsible Entities of the Community Broadcasting Association of Australia present their Report together with the financial statements for the year ended 30 June 2016 and the Independent Audit Report thereon.

Responsible Entities Details and Meetings

The following persons were Responsible Entities of the Community Broadcasting Association of Australia during or since the end of the financial year.

DIRECTOR NAME	DATE APPOINTED	DATE OF CESSATION	ATTENDANCE	
			A	B
Phillip Randall	15 Nov 2008	Continuing	4	4
Melanie Withnall	26 Aug 2011	Continuing	4	4
Peter Rohweder	26 Feb 2011	Continuing	4	4
Jean Rau	19 Nov 2011	Continuing	4	4
Natalie Pozdeev	17 Nov 2012	Continuing	4	4
Tony Smythe	8 Nov 2014	Continuing	4	3
Anne Frankenberg	5 Feb 2016	Continuing	2	2
Adrian Basso	25 Nov 2007	14 Nov 2015	1	1

A Number of meetings the Responsible Entity was entitled to attend

B Number of meetings the Responsible Entity attended

Principal Activities

Founded in 1974, the Community Broadcasting Association of Australia (CBAA) is the national peak body for community broadcasting licensees. The CBAA champions community broadcasting by building stations' capability and creating a healthy environment for the sector to thrive. As at 30 June 2016, the CBAA had 291 member organisations nationwide (2015: 276 members) representing over 86% of permanently licensed community broadcasters.

The CBAA is the go-to destination for advice, knowledge and services for the community broadcasting sector. The CBAA helps to grow the capability and sustainability of stations by providing information and resources on community broadcasting matters such as financial management, compliance, online and broadcast infrastructure, content and programming, station management and community engagement.

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Principal Activities *continued*

The CBAA works to build a healthy environment in which community broadcasting can thrive by nurturing a supportive political environment, influencing public policy through leadership and research, and developing and maintaining internal and external sector relationships and networks. In particular, the CBAA proactively works with influential political stakeholders to strengthen knowledge, understanding and support of the community broadcasting sector and to pursue policy matters that may affect stations. In this role, the CBAA also leads research for community broadcasting.

During the financial year there was no significant change in the nature of the CBAA's principal activities.

Strategic Objectives

The CBAA's strategic objectives are:

- To build a healthy environment in which community broadcasting can thrive
- To grow the capability and sustainability of stations
- To strengthen the CBAA's capacity to provide leadership

Financial Results

The net amount of the CBAA's surplus for the year ended 30 June 2016 was \$76,806 (2015: surplus \$137,230).

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

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

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

Responsible Entities' Report

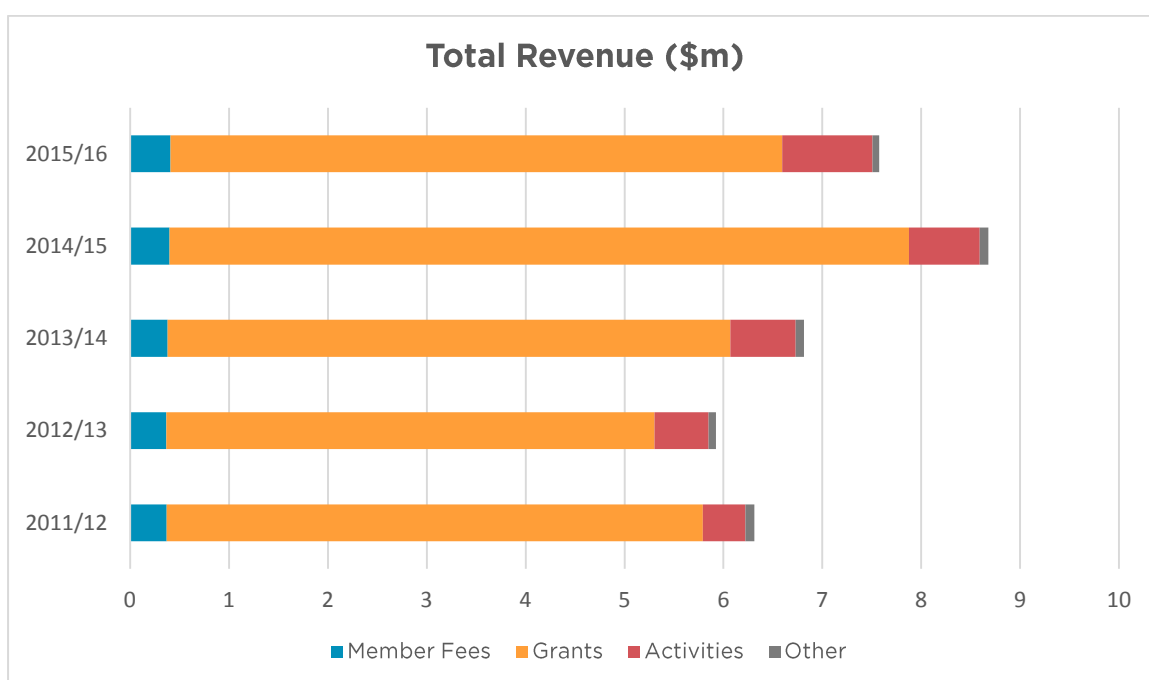
COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Review of Operations

Revenue

Overall revenue for the 2016 financial year was \$7.58m (2015: \$8.54m). Whilst this represented a decrease of \$1.1m from the previous year this was mainly due to a decrease in grants received from the Community Broadcasting Foundation (CBF) of \$1.23m as a result of some extraordinary grants in 2015 for a necessary restructure and upgrades to systems and equipment for digital radio.

Membership revenue growth was 2.2% and growth in Community Radio Network (CRN), Conference and Activities revenue was in excess of 27%.



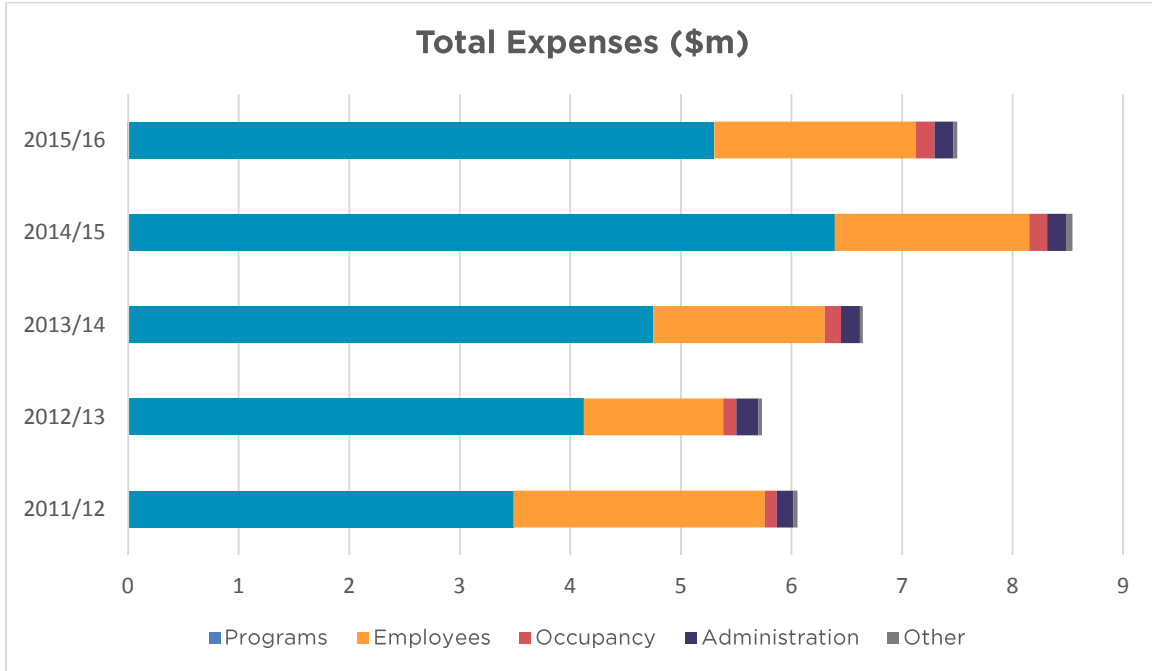
Expenses

Total expenses for the year decreased to \$7.5m (2015: 8.5m). Again, this decrease was predominantly a result of some extraordinary grants and resulting expenditure for the restructure and upgrades to systems and equipment for digital radio in 2015.

Expenditure for programs, services and projects decreased by \$1.1m due to the re-structure and upgrades work in 2015, and employee and consultancy expenses increased by 3.6%, due to normal CPI increases and some minor staff changes as part of a restructure undertaken in July 2015. Occupancy expenses increased by 4.5% in accordance with CBAA leases and administration expenses decreased by just under 1%.

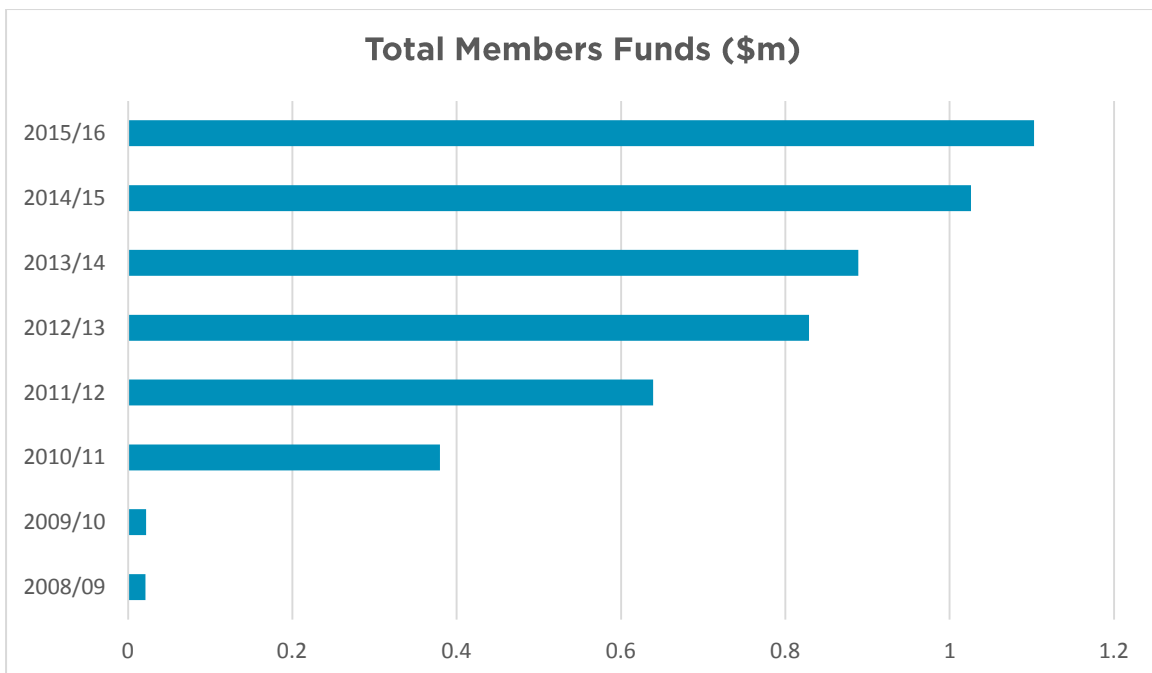
Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA



Review of Financial Condition

Members' Funds increased from \$1.02m to \$1.1m during the year ended 30 June 2016.



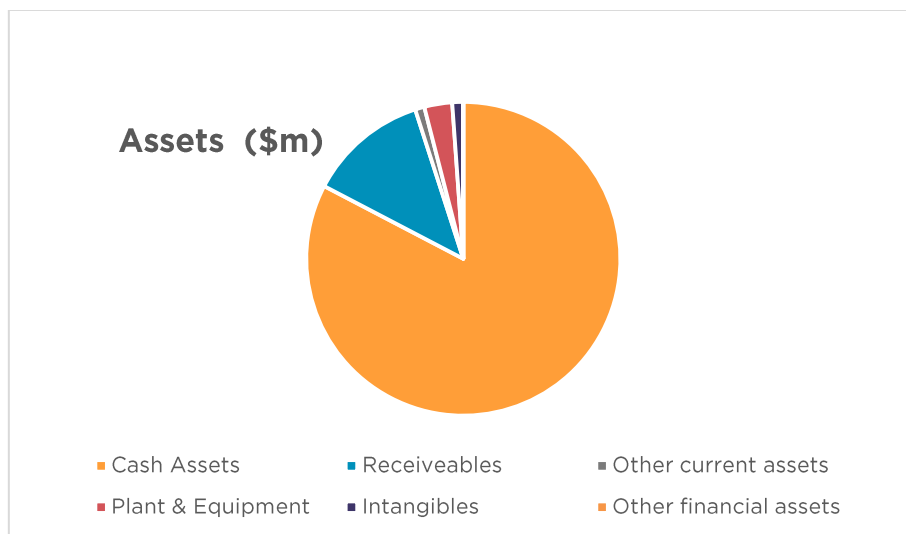
Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Assets

Total assets at 30 June 2016 total \$4.3m, a \$0.95m decrease on the previous year, again attributable to the digital radio restructure and upgrades.

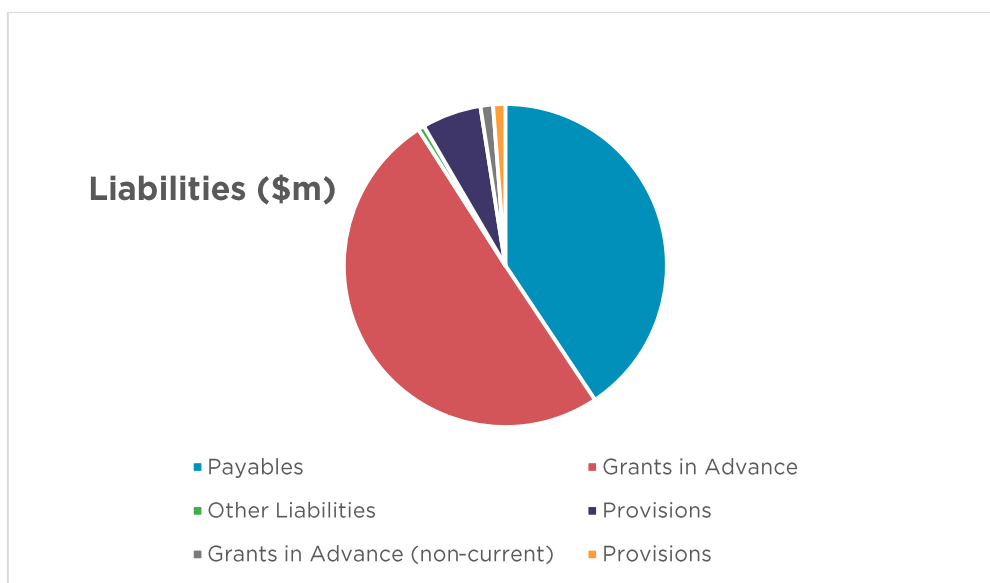
Cash assets total \$3.56m (2015: \$4.44m). In 2016 most of this cash was held in short to medium term bank accounts returning between 0.01% and 1.75% interest. The Board has begun a review of CBAA investment policies to be completed in 2016/17.



Liabilities

Total liabilities at 30 June 2016 total \$3.2m, a \$1.02m decrease on the previous year, again attributable to the digital radio restructure and upgrades.

\$1.3m of the current liabilities are for trade and other payables and \$1.61m are for government and other grants received in advance.



Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Board Composition

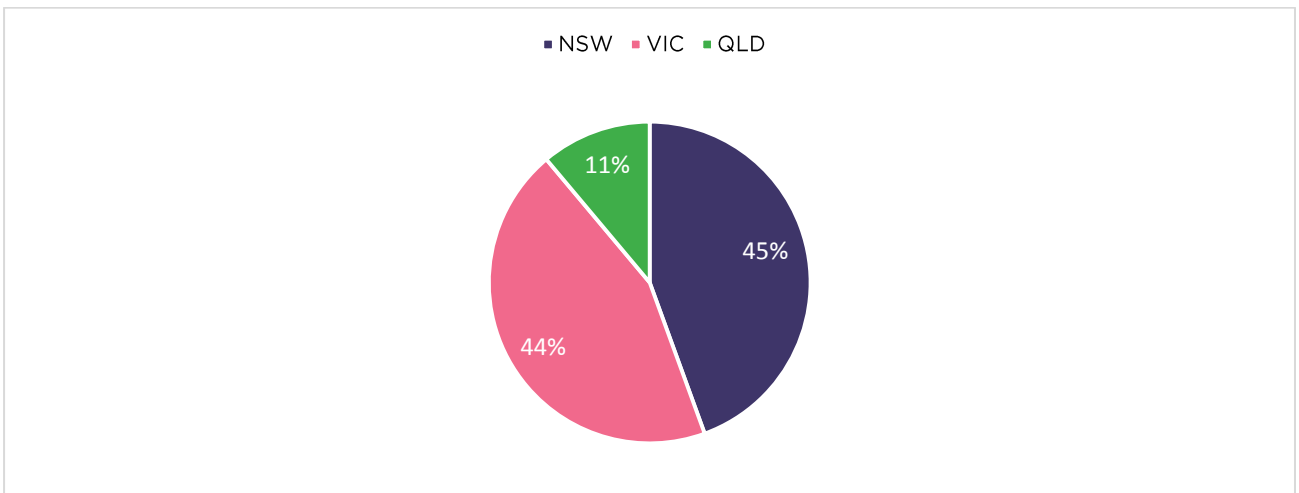
The CBAA is committed to ensuring we have a diverse workforce and an inclusive environment conducive to respect and substantive equality in the appointment of well qualified employees, senior management and board candidates so that we can:

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

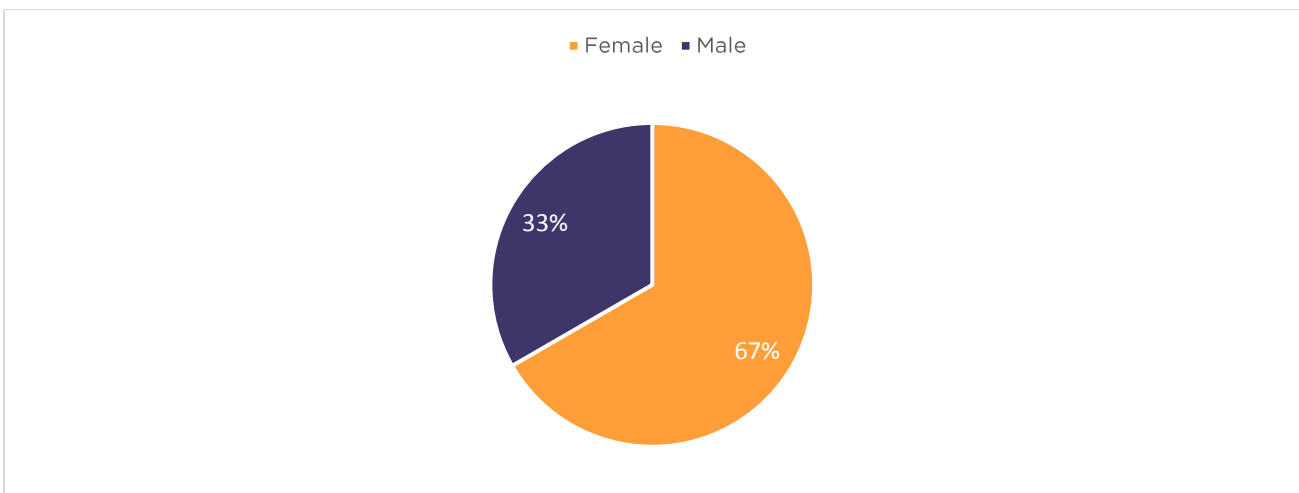
In addition the CBAA Constitution requires that, so far as possible, the Board should be representative of:

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

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



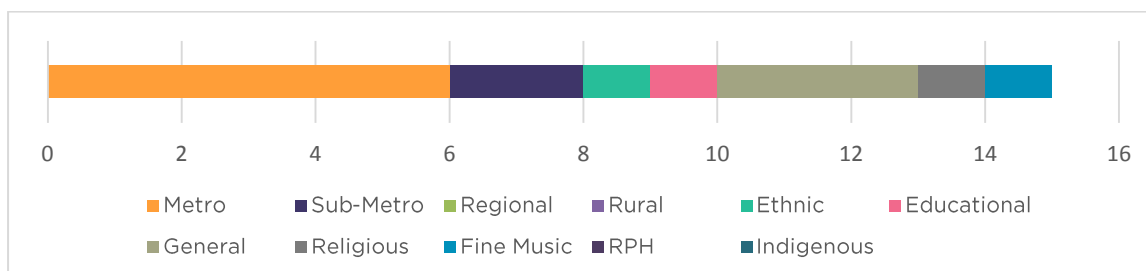
Gender Diversity of the Board and Youth and Women's Representatives



Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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



Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the Company are liable to contribute if the Company wound up is \$2,910 (2015: \$2,760).

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 9 of this financial report and forms part of the Responsible Entities' Report.

Signed in accordance with a resolution of the Responsible Entities.

PHILLIP RANDALL

President

JON BISSET

Chief Executive Officer & Company Secretary

Sydney

Dated 18th October 2016

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Responsible Entities' and Representatives experience, qualifications and special responsibilities.
(Positions held as at June 30, 2016)

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Phillip Randall	Experience: CEO, Hope Media Ltd; 39 years experience in broadcasting	President
Melanie Withnall	Experience: Managing Director, 2SER; 20 years in community broadcasting Qualifications: Master of Arts (International Studies), Bachelor of Arts (International Studies), Bachelor of Arts (Communication), Graduate Diploma (Commercial Radio Broadcasting)	Vice President (Radio)
Peter Rohweder	Experience: General Manager, 4EB; 22 years in community broadcasting Qualifications: Associate Diploma, Business Accounting	
Jean Rau	Experience: Board Treasurer, North West FM; 26 years in community broadcasting	
Natalie Pozdeev	Experience: Head Teacher – Media, Sydney TAFE; 15 years in community broadcasting, 11 years in education Qualifications: Master of Education (leadership), Bachelor of Design (Visual Communications); Hons, Graduate Diploma Vocational Education & Training, Graduate Certificate Education for Sustainability	Chair, Audit, Risk & Compliance Committee
Tony Smythe	Experience: General Manager, Eastside Radio (2RES); 16 Years in Community Broadcasting Qualifications: Bachelor Of Communication	Member, Audit, Risk & Compliance Committee
Anne Frankenberg	Experience: 21 year managerial career in opera, international development and community radio Qualifications: Bachelor of Music, Bachelor of Arts, Graduate Diploma Music Performance, MBA (Exec), LMusA, CFRE	Member, Audit, Risk & Compliance Committee
Bethany Atkinson-Quinton	Experience: 4 years in community broadcasting Qualifications: Bachelor of Arts	Women's Representative; Member, Audit, Risk & Compliance Committee
Tess Lawley	Experience: General Manager, SYN Media; 5 years in Community Broadcasting Qualifications: Bachelor of Communication	Youth Representative

Responsible Entities' Report

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Jon Bisset	Experience: 25 years managing not-for-profit organisations Qualifications: Bachelor of Applied Science (PhysEd), AICD Company Director Course	Chief Executive Officer; Company Secretary
Rhonda Byrne	Experience: 13 years in Media organisations, 5 years in not-for profit organisations Qualifications: Associate Diploma - Business, Marketing	Head of Business Services; Company Secretary

Auditor's Independence Declaration

To the Responsible Entities 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 2016, we declare that, to the best of our knowledge and belief, there have been:

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

ESCOTT ASTON

Chartered Accountants



MICHAEL I GARCIA

Partner

(RIVERWOOD NSW 2210)

Dated 19th October 2016

Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2016 \$	2015 \$
REVENUE	4	7,575,582	8,678,635
EXPENSES			
Programs, services and projects		5,300,731	6,390,617
Employee and consultancy expenses		1,822,309	1,758,957
Depreciation and amortisation expense		34,963	56,927
Occupancy expense		169,760	162,346
Administration expenses		171,013	172,558
		-----	-----
Total expenses		7,498,776	8,541,405
		-----	-----
Net surplus for the year		76,806	137,230
Other comprehensive income		-	-
		-----	-----
Total comprehensive income attributable to the members of the entity		76,806	137,230
		=====	=====

Statement of Financial Position

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash assets	5	3,558,975	4,435,589
Trade and other receivables	6	532,924	542,028
Other assets	7	41,160	71,740
		-----	-----
Total current assets		4,133,059	5,049,357
		-----	-----
Non-current assets			
Property, plant & equipment	8	123,674	134,676
Intangibles	9	48,769	61,876
Other financial assets	10	100	100
		-----	-----
Total non-current assets		172,543	196,652
		-----	-----
TOTAL ASSETS		4,305,602	5,246,009
		=====	=====
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,301,616	2,357,010
Government and other grants	12	1,611,263	1,519,288
Other current liabilities	13	20,240	84,362
Provisions	14	190,251	182,981
		-----	-----
Total current liabilities		3,123,370	4,143,641
		-----	-----
Non-current liabilities			
Government and other grants	12	40,181	51,157
Provisions	14	39,209	25,175
		-----	-----
Total non-current liabilities		79,390	76,332
		-----	-----
TOTAL LIABILITIES		3,202,760	4,219,973
		=====	=====
NET ASSETS		1,102,842	1,026,036
		=====	=====
FUNDS			
Unrestricted funds		1,102,842	1,026,036
		=====	=====

Statement of Changes in Funds

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Notes	Unrestricted Funds \$
Balance at 30 June 2009		21,210
Total comprehensive income for the year		-
Surplus attributable to members		535

Balance at 30 June 2010		21,745
		=====
Total comprehensive income for the year		-
Surplus attributable to members		357,777

Balance at 30 June 2011		379,522
		=====
Total comprehensive income for the year		-
Surplus attributable to members		259,391

Balance at 30 June 2012		638,913
		=====
Total comprehensive income for the year		-
Surplus attributable to members		189,843

Balance at 30 June 2013		828,756
		=====
Total comprehensive income for the year		(109,110)
Surplus attributable to members		169,160

Balance at 30 June 2014 - Restated		888,806

Total comprehensive income for the year		-
Surplus attributable to members		137,230

Balance at 30 June 2015		1,026,036
		=====
Total comprehensive income for the year		-
Surplus attributable to members		76,806

Balance at 30 June 2016		1,102,842
		=====

Statement of Cash Flows

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2016 \$	2015 \$
Cash Flows from operating activities			
Receipt of grants		6,907,221	8,635,813
Membership fees and activities		1,390,837	1,091,929
Interest received		61,384	82,028
Payment to suppliers and employees		(9,213,457)	(8,607,932)
		-----	-----
Net cash generated from operating activities		(854,015)	1,201,838
		=====	=====
Cash Flows from Investing Activities			
Payments for property and equipment		(21,849)	(24,960)
Payments for intangibles		(750)	(49,415)
		-----	-----
Net cash flows used in investing activities		(22,599)	(74,375)
		-----	-----
Net (decrease) / increase in cash held		(876,614)	1,127,463
Cash and cash equivalents at beginning of the financial year	5	4,435,589	3,308,126
		-----	-----
Cash and cash equivalents at end of the financial year		3,558,975	4,435,589
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

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Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

1 General information and statement of compliance

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

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

The financial statements for the year ended 30 June 2016 were approved and authorised for issue by the Board of Responsible Entities on 17th October 2016.

2 Changes in accounting policies

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

A number of new and revised standards are effective for annual periods beginning on or after 1 July 2015. Information on the more significant standard(s) is presented below:

In the current year, the Company has applied two amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2015, and therefore relevant for the current year end.

AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

The application of these amendments does not have any material impact on the disclosures or amounts recognised in the Company's financial statements.

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

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

3.2 Revenue

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

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

Government funding

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

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

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Donations and Bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably. Bequests are recognised when the legacy is received.

Interest income

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

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.3 Operating expenses

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

3.4 Intangible expenses

Recognition of other intangible assets.

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3(h). The following useful lives are applied:

- Website, software and rebranding 3-5 years

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in surplus or deficit within other income or other expenses.

3.5 Plant and equipment

Plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the company's management. Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

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

- Property, plant and equipment 4-10 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in surplus or deficit within other income or other expenses.

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on-demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Leases

Operating leases

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

3.8 Impairment testing of intangible assets and plant and equipment

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

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

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

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.9 Income taxes

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. The company holds deductible gift recipient status.

3.10 Goods and services tax (GST)

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

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

3.11 Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Post-employment benefits plans

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

Defined contribution plans

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

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.12 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

3.13 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.14 Economic dependence

The company is dependent upon the ongoing receipt of Federal and State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

3.15 Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The company's continued existence is ultimately dependent upon the success of future productions and government support.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

At the date of the report, the company has received notification that 2016 grant funding has been approved and it is expected that the company will be able to continue in its normal capacity.

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

3 Statement of accounting policies *continued*

3.16 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Make good provisions

Provisions for future costs to return certain leased premises to their original condition are based on the company' 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

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2016 \$	2015 \$
4 Revenue			
From continuing operations			
Membership fees		408,556	399,589
Grants received – CBF	4.1	5,768,710	7,001,797
Grants received – APRA		17,500	17,500
Grants received – DOHA	4.1	400,338	456,663
Grants received – Organ and Tissue Authority CRN, Conference and activities revenues	4.1	-	-
Other income		7,378	5,174
		-----	-----
		7,514,198	8,596,608
		-----	-----
Other income			
Interest received		61,384	82,027
		-----	-----
Total revenue and other income		7,575,582	8,678,635
		=====	=====
4.1 Grant income reconciliation			
CBF Grants			
Unexpended grants – 1 July		1,492,731	1,069,946
Grants received during the year		5,830,031	7,493,813
Grants returned during the year		(123,177)	(69,231)
Unexpended grants – 30 June		(1,430,875)	(1,492,731)
		-----	-----
CBF grant income		5,768,710	7,001,797
		=====	=====
DOHA Grants			
Unexpended grants – 1 July		1,039	58,403
Grants received during the year		519,089	399,299
Unexpended grants – 30 June		(119,790)	(1,039)
		-----	-----
DOHA grant income		400,338	456,663
		=====	=====
Organ and Tissue Authority Grants			
Grants received during the year		35,850	-
Unexpended grants – 30 June		(35,850)	-
		-----	-----
Organ and Tissue Authority grant income		-	-
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2016 \$	2015 \$
5 Cash and cash equivalents			
Cash at bank and on hand		3,558,975 =====	4,435,589 =====
The deposits are bearing floating interest rates between 0.01% and 1.75% (2015 - 0.01% and 2.15%).			
6 Trade and other receivables			
Trade receivables		95,710	93,586
Less: allowance for doubtful debts		(20,000)	(20,000)
		-----	-----
		75,710	73,586
Deposits		453,391	465,205
Net GST refundable		3,338	2,640
Sundry receivables		485	597
		-----	-----
		532,924 =====	542,028 =====
7 Other current assets			
Prepayments		41,160 =====	71,740 =====
8 Property, plant and equipment			
Plant and equipment			
Office furniture and equipment - at cost		590,517	716,578
Accumulated depreciation	3.5	(487,827)	(606,470)
		-----	-----
Total office furniture and equipment		102,690 =====	110,108 =====
Leasehold improvements			
Leasehold improvements - at cost		58,781	40,782
Accumulated depreciation	3.5	(37,797)	(16,214)
		-----	-----
Total leasehold improvements		20,984 =====	24,568 =====
Total property, plant and equipment		123,674 =====	134,676 =====

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

8 Plant and equipment continued

Reconciliation

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

	Plant & Equipment	Leasehold Improvements	2016 Total
	\$	\$	\$
Carrying amount - 1 July	110,108	24,568	134,676
Additions	152,025	750	152,775
Disposals	(333,308)	(17,248)	(350,556)
Depreciation	(10,437)	(4,334)	(14,771)
Written back on disposal	271,672	17,248	288,920
Amortisation of asset grant liability	(87,370)	-	(87,370)
	-----	-----	-----
Carrying amount - 30 June	102,690	20,984	123,674
	=====	=====	=====

9 Intangibles

Intangibles

Website and software - at cost		79,117	112,403
Accumulated amortisation	3.5	(30,348)	(50,527)
		-----	-----
Total intangibles		48,769	61,876
		=====	=====

Reconciliation

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

Carrying amount - 1 July		61,876	30,975
Additions		13,966	49,415
Disposals		(47,251)	-
Amortisation		(11,523)	(11,714)
Written back on disposal		31,701	-
Amortisation of asset grant liability		-	(6,800)
		-----	-----
Carrying amount - 1 July		48,769	61,876
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	Note	2016 \$	2015 \$
10 Other financial assets			
Non-current			
Available-for-sale financial assets - at cost		100 =====	100 =====
11 Trade and other payables			
Current			
Trade creditors		1,165,024	2,279,313
Other creditors and accrued charges		136,592	77,697
		-----	-----
		1,301,616	2,357,010
		=====	=====
12 Government and other grants			
Current			
Unexpended grants		1,586,515	1,493,770
Asset grant liability		24,748	25,518
		-----	-----
		1,611,263	1,519,288
		=====	=====
Non - Current			
Asset grant liability		40,181	51,157
		=====	=====
<p>The net values of plant, equipment and intangibles have been adjusted to reflect the contract agreement between the company and the Community Broadcasting Foundation (CBF) with respect to the vesting of ownership for assets purchased from CBF grant funds. (Refer to Note 2(a), Note 8 and Note 9).</p>			
13 Other current liabilities			
Current			
Income in advance		20,240	80
Unexpended project funds		-	84,282
		-----	-----
		20,240	84,362
		=====	=====

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	2016 \$	2015 \$
14 Provisions		
Current		
Annual leave	88,342	92,356
Long service leave	101,909	90,625
	-----	-----
	190,251	182,981
	=====	=====
Non - Current		
Long service leave	39,209	25,175
	=====	=====

15 Commitments for expenditure

Operating leases

Leases as lessee

Minimum commitments are payable as follows:

Within 1 year	113,083	104,166
Later than 1 years but not later than 5 years	135,936	107,534
	-----	-----
	249,019	211,700
	=====	=====

16 Contingent liabilities

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

17 Post-reporting date events

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

18 Member's guarantee

The company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the Company are liable to contribute if the Company wound up is \$2,920 (2015: \$2,760)

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

	2016	2015
	\$	\$

19 Related party transactions

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

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

(a) Transactions with related entities

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

Where legal services have been provided by a responsible entity, 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 responsible entity (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 Responsible Entities. Key management personnel remuneration includes the following expenses:

Total key management personnel remuneration	607,203	622,760
	=====	=====

Notes to the Financial Statements

for the year ended 30 June 2016

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

20 Other related party transactions

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

NAME	ROLE	AFFILIATED ORGANISATION	POSITION WITHIN ORGANISATION
Phillip Randall	Vice President	Hope Media Ltd (2CBA)	CEO
Melanie Withnall	Director	Sydney Educational Broadcasting Ltd (2SER)	Managing Director
Peter Rohweder	Director	Ethnic Broadcasting Association of QLD (4EB)	Station Manager
Jean Rau	Director	North West Community Radio Ass. Inc. (3NOW)	Treasurer
Tony Smythe	Director	Eastside Radio (2RES)	Station Manager
Tess Lawley	Youth Representative	Student Youth Network Inc. (3SYN)	General Manager
Adrian Basso	(Former) President	Progressive Broadcasting Service (3PBS)	General Manager

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

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

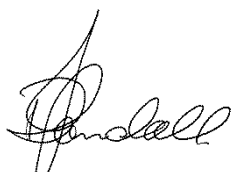
Responsible Entities' Declaration

COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

In the opinion of the Responsible Entities 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 2016 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (b) There are reasonable grounds to believe that the Community Broadcasting Association of Australia will be able to pay its debts as and when they become due and payable.
(Refer Note 3(o))

Signed in accordance with a resolution of the Responsible Entities.



PHILLIP RANDALL
Director

Sydney

Dated 18th October 2016

Independent Audit Report

TO THE MEMBERS OF THE COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Report on the Financial Report

We have audited the accompanying financial report of the Community Broadcasting Association of Australia, which comprises the statement of financial position as at 30 June 2016, the statement of surplus or deficit and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of accounting policies and other explanatory information, and the responsible entities' declaration.

Responsible Persons' Responsibility for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the responsible entities 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible persons' preparation of the financial report that gives a true and fair view 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Responsible entities, as well as evaluating the overall presentation of the financial report.

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

Independent Audit Report continued

TO THE MEMBERS OF THE COMMUNITY BROADCASTING ASSOCIATION OF AUSTRALIA

Opinion

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

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

ESCOTT ASTON

Chartered Accountants



MICHAEL I GARCIA

Partner

(RIVERWOOD NSW 2210)

Dated 19th October 2016