

**COMMUNITY BROADCASTING  
FOUNDATION LIMITED**

**ABN 49 008 590 403**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

**Registered office  
Level 7, 369 Royal Parade  
Parkville, Victoria 3052  
Australia**

## DIRECTORS' REPORT

The Directors of Community Broadcasting Foundation Limited (the Company) present their report on the Company for the financial year ended 30 June 2019.

### DIRECTORS

The following persons were directors of the Company during the year and up to the date of this report, unless otherwise indicated:

Mr Ian Hamm (President) Commenced 1/7/19	Non-Executive Director
Mr Peter Batchelor (President) Retired 30/6/19	Retired Minister and Member of Victorian Parliament, Melbourne
Mr Steve Ahern Appointed 1/7/16	Media Consultant, Sydney
Mr David Bartlett Appointed 09/11/17	Not for Profit Consultant, Sydney
Ms Kim Borrowdale Appointed 09/11/17	Communication Consultant, Sydney
Ms Teresa Cleary Appointed 1/7/16	Corporate Lawyer and Governance Professional, Sydney
Dr Juliet Fox Commenced 1/7/19	Project Coordinator 3CR and Teaching Associate, Melbourne University, Melbourne
Mr Nathaniel Garvin Retired 30/6/19	Business Consultant, Hobart
Ms Esther Pearce Appointed 1/7/16	Aged Carer, Rockhampton
Associate Professor Elinor Rennie Appointed 14/9/11	Principal Research Fellow, RMIT University, Melbourne
Ms Maria Luchi Santer Appointed 1/7/16	Corporate Services Manager, Top End Health Service, Darwin

### PRINCIPAL ACTIVITIES

The principal purpose of the Company is the promotion of community radio and television broadcasting throughout Australia for the benefit of all Australians.

### SHORT-TERM AND LONG-TERM OBJECTIVES

The Company's short-term objectives are to:

1. Increase community broadcasting sector funding and diversify funding sources; and
2. Foster and support leadership, cooperation and collaboration within, and development of, the community broadcasting sector

The Company's long-term objectives are to:

1. Advance Community Media;
2. Grow Community Media's Resource Base; and
3. Tell Our Story.

The Company's vision is "A voice for every community – sharing our stories".

#### STRATEGIES FOR ACHIEVING THE OBJECTIVES

To achieve the objectives outlined above the Company has adopted a Strategic Plan for the period 2017-2021 that sets out its key goals, subordinate objectives, strategies to achieve them, and related measures of success. The CBF Strategic Plan 2017-2021 is published at [www.cbf.org.au](http://www.cbf.org.au)

#### KEY PERFORMANCE MEASURES

The Company measures its own performance through monitoring progress against its Strategic Plan on a regular basis and by reviewing the plan annually.

#### MEETING OF DIRECTORS

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

	Eligible meetings	Number attended
Mr Peter Batchelor	8	8
Mr Steve Ahern	7	6
Mr David Bartlett	8	6
Ms Kim Borrowdale	8	7
Ms Teresa Cleary	8	7
Mr Nathaniel Garvin	7	7
Ms Esther Pearce	8	7
Ms Elinor Rennie	8	8
Ms Maria Luchi Santer	8	5

#### CONTRIBUTIONS ON WINDING UP

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company.

At 30 June 2019, the total amount that members of the Company are liable to contribute if the Company is wound up is \$90 (2018: \$90)

#### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no significant matters, circumstances or events that have arisen since the end of the financial year that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs, in the financial year subsequent to the financial year ended 30 June 2019.

#### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 4.

This Report is made in accordance with a resolution of Directors.



Ian Hamm  
President  
Melbourne  
19 September 2019



Maria Luchi Santer  
Treasurer  
Darwin  
19 September 2019

## Auditor's Independence Declaration

To the Directors of  
Community Broadcasting Foundation Ltd ACN 008 590 403

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Community Broadcasting Foundation Ltd for the year ended 30 June 2019,

I declare that, to the best of my 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 contraventions of any applicable code of professional conduct in relation to the audit.

  
Simon Hourigan  
Director

  
Hourigan Partners Audit Pty Ltd  
ACN 149 707 960

Melbourne  
19 September 2019

Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	2019	2018
Revenue	2	21,403,217	18,461,995
Other Income		-	5,838
Grants and projects paid and committed & expenses and activities from Company's Reserves		(19,856,823)	(17,044,056)
<b>Gross Profit</b>		<b>1,546,394</b>	<b>1,423,777</b>
Depreciation		(25,036)	(23,347)
Fundraising Expenses		(63,841)	(96,154)
Secretariat operating costs		(1,233,300)	(1,080,785)
Operating surplus/(deficit) before income tax		224,217	223,491
Income tax expenses		-	-
<b>Net surplus/(deficit) after tax</b>		<b>224,217</b>	<b>223,491</b>
Other comprehensive income		-	-
Net fair value loss on impairment of non-current assets		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the members of the Community Broadcasting Foundation Limited</b>		<b>224,217</b>	<b>223,491</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

		\$	
	NOTES	2019	2018
<b>Current assets</b>			
Cash and cash equivalents	3	6,221,525	4,582,065
Receivables	4	185,121	19,127
Investments	5	26,050	1,508,885
<b>Total current assets</b>		<b>6,432,696</b>	<b>6,110,077</b>
<b>Non current assets</b>			
Property, plant and equipment	6	107,223	123,536
<b>Total non current assets</b>		<b>107,223</b>	<b>123,536</b>
<b>TOTAL ASSETS</b>		<b>6,539,919</b>	<b>6,233,613</b>
<b>Current liabilities</b>			
Trade and Other Payables	7	4,822,658	4,763,898
Employee Benefits	8	228,179	227,987
Accrued lease liability	9	23,138	-
<b>Total current liabilities</b>		<b>5,073,975</b>	<b>4,991,886</b>
<b>TOTAL LIABILITIES</b>		<b>5,073,975</b>	<b>4,991,886</b>
<b>NET ASSETS</b>		<b>1,465,944</b>	<b>1,241,727</b>
<b>Equity</b>			
Retained surpluses		1,465,944	1,241,727
<b>TOTAL EQUITY</b>		<b>1,465,944</b>	<b>1,241,727</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

### STATEMENT OF CHANGES IN EQUITY

	NOTES	RETAINED SURPLUSES	TOTAL EQUITY
Balance as at 1 July 2017		1,018,237	1,018,237
Net surplus/(deficit) after tax		223,490	223,490
Other comprehensive income		-	-
<b>Balance as at 30 June 2018</b>		<b>1,241,727</b>	<b>1,241,727</b>
Balance as at 1 July 2018		1,241,727	1,241,727
Net surplus/(deficit) after tax		224,217	224,217
Other comprehensive income		-	-
<b>Balance as at 30 June 2019</b>		<b>1,465,944</b>	<b>1,465,944</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

### STATEMENT OF CASH FLOWS

	NOTES	2019	2018
<b>Cash flows from operating activities</b>			
Receipts in the course of operations		21,548,588	20,509,470
Cash payments in the course of operations		(21,737,623)	(16,673,132)
Interest received		354,384	192,605
<b>Net cash inflow/(outflow) from operating activities</b>	<b>14</b>	<b>165,348</b>	<b>4,028,943</b>
<b>Cash flows from investing activities</b>			
(Investment in)/Maturity of Term Deposits > 3 months maturity		1,482,835	(1,508,885)
Payments for property, plant and equipment		(8,723)	(10,115)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>1,474,112</b>	<b>(1,519,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,639,461</b>	<b>2,509,943</b>
Cash and cash equivalents at the beginning of the year		4,582,065	2,072,122
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>6,221,525</b>	<b>4,582,065</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. The Community Broadcasting Foundation Limited is a not-for-profit entity for the purpose of preparing the financial statements. The Company's registered office is Level 7, 369 Royal Parade, Parkville, Victoria 3052.

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The Community Broadcasting Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements cover the Company as an individual entity and were authorised for issue by its Directors on 19 September 2019.

### REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

#### Grant revenue

Grant revenue is recognised in the profit or loss and other comprehensive income statement when it is controlled and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

Conditions may be attached to the grant which must be satisfied and a grant may be required to be repaid if certain conditions are not satisfied. The recognition of the grant as revenue will be deferred as a liability until those conditions are satisfied.

### INTEREST REVENUE

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

### INCOME TAX

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

### 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 these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the 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.

### EMPLOYEE BENEFITS

#### *Wages, Salaries and Annual Leave*

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at the reporting date including related on costs.



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Liabilities for wages, salaries and annual leave that are expected to be settled later than one year have been measured at present value of the estimated future cash outflows. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using the rates attached to the corporate bonds at the reporting date which have maturity dates approximating to the terms of the entities obligations.

*Long service leave*

The Company's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on costs and expected settlement dates and is discounted using the rates attached to the corporate bonds at the reporting date which have maturity dates approximating to the terms of the entities obligations.

*Superannuation*

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

CASH AND CASH EQUIVALENTS

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

TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method less provision for impairment.

If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less depreciation and impairment losses.

DEPRECIATION

Property, plant and equipment are depreciated on a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

The following depreciation rates are applied:

	Method	Rate
Leasehold Improvements	Straight line	8.33%
Office Equipment		
Office furniture	Straight line	8.33% - 20%
Computer equipment	Straight line	33.33%
Digital Radio Project Equipment	Diminishing value	20%
Fundraising Project	Straight line	13.33% - 33.33%
Website costs	Straight line	20%

INTANGIBLE ASSETS

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite useful lives are amortised over their useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

#### IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

#### TRADE AND OTHER PAYABLES

When grants are received, an undertaking is signed by the Company ensuring that funds will be disbursed only to approved applicants and any excess funds will be refunded to the grantor. Accordingly, due to the undertaking being a legal document, enforceable at law, a liability arises as the funds are either owed to approved applicants or the grantor. This liability is categorised as a grant committed and included in Payables.

#### LEASES

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.

#### COMPARATIVE FIGURES

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The Grants and Projects Committed liability requires some form of judgement, estimation and assumption due to the requirements of grants recipients and projects to meet certain criteria to be eligible to receive payment.

#### CHANGES IN ACCOUNTING POLICIES

*New and revised standards that are effective for annual periods beginning on or after 1 January 2018*

##### AASB 9 Financial Instruments

This standard replaces AASB139 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 this standard has not had a material impact on the Company.

*Accounting standards issued but not yet effective and not adopted early by the Company*

##### AASB 15 Revenue from Contracts with Customers

When this standard is first adopted for the year ended 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

##### AASB1058 Income of Not-for-Profit entities

This standard is meant to simplify and clarify income recognition for Not-for-Profit entities on transactions where the consideration to acquire an asset is significantly less than fair value and for the receipt of volunteer services.

When this standard is first adopted for the year ended 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

#### AASB 16 Leases

This standard will primarily affect the accounting for the Company's operating leases. The Company is yet to undertake a detailed assessment of the impact of AASB 16, however based on a preliminary assessment, the likely impact on the first time adoption of the Standard for the year ended 30 June 2020 includes:

- There will be a significant increase in lease assets and financial liabilities recognised on the balance sheet
- The reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities
- Operating surplus in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses
- Operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

#### AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not for Profit Entities

When this standard is first adopted for the year ended 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

## NOTE 2 REVENUE AND OTHER INCOME

	\$	
	2019	2018
Grants received from Federal Government Grants		
Department of Communications and the Arts (DOCA)	19,492,000	21,590,000
Grant funds unallocated from previous year end	4,494,897	981,455
Grant funds that remain unallocated at year end:		
Permitted to be retained under the Funding Deed - 800MHz Spectrum Reorganisation	(1,399,244)	-
Subject to DOCA permission to carry forward to following year	(1,696,833)	(4,494,897)
Community Broadcasting Development Fund donations	5,104	152
Interest received	362,227	189,640
Other Revenue	145,066	195,645
<b>Total revenue</b>	<b>21,403,217</b>	<b>18,461,995</b>

## NOTE 3 CASH AND CASH EQUIVALENTS

	\$	
	2019	2018
Cash at bank and on hand	1,687,753	435,028
Bank short term assets	4,533,772	4,147,037
<b>Total cash and cash equivalents</b>	<b>6,221,525</b>	<b>4,582,065</b>

## NOTE 4 TRADE AND OTHER RECEIVABLES

	\$	
	2019	2018
Trade receivables	22,338	18,655
Provision for impairment	-	-
Net trade receivables	22,338	18,655
Accrued interest	8,314	471
GST receivables	154,469	-
<b>Total trade and other receivables</b>	<b>185,121</b>	<b>19,127</b>

## NOTE 5 INVESTMENTS

	\$	
	2019	2018
Term Deposit with maturity date longer than 3 months	26,050	1,508,885
<b>Total Investments</b>	<b>26,050</b>	<b>1,508,885</b>

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

	\$					
	LEASEHOLD IMPROVEMENTS	OFFICE EQUIPMENT	DRP EQUIPMENT	FUNDRAISING PROJECT	INTANGIBLE ASSETS	TOTAL
<b>At 1 July 2017</b>						
Cost or fair value	110,940	111,034	930,808	8,194	15,576	1,176,552
Accumulated depreciation	(43,116)	(68,801)	(925,565)	(2,259)	(43)	(1,039,784)
<b>Net book value</b>	<b>67,824</b>	<b>42,233</b>	<b>5,243</b>	<b>5,935</b>	<b>15,533</b>	<b>136,768</b>
<b>Year ended 30 June 2018</b>						
Opening net book value	67,824	42,233	5,243	5,935	15,533	136,768
Additions	-	4,830	-	-	5,285	10,115
Depreciation	(9,241)	(7,990)	(1,049)	(1,549)	(3,518)	(23,347)
<b>Closing book value</b>	<b>58,583</b>	<b>39,073</b>	<b>4,194</b>	<b>4,386</b>	<b>17,300</b>	<b>123,536</b>
<b>At 30 June 2018</b>						
Cost or fair value	110,940	115,864	930,808	8,194	20,861	1,186,667
Accumulated depreciation	(52,357)	(76,791)	(926,614)	(3,808)	(3,561)	(1,063,131)
<b>Net book value</b>	<b>58,583</b>	<b>39,073</b>	<b>4,194</b>	<b>4,386</b>	<b>17,300</b>	<b>123,536</b>
<b>Year ended 30 June 2019</b>						
Opening net book value	58,583	39,073	4,194	4,386	17,300	123,536
Additions	-	8,723	-	-	-	8,723
Depreciation	(9,241)	(9,594)	(839)	(1,189)	(4,172)	(25,036)
<b>Closing book value</b>	<b>49,342</b>	<b>38,202</b>	<b>3,355</b>	<b>3,197</b>	<b>13,128</b>	<b>107,223</b>
<b>At 30 June 2019</b>						
Cost or fair value	110,940	89,472	930,808	8,194	20,861	1,160,275
Accumulated depreciation	(61,598)	(51,271)	(927,453)	(4,997)	(7,733)	(1,053,052)
<b>Net book value</b>	<b>49,342</b>	<b>38,202</b>	<b>3,355</b>	<b>3,197</b>	<b>13,128</b>	<b>107,223</b>

## NOTE 7 TRADE AND OTHER PAYABLES

	\$	
	2019	2018
<b>Grants received but not yet allocated:</b>		
Permitted to be retained under the Funding Deed - 800MHz Spectrum Reorganisation	1,399,244	-
Subject to DOCA permission to carry forward to following year	1,696,834	4,494,897
<b>Trade payables - grants</b>	<b>1,715,700</b>	<b>223,473</b>
<b>Accrued operating expenses</b>	<b>10,880</b>	<b>16,383</b>
<b>Other current payables</b>	<b>-</b>	<b>25,297</b>
<b>GST payable</b>	<b>-</b>	<b>3,848</b>
<b>Total trade and other payables</b>	<b>4,822,658</b>	<b>4,763,898</b>

## NOTE 8 EMPLOYEE BENEFITS

	\$	
	2019	2018
<b>Long service leave entitlement</b>	<b>124,553</b>	<b>114,889</b>
<b>Employee entitlement</b>	<b>103,626</b>	<b>113,098</b>
<b>Total employee benefits</b>	<b>228,179</b>	<b>227,987</b>

## NOTE 9 ACCRUED LEASE LIABILITY

The Company has recognised rent expense on a straight line basis over the lease term. This has resulted in the creation of an accrued lease liability of \$23,138 at 30 June 2019.

## NOTE 10 FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of cash held, deposits with banks, long term investment, receivables and payables.

### INTEREST RATE RISK EXPOSURE

The Company's exposure to interest rate risk is presently limited to its cash and cash equivalent assets whereby a future change in interest rates will affect future cash flows. Cash and cash equivalent assets represent funds held in cheque accounts, business management accounts and short term deposits during the period and these funds earned interest at rates ranging between 0% and 2.2% depending on account balances and deposit terms.

### CREDIT RISK EXPOSURE

Credit risk represents the loss that would be recognised if counter-parties fail to perform as contracted. The Company does not have any material credit risk exposures as the majority of its revenue is the receipt of government grants.

The credit risk on financial assets of the Company which have been recognised on the Statement of Financial Position is generally the carrying amount, net of any provisions for impairment.

### LIQUIDITY RISK EXPOSURE

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows, and matching the maturity profiles of financial assets and liabilities.

#### NOTE 11 MEMBERS' GUARANTEE

The Company does not have a share capital, as it is a company limited by guarantee. In accordance with Clause 12.12 of the Company's constitution, every member of the Company undertakes to contribute to the assets of the Company on winding up to the extent of \$10 each. At 30 June 2019, the number of members was 9 (2018: 9).

#### NOTE 12 ECONOMIC DEPENDENCY

A significant portion of the Company's income is derived from grants made by the Department of Communications and the Arts.

#### NOTE 13 SUPERANNUATION COMMITMENTS

The economic entity contributes to an award superannuation fund to provide benefits to employees on retirement, death, or disability. Benefits provided under the plan are based on contributions, currently at 15.4% (2018: 15.4%) for each employee.

#### NOTE 14 CASH FLOW INFORMATION

Reconciliation of net surplus/(deficit) after tax to net cash inflow/(outflow) from operating activities:

	€	
	2019	2018
Net surplus/(deficit) after tax	224,217	223,491
Adjusted for non-cash items:		
Depreciation	25,036	23,347
Adjusted for movements in assets and liabilities:		
Decrease/(increase) in trade receivables	(3,682)	12,491
Decrease/(increase) in accrued interest	(7,843)	2,965
Decrease/(increase) in GST receivables	(158,318)	213,462
Decrease/(increase) in other assets	-	766
Increase/(decrease) in trade and other payables excluding GST	62,608	3,558,680
Increase/(decrease) in taxes payable	-	11,336
Increase/(decrease) in employee benefits	192	(17,595)
Increase/(decrease) in accrued lease payable	23,138	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>165,348</b>	<b>4,028,943</b>

#### NOTE 15 COMMITMENTS AND CONTINGENCIES

The Company has provided an indemnity guarantee amounting to \$26,050 (2018: \$23,459) in respect of a bank guarantee in favour of the property owner on the Company's leased premises. The Company had no other contingent liabilities or contractual capital commitments as at 30 June 2019 and 30 June 2018.

#### NOTE 16 OPERATING LEASE COMMITMENTS

	\$	
	2019	2018
Minimum lease payments due:		
- within one year	73,836	38,415
- later than one year and not later than five years	295,346	-
- later than five years	24,612	-
<b>Total</b>	<b>393,794</b>	<b>38,415</b>

Lease expense during the year amounted to \$70,303 (2018: \$60,299) representing the minimum lease payments. The property lease commitment is a non-cancellable operating lease with a 6 year term. A fixed 4% incremental rate each anniversary date will be effected in accordance with the lease agreement.

#### NOTE 17 FUNDRAISING INCOME AND EXPENDITURE

	\$	
	2019	2018
Fundraising income - donations received	5,104	152
Fundraising expenses - total costs of fundraising	(63,841)	(96,154)
<b>Net Fundraising surplus/(deficit)</b>	<b>(58,736)</b>	<b>(96,002)</b>

The Company maintained an opportunity for public donations to the Community Broadcasting Development Fund through promotion on its website. The Company is in the initial stages of establishing fundraising activity and has retained a fundraising consultant. A Partnerships and Project Manager will be hired in 2019 and this is expected to lead to an increase in fundraising campaigns and activity.

On 9 October 2017, the Community Broadcasting Development Fund became eligible to receive tax deductible donations.

#### NOTE 18 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

#### NOTE 19 KEY MANAGEMENT PERSONNEL DISCLOSURES

	\$	
	2019	2018
Aggregate compensation made to key management personnel:		
- short term	270,310	226,540
- long term	41,628	34,887
<b>Total compensation made to key management personnel</b>	<b>311,938</b>	<b>261,427</b>

Key Management Personnel includes the Chief Executive Officer and the Executive Officer.

#### NOTE 20 OTHER RELATED PARTY TRANSACTIONS

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



## DIRECTORS' DECLARATION

In the directors' opinion:

- a) the financial statements and notes thereto comply with the Australian Charities and Non-for-profits Commission Act 2012, including:
  - (i) complying with Accounting Standards, Australian Charities and Non-for-profit Commission Regulation 2013 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Community Broadcasting Foundation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Ian Hamm  
President  
Melbourne  
19 September 2019



Maria Luchi Santer  
Treasurer  
Darwin  
19 September 2019

## DECLARATION BY PRESIDENT IN RESPECT OF FUNDRAISING APPEALS

I, Ian Hamm, President of the Community Broadcasting Foundation Limited, declare in my opinion:

- a) the financial statements and notes thereto give a true and fair view of all income and expenditure of the Community Broadcasting Foundation Limited with respect to fundraising appeal activities for the financial year ended 30 June 2019;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2019;
- c) the provisions of the Charitable Fundraising ACT (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2019; and
- d) the internal controls exercised by the Community Broadcasting Foundation Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Ian Hamm  
President  
Melbourne  
19 September 2019

## Independent Auditor's Report

**To the Members,  
Community Broadcasting Foundation Ltd ACN 008 590 403**

### Opinion

We have audited the financial report of the Community Broadcasting Foundation Ltd ACN 008 590 403 (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of the Community Broadcasting Foundation Ltd ACN 008 590 403 is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, (ACNC Act) including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance 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 Regulation 2013*.

We further report in accordance with the *Charitable Fundraising Act (NSW) 1991* and the *Charitable Fundraising Regulations (NSW) 2015* that in our opinion:

- (a) the financial report gives a true and fair view of the Company's financial results of fundraising appeal activities for the financial year ended 30 June 2019;
- (b) the financial report and associated records have been properly kept for the year ended 30 June 2019 in accordance with the *Charitable Fundraising (NSW) Act 1991* and the *Charitable Fundraising Regulations (NSW) 2015*;
- (c) money received as a result of fundraising appeal activities conducted during the period from 16 September 2018 to 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising (NSW) Act 1991* and *Charitable Fundraising Regulations (NSW) 2015*; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### 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 Company 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. 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 directors are responsible for the other information which 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 other 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 other 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.

### **Responsibility of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act (NSW) 1991* and the *Charitable Fundraising Regulations (NSW) 2015*. This responsibility includes such internal control as the directors determine are necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and to properly keep financial records and to properly account for and apply money received as a result of fundraising appeals in accordance with the *Charitable Fundraising Act (NSW) 1991* and the *Charitable Fundraising Regulations (NSW) 2015*.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout 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 directors.
- Conclude on the appropriateness of the director's 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 auditor'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.

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- We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We communicate with responsible entities 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.



Simon Hourigan  
Director  
Melbourne

19 September 2019



Hourigan Partners Audit Pty Ltd  
ACN 149 707 960

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Director: Simon Hourigan CA, F Fin

Level 1, 339 Whitehorse Road, Balwyn VIC 3103