

Community Broadcasting Foundation Ltd

ABN: 49 008 590 403

Financial Statements

For the Year Ended 30 June 2021

Community Broadcasting Foundation Ltd

ABN: 49 008 590 403

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For the Year Ended 30 June 2021

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Community Broadcasting Foundation Ltd

ABN: 49 008 590 403

Directors' Report

30 June 2021

The directors present their report on Community Broadcasting Foundation Ltd for the financial year ended 30 June 2021.

Principal activities

The principal activity of Community Broadcasting Foundation Ltd during the financial year was the promotion of community radio and television broadcasting throughout Australia for the benefit of all Australians.

No significant changes in the nature of the Company's activity occurred during the financial year.

Vision

Community Broadcasting is at the heart of every community.

Purpose

The Company's purpose is to fund a thriving and resilient future for community broadcasting.

Outcomes

The Company's outcomes are:

- Community Broadcasting where participation and voice create connection and belonging throughout our diverse communities; and
- Capability and viability that secures a sustainable and long-term future for community broadcasters.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategy:

- The Company endorsed a new strategic plan in August 2021. This provides a framework for how the Company will fund a thriving and resilient future for community broadcasting to realise our vision. With our support community broadcasters will be more connected, thriving and resilient, embedded in and a reflection of the diverse communities they represent and serve. The vision and strategic plan, guides and informs how the Company will invest in the sector now and in the future. The framework articulates what the Company will focus on to secure a sustainable, long term future for the sector - one that creates more connection and belonging for the sector's growing communities and audiences.

Performance measures

The following measures are used within the Company to monitor performance:

- Monitoring measure of success in conjunction with the sector as the next phase in the rollout of the new Strategic Plan.

Community Broadcasting Foundation Ltd

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Directors' Report

30 June 2021

Members' guarantee

Community Broadcasting Foundation Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members that are corporations and \$ 10 for all other members, subject to the provisions of the company's constitution.

At 30 June 2021 the collective liability of members was \$ 90 (2020: \$ 90).

Matters or circumstances arising after the end of the year

The four year funding agreement with the Department of Infrastructure, Transport, Regional Development and Communications (DITRC) expired on 30 June 2021. The Company is in the process of finalising a new four year funding agreement which will apply retrospectively from 1 July 2021. The funding is to be provided under a closed non competitive grant process. As at the date of this report the agreement has not been finalised, however the Directors have no reason to believe the DITRC will cease to continue to support the Company.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Information on directors

Mr Ian Hamm	(President)
Experience	Non-Executive Director, Melbourne
Ms Esther Pearce	(Vice President)
Experience	Aged Carer, Rockhampton
Ms Luchi Santer	(Treasurer)
Experience	Business Manager, Top End Health Service, Darwin
Ms Kim Borrowdale	
Experience	Communication Consultant, Sydney
Ms Margaret Cassidy	Appointed 1 January 2021
Experience	Academic/ Creator ABC Innovation Research USYD
Dr Juliet Fox	
Experience	Project Coordinator 3CR and Teaching Associate, Melbourne University, Melbourne
Nicola Joseph	Appointed 1 January 2021
Experience	Phd candidate, Producer, Radio presenter and trainer
Mr Patrick Keyzer	
Experience	Academic and Barrister, ACU Prof Law and Public Policy Dean Thomas More Law School, Melbourne
Mr Jurgen Schaub	
Experience	Technology Strategist, Melbourne

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Directors' Report

30 June 2021

Information on directors

Information on directors

Mr Steve Ahern	Term ceased 31 December 2020
Experience	Media Consultant, Sydney

Mr David Bartlett	Term ceased 31 December 2020
Experience	Not for Profit Consultant, Sydney

Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Mr Ian Hamm	8	8
Ms Esther Pearce	8	8
Ms Luchi Santer	8	6
Ms Kim Borrowdale	8	5
Ms Margaret Cassidy	2	2
Dr Juliet Fox	8	8
Nicola Joseph	2	2
Mr Patrick Keyzer	8	5
Mr Jurgen Schaub	8	8
Mr Steve Ahern	6	5
Mr David Bartlett	6	3

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 30 June 2021 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: *J. Williams*

Director: *[Signature]*

Dated 22 September 2021


Community Broadcasting Foundation Ltd

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Community Broadcasting Foundation Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Andrew Fisher FCA, Partner (auditor registration number 306364) on behalf of
Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 394178 (ACN 115 749 598)

22 September 2021

Melbourne, Australia

Community Broadcasting Foundation Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	4	1,645,900	1,485,544
Other income	4	99,380	289,950
Employee benefits expense		{1,070,091}	(1,082,449)
Depreciation and amortisation expense		{93,091}	(89,180)
Fundraising costs		{74,630}	(148,860)
Other expenses		{343,683}	(786,137)
Finance expenses		(18,126)	(21,259)
Surplus for the year		145,659	{352,391}
Total comprehensive income for the year		145,659	{352,391}

The accompanying notes form part of these financial statements.

Community Broadcasting Foundation Ltd

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,945,890	6,349,883
Trade and other receivables	6	531,651	134,314
TOTAL CURRENT ASSETS		5,477,541	6,484,197
NON-CURRENT ASSETS			
Property, plant and equipment	7	62,761	74,271
Intangible assets	8	-	8,956
Right-of-use assets	9	206,320	268,216
TOTAL NON-CURRENT ASSETS		269,081	351,443
TOTAL ASSETS		5,746,622	6,835,640
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	25,358	175,002
Lease liabilities	9	68,553	61,379
Employee benefits	12	162,847	268,993
Other financial liabilities	11	4,039,821	4,957,330
TOTAL CURRENT LIABILITIES		4,296,579	5,462,704
NON-CURRENT LIABILITIES			
Lease liabilities	9	190,830	259,382
TOTAL NON-CURRENT LIABILITIES		190,830	259,382
TOTAL LIABILITIES		4,487,409	5,722,086
NET ASSETS		1,259,213	1,113,554
RESERVES			
Accumulated Surplus		1,259,213	1,113,554
TOTAL RESERVES		1,259,213	1,113,554

The accompanying notes form part of these financial statements.

Community Broadcasting Foundation Ltd

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Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2020	1,113,554	1,113,554
Surplus attributable to the entity	145,659	145,659
Balance at 30 June 2021	<u>1,259,213</u>	<u>1,259,213</u>

2020

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2019	1,465,945	1,465,945
(Deficit) attributable to the entity	(352,391)	(352,391)
Balance at 30 June 2020	<u>1,113,554</u>	<u>1,113,554</u>

The accompanying notes form part of these financial statements.

Community Broadcasting Foundation Ltd

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Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts on behalf of grant recipients	21,982,400	22,158,080
Payments to grant recipients, suppliers and employees	{23,420,779}	(22,246,633)
Other receipts	75,751	-
Interest received	48,868	243,274
Net cash provided by/(used in) operating activities	17 <u>(1,313,760)</u>	<u>154,721</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	{10,729}	(3,288)
Purchase of investments	-	(525)
Net cash provided by/(used in) investing activities	<u>(10,729)</u>	<u>(3,813)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments of lease liabilities	{79,504}	(49,125)
Net cash provided by/(used in) financing activities	<u>(79,504)</u>	<u>(49,125)</u>
Net increase/(decrease) in cash and cash equivalents held	{1,403,993}	101,783
Cash and cash equivalents at beginning of year	<u>6,349,883</u>	<u>6,248,100</u>
Cash and cash equivalents at end of financial year	5 <u><u>4,945,890</u></u>	<u><u>6,349,883</u></u>

The accompanying notes form part of these financial statements.

Community Broadcasting Foundation Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2021

The financial report covers Community Broadcasting Foundation Ltd as an individual entity. Community Broadcasting Foundation Ltd is a not-for-profit Company, registered and domiciled in Australia.

The principal activity of the Company for the year ended 30 June 2021 was the promotion of community radio and television broadcasting throughout Australia for the benefit of all Australians.

The functional and presentation currency of Community Broadcasting Foundation Ltd is Australian dollars.

The financial report was authorised for issue by those charged with governance on 22 September 2021.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Administration Levy

This is calculated on an annual basis via a decision of the Company board of directors and is based on the Company budgeted operating expenditure for the financial year. This level is deducted from the Commonwealth Government Funds received and is recognised as revenue annually.

Interest Revenue

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

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	8.33% - 20%
Computer Equipment	33.33%
Leasehold improvements	8.33%
Fundraising Project	13.33% - 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(g) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(h) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated A M or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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Notes to the Financial Statements For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Key estimates - grants committed

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

4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue		
- trading revenue	1,645,900	1,485,544
Total Revenue	1,645,900	1,485,544

The revenue figure above includes \$1,572,000 received from the Department of Infrastructure, Transport, Regional Development and Communications and \$55,900 from the Department of Health and Human Services.

	2021	2020
	\$	\$
Other Income		
- other income	50,512	52,020
- interest income	48,868	237,930
	99,380	289,950
Total Revenue and Other Income	1,745,280	1,775,494

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	4,945,890	6,349,883
	4,945,890	6,349,883

6 Trade and other receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	2,031	4,825
GST receivable	527,896	126,569
Other receivables	1,724	2,920
Total current trade and other receivables	531,651	134,314

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Notes to the Financial Statements For the Year Ended 30 June 2021

7 Property, plant and equipment

	2021	2020
	\$	\$
PLANT AND EQUIPMENT		
Office equipment		
At cost	84,943	81,837
Accumulated depreciation	(53,859)	(49,673)
Total office equipment	<u>31,084</u>	<u>32,164</u>
Leasehold Improvements		
At cost	110,940	110,940
Accumulated amortisation	(80,081)	(70,840)
Total leasehold improvements	<u>30,859</u>	<u>40,100</u>
Fundraising assets		
At cost	8,193	8,193
Accumulated depreciation	(7,375)	(6,186)
Total fundraising assets	<u>818</u>	<u>2,007</u>
Total property, plant and equipment	<u><u>62,761</u></u>	<u><u>74,271</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment	Leasehold Improvements	Fundraising Project	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	32,164	40,100	2,007	74,271
Additions	11,075	-	-	11,075
Depreciation expense	(12,155)	(9,241)	(1,189)	(22,585)
Balance at the end of the year	<u><u>31,084</u></u>	<u><u>30,859</u></u>	<u><u>818</u></u>	<u><u>62,761</u></u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

8 Intangible Assets

	2021	2020
	\$	\$
Intangible assets		
Cost	-	20,861
Accumulated amortisation	-	(11,905)
Total Intangible assets	-	8,956

(a) Movements in carrying amounts of intangible assets

	Intangible assets	Total
	\$	\$
Year ended 30 June 2021		
Balance at the beginning of the year	8,956	8,956
Amortisation	(8,956)	(8,956)
Closing value at 30 June 2021	-	-

9 Leases

Company as a lessee

The Company has leases over land and buildings.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Buildings

The Company leases land and buildings for their corporate office, the lease was for a term of 6 years ending on 31 October 2024 and does not include any further renewal options.

The corporate office lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception

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Notes to the Financial Statements For the Year Ended 30 June 2021

9 Leases

Right-of-use assets

	Buildings	Total
	\$	\$
Year ended 30 June 2021		
Balance at beginning of year	268,216	268,216
Depreciation charge	(61,896)	(61,896)
Balance at end of year	<u>206,320</u>	<u>206,320</u>
	Buildings	Total
	\$	\$
Year ended 30 June 2020		
Balance at beginning of year	330,112	330,112
Depreciation charge	(61,896)	(61,896)
Balance at end of year	<u>268,216</u>	<u>268,216</u>

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	(18,126)	(21,259)
Depreciation of right-of-use assets	(61,896)	(61,896)
	<u>(80,022)</u>	<u>(83,155)</u>

Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	<u>79,504</u>	<u>49,125</u>

10 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	1,190	2,639
COVID-19 crisis grant payable	-	134,410
Other payables	24,168	37,953
	<u>25,358</u>	<u>175,002</u>

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Notes to the Financial Statements For the Year Ended 30 June 2021

11 Other Financial Liabilities

	2021	2020
	\$	\$
CURRENT		
Grants committed	4,039,821	4,957,330
Reconciliation		
	2021	2020
	\$	\$
Opening balance	4,957,330	4,811,775
Funds received	19,984,000	19,733,000
Grants returned and added back to funding pool	37,508	328,024
Administration levy	(1,572,000)	(1,449,714)
Grants paid	(19,396,359)	(18,465,755)
Other	29,342	-
	<u>4,039,821</u>	<u>4,957,330</u>

12 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	70,124	142,576
Provision for employee benefits	92,723	126,417
	<u>162,847</u>	<u>268,993</u>

13 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* 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 outstandings and obligations of the Company. At 30 June 2021 the number of members was 9 (2020: 9).

14 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Community Broadcasting Foundation Ltd during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$ 410,736 (2020: \$ 389,641).

15 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

Community Broadcasting Foundation Ltd

ABN: 49 008 590 403

Notes to the Financial Statements For the Year Ended 30 June 2021

16 Related Parties

There were no transactions with related parties for the years ended 30 June 2021 and 30 June 2020.

17 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Surplus / (Deficit) for the year	145,659	(352,391)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	93,091	89,180
- lease liability financing interest	18,126	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(397,337)	50,807
- increase/(decrease) in trade and other payables	(1,067,153)	191,901
- increase/(decrease) in employee benefits	(106,146)	175,224
Cashflows from operations	<u>(1,313,760)</u>	<u>154,721</u>

18 Fundraising Income and Expenditure

	2021	2020
	\$	\$
Fundraising - donations received		
CB Development Fund	254	830
Community Journalism Training Project	-	30,000
Australian Communities Foundation - Dart Project	73,900	5,000
	<u>74,154</u>	<u>35,830</u>
Fundraising - project costs		
Community Journalism Training Project	-	(29,979)
Dart Project	(39,817)	-
Fundraising expenses - total costs of fundraising	<u>(34,812)</u>	<u>(118,881)</u>
Net fundraising surplus/ (deficit)	<u>(475)</u>	<u>(113,030)</u>

The Company maintained an opportunity for public donations to the Community Broadcasting Development Fund through promotion on its website.

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

Community Broadcasting Foundation Ltd

ABN: 49 008 590 403

Notes to the Financial Statements For the Year Ended 30 June 2021

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 22 September 2021 by those charged with governance.

At the date of this report the Department of Infrastructure, Transport, Regional Development and Communications are yet to formalise a funding agreement with the Company beyond the existing term which expired on 30 June 2021. Despite the Company being economically dependent on the support of the Department, the Board of Directors have no reason to believe the Department will cease to continue to support the Company beyond the existing term.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

20 Statutory Information

The registered office and principal place of business of the company is:

Community Broadcasting Foundation Ltd
Level 7, 369 Royal Parade
Parkville VIC 3052

Community Broadcasting Foundation Ltd



ABN: 49 008 590 403

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person  Responsible person 
Mr Ian Hamm Ms Luchi Santer

Dated 22 September 2021

Independent Audit Report to the members of Community Broadcasting Foundation Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Community Broadcasting Foundation Ltd, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity'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 entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

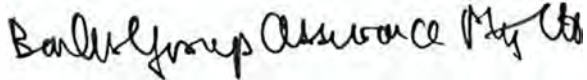
Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Community Broadcasting Foundation Ltd

Independent Audit Report to the members of Community Broadcasting Foundation Ltd

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 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.



Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company number 294178 (ACN 115 749 598)

Andrew Fisher, Partner
Registration number 306364

Melbourne, Australia
22 September 2021