

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

*A Company limited by guarantee*

ABN 56 010 049 206

## FINANCIAL REPORT

FOR YEAR ENDED 30 JUNE 2019

<b>Index</b>	<b>Page</b>
STATEMENT OF COMPREHENSIVE INCOME .....	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF CHANGES IN EQUITY .....	3
STATEMENT OF CASH FLOWS .....	3
NOTES TO THE FINANCIAL STATEMENTS .....	4
RESPONSIBLE PERSONS DECLARATION.....	8
INDEPENDENT AUDIT REPORT .....	9



**Auditor:**  
Jason O'Connor CA  
[www.joconnorptyltd.com.au](http://www.joconnorptyltd.com.au)

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

ABN 56 010 049 206

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>INCOME</b>			
Administration and management fees		64,558.19	45,695.00
Donations		68,923.78	82,504.00
Fundraising		2,596.72	2,207.00
Grant - CBF content		100,698.92	156,852.00
Grant - CBF development and operations		206,986.00	202,770.00
Grants - other		23,873.64	-
Interest received		34,149.80	25,946.00
Memberships		100,043.18	84,427.00
Sponsorship		100,382.07	105,833.00
Studio and equipment hire		3,012.82	-
Sundry income		26,037.72	-
<b>Total Income</b>		<b>731,262.84</b>	<b>706,234.00</b>
<b>EXPENDITURE</b>			
Business operating costs		34,435.67	21,825.53
Conferences, seminars and professional development		39,121.04	20,766.00
Consulting, legal and governance costs		24,064.08	1,541.60
Depreciation and impairments		27,891.87	34,509.00
Electricity and gas		34,446.68	30,779.00
Employee entitlements		379,163.95	346,885.00
Insurance		11,278.89	11,763.27
License fees		30,120.60	32,235.00
Marketing and promotions		32,521.54	12,801.58
Project and production costs		86,906.30	74,494.07
Rates and water		46,757.19	52,764.97
Repairs and maintenance		24,155.95	45,222.00
Resources, Fees, Subscriptions		12,276.20	4,599.64
Services - cleaning and security		14,626.06	10,272.39
Sundry expenses		14,817.33	10,021.27
Telephone and internet		16,330.19	5,523.68
<b>Total Expenditure</b>		<b>828,913.54</b>	<b>716,004.00</b>
<b>Deficit before income tax expense</b>		<b>(97,650.70)</b>	<b>(9,770.00)</b>
Less Income tax expense	1	-	-
<b>Deficit after income tax expense for the year attributable to the members</b>		<b>(97,650.70)</b>	<b>(9,770.00)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the members</b>		<b>(97,650.70)</b>	<b>(9,770.00)</b>

The accompanying notes form part of these financial statements.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

ABN 56 010 049 206

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash on hand		300.00	570.00
Cash at bank	3	287,757.89	391,894.61
Cash on deposit		1,051,731.59	1,025,663.92
Accounts receivables		44,770.77	31,113.00
Less provision for doubtful debts		(1,055.00)	(3,000.00)
Accrued interest income		13,459.00	6,802.00
Other receivables		-	9,194.00
<b>Total Current Assets</b>		<b>1,396,964.25</b>	<b>1,462,237.53</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,211,495.04	1,234,136.00
Investment in Broadcasting Park Pty Ltd		71,949.00	71,949.00
Investment in Community Digital Radio (Brisbane) Pty Ltd		500.00	500.00
<b>Total Non-Current Assets</b>		<b>1,283,944.04</b>	<b>1,306,585.00</b>
<b>Total Assets</b>		<b>2,680,908.29</b>	<b>2,768,822.53</b>
<b>CURRENT LIABILITIES</b>			
Accounts payables		12,327.21	16,959.00
Funds held on behalf of Groups		84,577.95	121,931.00
GST payable		28,402.16	3,161.00
Income received in advance - membership		29,826.12	30,637.74
Other payables		1,935.48	5,242.26
PAYG payable		33,286.00	4,546.00
Provision for employee entitlements		37,221.00	58,344.00
Superannuation payable		9,840.46	2,654.00
Unexpended funds		15,795.08	-
<b>Total Current Liabilities</b>		<b>253,211.46</b>	<b>243,475.00</b>
<b>Net Assets</b>		<b>2,427,696.83</b>	<b>2,525,347.53</b>
<b>EQUITY</b>			
Accumulated Surplus		2,427,696.83	2,525,347.53
<b>Total Equity</b>		<b>2,427,696.83</b>	<b>2,525,347.53</b>

The accompanying notes form part of these financial statements.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

ABN 56 010 049 206

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Surplus \$	Total \$
Opening balance 1 July 2017	2,535,117.53	2,535,117.53
Less Deficit attributable to the members	(9,770.00)	(9,770.00)
<b>Closing balance 30 June 2018</b>	<b>2,525,347.53</b>	<b>2,525,347.53</b>
Opening balance 1 July 2018	2,525,347.53	2,525,347.53
Less Deficit attributable to the members	(97,650.70)	(97,650.70)
<b>Closing balance 30 June 2019</b>	<b>2,427,696.83</b>	<b>2,427,696.83</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	755,208.52	723,707.00
Interest received	27,492.80	19,143.00
Payments to suppliers	(855,789.46)	(711,779.00)
<b>Net cash provided by operating activities</b>	<b>(73,088.14)</b>	<b>31,071.00</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for plant and equipment	(5,250.91)	(26,939.00)
<b>Net cash provided by operating activities</b>	<b>(5,250.91)</b>	<b>(26,939.00)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash provided / (used in) financing activities</b>	<b>(78,339.05)</b>	<b>4,132.00</b>
Cash at beginning of the year	1,418,128.53	1,413,996.53
<b>Cash at the end of the year</b>	<b>1,339,789.48</b>	<b>1,418,128.53</b>

The accompanying notes form part of these financial statements.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

*A Company limited by guarantee*

ABN 56 010 049 206

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

In the board of directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Commonwealth of Australia legislation the Australian Charities and Non-for-Profits Commission Act 2012 and regulations. The Board of Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

#### **Historical cost convention**

The financial statements have been prepared under the historical cost convention.

#### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### **Donations**

Donations are recognised at the time the funds are deposited into a bank account held by the Company.

#### **Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **Grants**

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

#### **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

*A Company limited by guarantee*

*ABN 56 010 049 206*

## **Income tax**

As the Company is a non-profit institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

## **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less 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**

Other receivables are recognised at amortised cost, less any provision for impairment.

## **Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings at cost	2.5% prime cost
Plant and equipment at cost	15% to 20% prime cost

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## **Impairment of non-financial assets**

Non-financial assets are reviewed 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 carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **Employee benefits**

### *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

### *Long service leave*

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

*A Company limited by guarantee*

*ABN 56 010 049 206*

## **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

## **Registered Mortgage**

Westpac Banking Corporation registered a mortgage over Lot 408, Survey Plan 192738, Local Government of Brisbane City Council on the 7<sup>th</sup> January 1993. This mortgage is still registered with the Department of Natural Resources, Mines and Energy Queensland as at the 30 June 2019.

## **NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the 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, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on 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 judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Estimation of useful lives of assets*

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event.

The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Long service leave provision*

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future 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 considered.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

ABN 56 010 049 206

	2019 \$	2018 \$
<b>NOTE 3: CASH AT BANK</b>		
Cash at bank - donations	99,326.79	147,295.54
Cash at bank - Group Funds Held	84,577.87	152,101.07
Cash at bank - main account	76,211.53	83,238.00
Cash at bank - PayPal	27,641.70	9,260.00
	<b>287,757.89</b>	<b>391,894.61</b>
<b>NOTE 4: PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings at cost	1,136,992.00	1,136,992.00
Less accumulated depreciation	(36,916.00)	(28,251.00)
	<b>1,100,076.00</b>	<b>1,108,741.00</b>
Plant and equipment at cost	831,504.91	826,254.00
Less accumulated depreciation	(720,085.87)	(700,859.00)
	<b>111,419.04</b>	<b>125,395.00</b>
<b>Total Property, plant and equipment</b>	<b>1,211,495.04</b>	<b>1,234,136.00</b>
<b>NOTE 5: CASH FLOW INFORMATION</b>		
<b>a. reconciliation of cash</b>		
Deficit attributable to the members	(97,650.70)	(9,770.00)
<b>Non-cash flows:</b>		
Depreciation	27,891.87	34,509.00
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in accounts and other receivables	(13,065.77)	(18,035.00)
Increase/(decrease) in accounts and other payables	30,859.46	36,700.00
Increase/(decrease) in other liabilities	(21,123.00)	(12,333.00)
<b>Net cash provided (used) by operating activities</b>	<b>(73,088.14)</b>	<b>31,071.00</b>
<b>b. reconciliation of cash</b>		
Cash on hand	300.00	570.00
Cash at bank	287,757.89	391,894.61
Cash on deposit	1,051,731.59	1,025,663.92
Less bank overdraft	-	-
<b>Total Cash</b>	<b>1,339,789.48</b>	<b>1,418,128.53</b>
<b>NOTE 6: AUDIT FEES</b>		
Audit fees - J O'Connor	6,691.45	-
Audit fees - The Matador Group	-	6,360.00
	<b>6,691.45</b>	<b>6,360.00</b>



# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

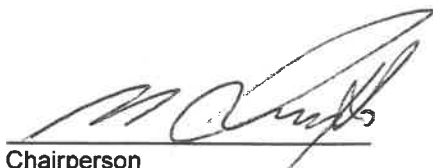
ABN 56 010 049 206

## RESPONSIBLE PERSONS DECLARATION.

Per section 60.15 of the Australian Charities and Non-for-Profits Commission Regulation 2013.

1. the Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purpose of complying with the Australian Charities and Non-for-Profits Commission Act 2012 and regulations;
2. the attached financial statements and notes thereto give 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;
3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
4. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and regulations.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Non-for-Profits Commission Regulation 2013.



Chairperson

Dated this *23* day of *SEP* 2019.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

ABN 56 010 049 206

## INDEPENDENT AUDIT REPORT

*To the members of Ethnic Broadcasting Association of Queensland Limited.*

### Opinion

We have audited the financial report of the **Ethnic Broadcasting Association of Queensland Limited** which comprises the statement of comprehensive income, the statement of financial position as at the **30<sup>th</sup> June 2019**, statement of changes in equity, statement of cash flows the notes to the financial statement, including a summary of significant accounting policies, and the responsible persons declaration.

In our opinion the financial report of the **Ethnic Broadcasting Association of Queensland Limited** has been prepared in accordance with Company's Constitution, including;

1. giving a true and fair view of the Company's financial position as at **30<sup>th</sup> June 2019** and of its performance for the year ended on that date;
2. complying with Australian Accounting Standards to the extent described in Note 1; and
3. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and regulations.

### Basis for opinion

We conducted our audit in accordance with the 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 in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist for the purpose of fulfilling the Company's financial reporting responsibilities under the Australian Charities and Non-for-Profits Commission Act 2012 and regulations. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Other Matters

The financial report of the Company for the year ended 30 June 2018 was audited by another auditor who expressed and unmodified opinion on that financial report.

### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and to meet the needs of the members. The management's responsibility also includes such internal controls as the officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Management is 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 Management either intent to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Management are responsible for overseeing the Company's financial reporting process.

# ETHNIC BROADCASTING ASSOCIATION OF QUEENSLAND LIMITED

A Company limited by guarantee

ABN 56 010 049 206

## 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx> This description forms part of our auditor's report.

## Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Jason O'Connor CA  
Registered Company Auditor (No. 353931)

Liability limited by a scheme approved under Professional Standards Legislation

Dated this 24<sup>th</sup> day of September 2019.

**Jason O'Connor B. Com CA**  
PO Box 3361  
WARNER QLD 4500

Telephone: (07) 3048 5727  
Mobile: 0402 32 7773  
Email: [auditor@joconnorptyltd.com.au](mailto:auditor@joconnorptyltd.com.au)  
Web: [www.joconnorptyltd.com.au](http://www.joconnorptyltd.com.au)