



ANNUAL REPORT

YEAR END JUNE 2019

ABN: 35 055 984 865

Chair report – Jurgen Schaub

Dear shareholder,

I'm writing this on an overcast Sunday afternoon in Port Melbourne, a 5 minute walk away from a small house that hosted the initial test broadcasts of what was to become 3PBS-FM. My radio is on, of course, tuned to PBS, of course. Their original idea, playing music that doesn't get played on other radio stations, is still what we do, and playing that music, organised into chunks of time by similar characteristics, is still how we do it. Did that group of lovely geeks and weirdos have any idea what was to happen in the next 40 years? Could they imagine how important PBS would end up being to the music community in Melbourne, in Victoria? Would they have an inkling that international artists, passing through Melbourne, would specifically want to drop by PBS? Did they have any idea that 40 years after those initial broadcasts, we'd not only still be on air, but we'd be sounding this good? I know they didn't want PBS to sound like crap, but wow. We sound *great*. We've not only survived, but thrived, and somehow became a local institution.

We're in the Music Victoria Hall of Fame! Incredible.

Where we are now would be a much worse place if it weren't for a steady stream of really passionate people. Some are still here since the beginning, and some have only recently discovered our community and may be here 40 years from now, telling new kids the story of how we moved to the Collingwood Arts Precinct, yet another in a series of strategic moves and changes PBS has made through its years. Thank you to everyone who's been a part of our story, whatever part you've played.

Governance

To assist with the work required to move to the Collingwood Arts Precinct, we've spun off two board subcommittees this year. While it's important to make sure the move goes well, it's also important for the board to have the time and brain-space to think about keeping the station going, and also to consider what kinds of things we'd like to do once all the dust settles around the move. So we have two new subcommittees: one focussed on fundraising, chaired by Monica Hanns, and the other focussed on moving, chaired by Lauren O'Dwyer. One makes money, the other spends it.

There was some discussion about proxies at the last AGM, and the board spent some time considering the implications of implementing a proxy scheme. After some thought, we wanted to understand the problem that proxies were meant to solve. To this end, we've included a question in the AGM materials this year, asking people who aren't able to make it to the meeting why they're not able to make it. We'll work on a policy based on this input.

Money

As you'll see in the rest of these papers, we're in good financial shape for the moment, and we're progressing well with the fundraising to move to CAP. In addition to the \$500,000 from the state government last year, we've also received \$90,000 from the Helen Mcpherson Smith Trust, \$25,000 from the Community Broadcasting Foundation, and quite recently a \$50,000 matched-funding pledge from Creative Partnerships Australia through Plus1.

Home

The design and construction work is progressing - it's all in CAP's hands at the moment, as we haven't yet taken possession of the property. They're still working on getting it fit for us to start our works. Some of you may have seen some early plans from Zvi Belling, who has been working closely with us to get us into the space. Lauren will give you some more information in her report, later in these pages.

Thanks

Huge thanks to the best board in community broadcasting: Adrian, Justin, Lauren, Monica, Peter, and Tess for their energy, spirit and dedication to PBS. Special thanks to Jayne who unfortunately had to step away from the board this year due to a conflict of interest with her new job. Thanks as well to Adrian and the staff at PBS for keeping the lights on, and doing so much work behind the scenes to help keep the whole thing going. And, as always, the most bestest thanks to the volunteers. No matter what your role is, you're an important part of PBS's 40 year history. Without the selflessness of the people who volunteer their time with us, PBS wouldn't have progressed past that shed out the back of a house in Port Melbourne, 40 years ago.

Happy 40th birthday peeps.

Fundraising Committee Chair report – Monica Hanns

In 2018 a Fundraising Committee was put together to facilitate our fundraising efforts to move PBS to our new home at the Collingwood Arts Precinct. 2019 has been a very busy year for the committee. In the lead up to the move we have approached a number of trusts and foundations for potential support and have been successful in receiving substantial grants from the Helen Macpherson Smith Trust and Creative Partnerships. We still have several promising proposals in the pipeline.

We have also started to work with the generous community of supporters that PBS has already built up over the years to facilitate philanthropic support through personal donations. Our donors have expressed their delight and support of our move to the CAP and are excited about the future of the station. The public phase of this campaign will launch in November 2019 alongside our planned celebrations of 40 years of broadcasting.

While we still have a way to go with the campaign, we are happy to see the positive results so far. We're incredibly grateful for all the support that has been shown to us so far and we look forward to continuing to engage our community in this milestone moment for PBS.

‘Move to CAP’ Project Committee Chair report – Lauren O’Dwyer

Project Overview

The project has progressed in stages from feasibility studies to schematic design. Our team has begun to take shape and we have secured early project supporters. Our timelines are largely dictated by the progress of the CAP team, but we maintain proactive communication with them throughout this journey, and look forward to sharing a new spaces with the other tenants that have been announced over the past year.

Key project milestones as at 30 June 2019

Product	Outcome
Feasibility and scoping study	Complete
Seed funding	Complete
Schematic design	In progress
Agreement For Lease	In progress
Capital campaign launched	In progress
Detailed design	To be commenced
Keys handed over	To be commenced
Builder appointed	To be commenced
Station Fit Out commenced	To be commenced
Station Fit Out complete	To be commenced
Relocation commenced	To be commenced
Relocation complete	To be commenced

Governance

Congratulations to our GM who has managed to carry PBS through the initial stages of this project largely on his own. PBS’ Chair has done some tremendous work to assemble interested parties with the right skills to assist our capable GM in managing this project. With her project management experience, current involvement in the Melbourne Arts Precinct Transformation, and knowledge of the CAP project, PBS board member Lauren O’Dwyer has agreed to chair this sub-committee. Terms of Reference are in the process of being approved and formal meetings will commence imminently.

Stakeholder Engagement

Staff and volunteers will be engaged with to provide feedback on the design of our new site at the appropriate time.

Capital Campaign

Detailed covered in the fundraising report

Finances

As previously reported, based on existing plans and project scoping, the full cost of the move will cost approximately \$1.5million. As at 30 June 2019, approximately \$620k has been secured from collective grant funding, and another \$50k has been pledged by Creative Partnerships for funds to be matched by our public campaign (to be launched on 7 November

2019). The project is currently on budget based on existing projections. PBS will engage a Quantity Surveyor to undertake a cost estimate at the completion of detailed design.

Risk

Key risks identified for mitigation at this stage include:

Risk	Mitigation strategy
Site remediation extends the scope of the project	Ensure budget and timelines accommodates some change to scope
Cost of project	Maintain active value management through design process, and ensure proactive communications with CAP team regarding their progress.
Maintaining funding body satisfaction	Ensure proactive communications about project timelines and milestones
Site is not fit for purpose	Engage appropriate consultants for key services e.g. acoustic treatment. Designs to be discussed with key stakeholders e.g. PBS technical staff. Close monitoring of CAP design and construction.
Agreement For Lease remains unsigned	Drive contract negotiations with CAP and legal teams for timely signoff and favourable conditions for PBS.
Structural works lead to cost overruns	Coordinate structural design with PBS' engineers and monitor construction quality with CAP and their builder McCorkell.



2018–2019 End-of-year Report

The PBS vision: to nurture, inspire and champion Melbourne’s diverse music community.

by General Manager
Adrian Basso



Anyone who wants their photo taken in the iconic PBS Eassey Street doorway better get a wriggle on because the building was sold this financial year and there’s no going back – PBS is a station most definitely on the move.

2018–19 saw PBS enter the planning, technical-team-building and securing-of-early-financial support phase of our move to the Collingwood Arts Precinct. We added structural and mechanical engineers and a project manager to the architect, acoustic engineer, fundraiser and others already on board to make the move a success.

The Victorian Government showed its strong support with a whopping \$500,000 grant to get us started. And live music fans will be hugely appreciative of the Helen Macpherson Smith Trust’s \$90,000 grant for the new Studio 5 studio.

By year end we were heading into detailed planning and beginning to seek wider support for the move.

Meanwhile, PBS didn’t miss a beat. Volunteers and staff continued their support for Melbourne’s diverse music community through the great radio and events that make life worth living. PS: never fear, the front doors will be moving with us.

A THRIVING, DIVERSE MUSIC SCENE

Beast of No Nation paid tribute to Afrobeat pioneer Fela Kuti. Along with his daughter, Yeni, and a former member of his band, the event featured an

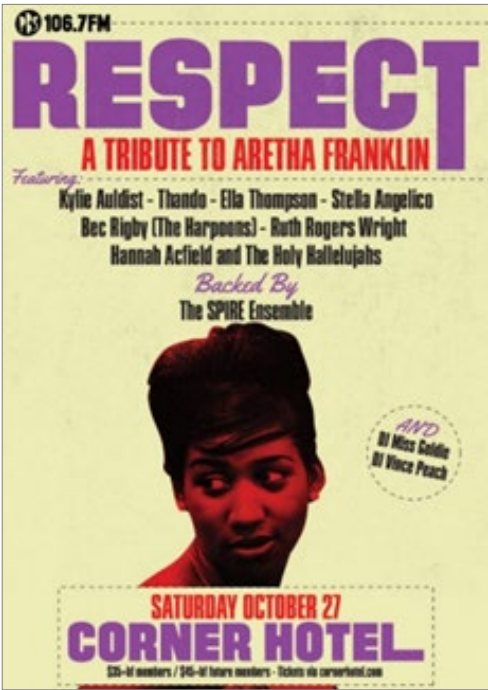


amazing line-up of Indigenous guest vocalists including Lois Oney, Bunna Lawrie, Philly, Racera, Robbie Thorpe and Bart Willoughby.



PBS celebrated ten years of Rock-A-Bye Baby, presenting a diverse range of acts over that time to young and older ears, with the City of Yarra there all the way.

To honour and pay respects to the original queen of soul, PB presented Respect – A Tribute to Aretha Franklin. Guest vocalists included Kylie



Auldlist, Thando, Ella Thompson, Bec Rigby, Stella Angelico, Ruth Rogers Wright and Hanna Acfield and The Holy Hallelujahs. The event was nominated in the 2019 CBA Awards

AN ENGAGED AND INVOLVED MUSIC COMMUNITY



Despite a burst hot-water heater and a faulty BBQ, our Open Day was a great success thanks to the PBS superheroes who came to the rescue.

Long-time volunteer Marcello Sardo who helped pack membership bags for more than a decade retired in October.



The Megahertz won the Community Cup! By one point! And the cup attracted 12,000 people and raised \$250,000 on one of the coldest days on record.



Lyndell Wilkinson (left) and Maddy Mac did the honours for the City of Stonnington’s Sunset Sounds in Malvern. Milo emceed at the City of Banyule’s Twilight Sounds, where Cash Savage and the Last Drinks (right) held the crowd’s attention until the very last song.





CONTENT WITH INTEGRITY AND QUALITY



Maddy Mac received this year’s Mick Geyer Award. PBS founder and sector veteran John Maizels took out the prestigious Michael Law Award for a sustained and outstanding contribution to community broadcasting.

Tony Irvine celebrated 25 years of Irvine Jump, as well as coordinating insomnia rosters for the station and being a great resource for anyone wanting to know about PBS’ history. Other significant milestones included 100 episodes of Cross Pollinate, 10 years for Homebrew and Metal Genesis, 15 years for Fret Net, and Blue Juice and Screaming Symphony’s 1000th edition.



PBS featured in a Victorian Music Development Office Consumer insight report, which found radio was still the most popular way of listening to music. “The role of community radio is a major contributor that drives people to the discovery of emerging local music and supporting a thriving local scene (particularly in Victoria through Triple R and **PBS**).”

A SUCCESSFUL MOVE TO OUR NEW HOME



In relation to our move to the Collingwood Arts Precinct, PBS graduated from the feasibility stage into serious planning. Our team began to take shape and we secured early project supporters.

- Project phases
- 1. Feasibility and scoping ✓
 - 2. Early funding and preliminary design ✓
 - 3. Detailed design, construction and wider funding/support
 - 4. Moving out, moving in
 - 5. Our new era

In July PBS was finally able to officially announce PBS had secured \$500,000 from the Victorian Government, through the Community Support Fund, to kick start our move to the Collingwood Arts Precinct. This was announced at the PBS studios by local MP Richard Wynne (left) during a Changes Music Summit event. The Helen Macpherson Smith Trust agreed to provide \$90,000 towards Studio 5. Further funding of \$25,000 has been provided thanks to the Community Broadcasting Foundation.

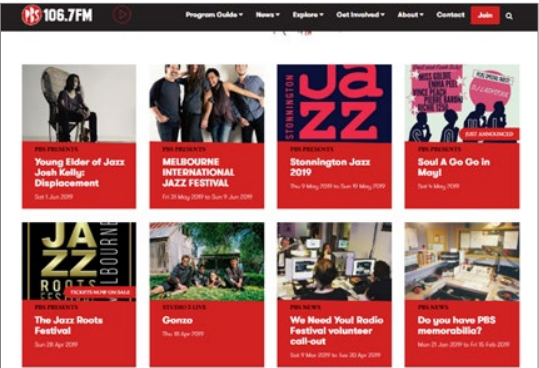
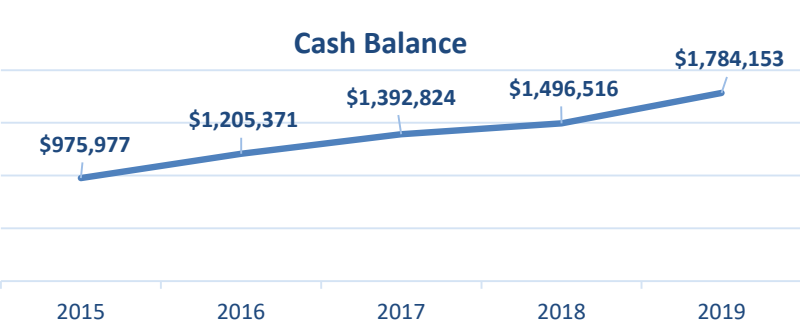
In June, 47 Easey Street was sold for \$6.85 million, re-enforcing the prudent decision to move to the precinct.

SUSTAINABLE OPERATIONS



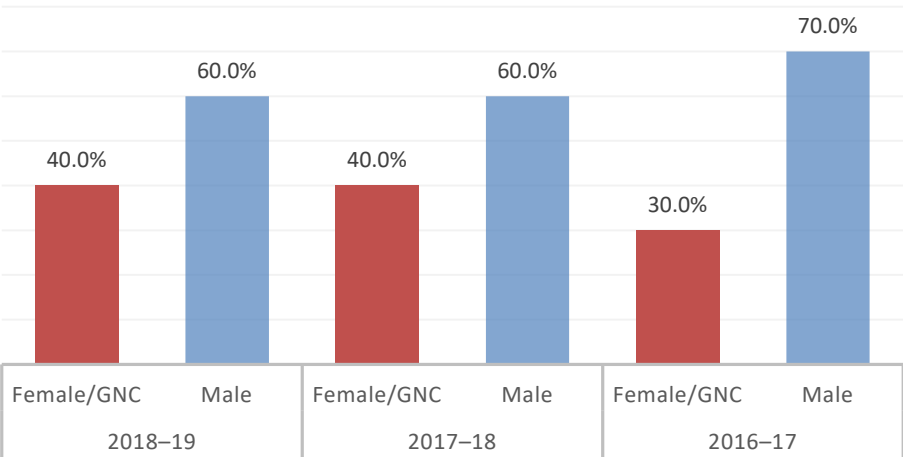
Radio festival volunteers Santo Cilauro (far right) show off this year’s prize t-shirt while others get in the act to encourage people to work their magic (left). The drive saw membership grow 3.04%, member dollars were up 3.23%, and growth overall including donations was up 5.12%, helped along by our new website (below) and targeted SMS and emails.

PBS’ cash balance at 30 June 2019 was \$1,784,153. Up from \$1,496,516 in 2018...

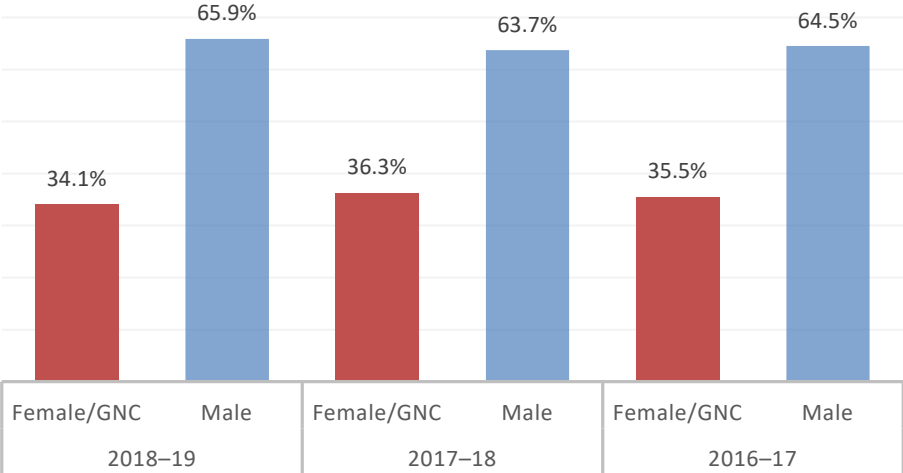


Key gender representation statistics as at 30 June 2019

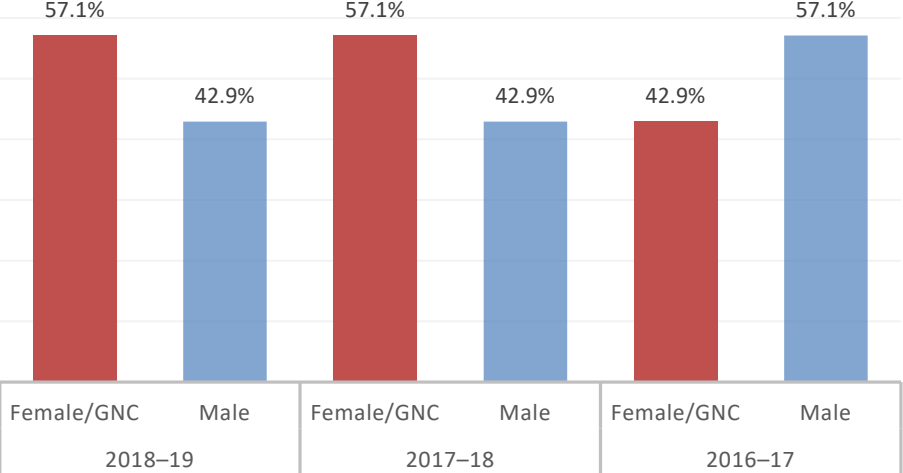
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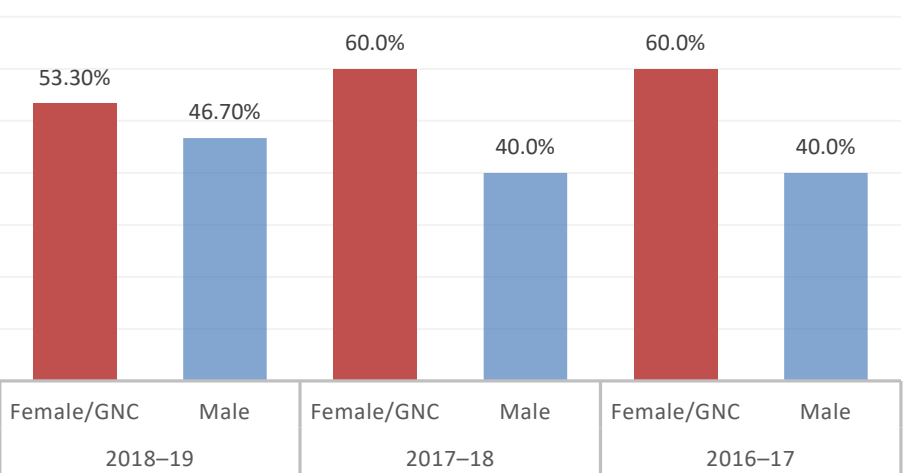
Announcers



Board



Staff



PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2019

Your directors present this report on the Progressive Broadcasting Service Co-operative (the Co-operative) for the financial year ended 30 June 2019.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

Jurgen Schaub
Adrian Meade
Justin Naylor
Monica Hanns

Tess Lawley
Lauren O'Dwyer
Jayne Lovelock (retired 01/04/2019)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Significant Changes in the State of Affairs

No significant changes in the Co-operative's state of affairs occurred during the financial year.

Principal Activities

The principal activity of the Co-operative during the financial year was radio broadcasting. No significant change in the nature of these activities occurred during the year.

Review of Operations

The surplus for the financial year was \$151,722 (2018: \$115,296).

The activities of the Co-operative have seen gross revenue (income before expenses) of \$1,768,870, which is higher than the previous four years. Results have been steady across all income streams, with growth in sponsorship, subscriptions and events. Expenses were \$1,617,148, which included an increase in premises and staffing costs. The net operating figure of \$151,722 (or 8.6% of revenue) is above the seven year average of \$140,000. The Co-operative's working capital (i.e. current assets less current liabilities) remains within the Board's expectations. The station's overall financial position is positive, with an acceptable level of reserves to meet anticipated needs.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in future financial years

Likely Developments and Expected Results of Operations

The Co-operative will continue to pursue its strategic objectives to increase market share and sponsorship and membership. This will entail continuing to provide specialist music programs and nurturing, inspiring and championing Melbourne's diverse music community.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2019

Short-term and Long-term Objectives

The Co-operative's short and long-term objectives are to nurture, inspire and champion Melbourne's diverse music community. This is to be achieved with the goals of:

- a thriving, diverse music scene, particularly for under-represented music;
- content with integrity and quality;
- an engaged and involved music community;
- a successful move to our new home; and
- sustainable operations.

Key Performance Measures

The Co-operative measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the Co-operative and whether the Co-operative's short-term and long-term objectives are being achieved.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Co-operative.

Proceedings on Behalf of Co-operative

No person has applied for leave of court to bring proceedings on behalf of the Co-operative or intervene in any proceedings to which the Co-operative is a party for the purpose of taking responsibility on behalf of the Co-operative for all or any part of those proceedings. The Co-operative was not a party to any such proceedings during the year.

Information on Directors

Jurgen Schaub

Qualifications

Experience

Chair (appointed 29/11/2017)

Hands on

Twenty years of technology experience and ten years volunteering at PBS. Jurgen is part of the PBS online development team and is active in the community radio sector nationally. He has been a PBS board member since 2010.

Adrian Meade

Qualifications

Experience

Secretary

Juris Doctor (Master of Law), Master of International Business, Bachelor of Science, Bachelor of Arts

Adrian is a former PBS announcer, having hosted the late-night program 'Contact' from June 2012 to Oct 2014. He has an extensive knowledge of Quality Management Systems and is employed as Director of Quality Assurance at Seqirus, a division of CSL Ltd. Currently completing a doctorate, he has acted as lecturer and course administrator in Corporations Law at undergraduate and postgraduate levels. He joined the PBS Board in November 2015.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2019

Justin Naylor

Qualifications

Experience

Treasurer

B.Bus (Acc), MBA, Melbourne Business School, FCPA.

Justin has extensive financial experience having worked in public, private and not for profit organisations over the last 30 years. He is currently Finance and Operations Manager at METIER3 Architects. Justin was a committee member and Divisional Councillor at CPA Australia between 2011 and 2016. He joined the PBS Board in November 2013.

Monica Hanns

Qualifications

Experience

Director

Bachelor of Arts (Media and Communications) – Swinburne University of Technology 2006.

Monica is a current announcer on PBS with an additional five years' experience on staff at the station from 2008 to 2013 in Memberships Services. Monica has over four years of experience as a fundraiser in the tertiary education sector. She is currently the Development Officer for the Faculty of Arts at the University of Melbourne as part of the \$1B 'Believe' philanthropic campaign. She joined the PBS Board in November 2017.

Tess Lawley

Qualifications

Experience

Director and PPG Chair (from December 2016)

Bachelor of Communications (Professional Communication), RMIT University.

As a PBS office volunteer and announcer, and an active volunteer in the community broadcasting sector, Tess has extensive experience in NFP strategy and operations, finance and compliance, media production, volunteer engagement, training, media law and community broadcasting licensing and codes of practice. Tess is a former General Manager of SYN Media and former Board member of the Community Broadcasting Association of Australia (CBAA) and is currently a management consultant at Nous Group. She joined the PBS Board in November 2016.

Lauren O'Dwyer

Qualifications

Experience

Director

Studied Arts/Science (Performing Arts/Psychology) at Monash University; Board member of Monash University Council, 2010; AICD Finance for Directors, 2011; Cert 1 in Social Work, VU, 2011; and ScotWork negotiation training, 2013.

Lauren relocated to Melbourne in 2004 from regional Victoria, and has been getting to know Melbourne and greater Victoria's live music venues ever since. She has developed a great love of weeknight gigs and supporting emerging local artists.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
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DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2019

Professionally, Lauren has worked across the State government and the tertiary sector in stakeholder management, strategic communications, partnerships and events management, also providing strategic and policy advice to State Ministers. Lauren currently works as the Senior Advisor to the Executive at Arts Centre Melbourne. Lauren's experience across Government, knowledge of music networks, and strong ability to form partnerships and build community across sectors see her well placed to help the station grow in its new home. She joined the PBS Board in November 2017.

Jayne Lovelock

Qualifications

Director (retired 01/04/2019)

Bachelor of Music, Bachelor of Arts, Master of Arts & Entertainment Management Experience.

Experience

Jayne started her career as a musician, and has since been a producer, festival director and fundraising executive. After completing a degree in music performance and a brief performance career, Jayne received her Master of Arts & Entertainment Management. Currently the Executive Director at Creative Partnerships Australia, Jayne was the CEO and Director of Melbourne Fringe Festival from 2011 to 2015, and has held management roles at Malthouse Theatre, Multicultural Arts Victoria and Orchestra Victoria. She is passionate about using her skills in corporate and philanthropic fundraising to support Australian artists and musicians. Jayne is also Chair of the City of Yarra Arts Advisory Committee. She joined the PBS Board in July 2017.

Meetings of Directors

During the financial year 12 meetings of directors were held. Attendances by each director were as follows:

Name	Eligible to Attend	Attended
Jurgen Schaub	12	11
Adrian Meade	12	12
Justin Naylor	12	12
Monica Hanns	12	12
Tess Lawley	12	10
Lauren O'Dwyer	12	11
Jayne Lovelock	10	7


PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
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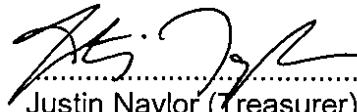
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2019

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 5.

The Directors' Report is signed in accordance with a resolution of the Board of Directors.


.....
Jurgen Schaub (Chairman)
Director


.....
Justin Naylor (Treasurer)
Director

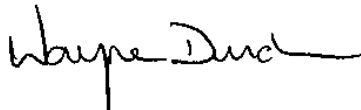
Dated this 28th day of October 2019

**PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001.**

In accordance with section 307c of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Progressive Broadcasting Service Co-Operative Limited. As the lead audit partner for the audit of the financial report of Progressive Broadcasting Service Co-Operative Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of—

- (i) the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Name of Firm: E. F. McPhail and Partners
Name of Partner: Wayne C Durdin
Date: 28th day of October 2019
Address: Suite 12, 602 Whitehorse Road, Mitcham, VIC, 3132

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue	2	1,768,870	1,689,761
Depreciation and amortisation expenses	3	(43,786)	(46,195)
Borrowing costs	3	(13,525)	(18,562)
Office and telephone		(8,813)	(9,160)
Premises, maintenance and administration		(178,915)	(166,686)
Transmitter expenses		(171,670)	(169,294)
Promotional expenses		(52,442)	(53,748)
Salaries and employee benefits expense		(1,010,987)	(973,375)
Expenses from events (fundraising)		(58,170)	(60,755)
Other expenses from ordinary activities		(78,840)	(76,690)
Surplus before income tax		151,722	115,296
Income tax expense		-	-
Surplus for the year		151,722	115,296
Other comprehensive income		-	-
Total comprehensive income for the year		151,722	115,296

The accompanying notes form part of these financial statements.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,784,153	1,496,516
Trade and other receivables	5	76,903	65,926
Other current assets		18,092	41,710
TOTAL CURRENT ASSETS		1,879,148	1,604,152
NON-CURRENT ASSETS			
Property, plant and equipment	6	258,204	219,043
Financial assets	7	39,406	39,406
Other non-current assets	8	2,500	2,500
TOTAL NON-CURRENT ASSETS		300,110	260,949
TOTAL ASSETS		2,179,258	1,865,101
CURRENT LIABILITIES			
Trade and other payables	9	245,806	110,867
Short-term provisions	11	48,171	42,059
TOTAL CURRENT LIABILITIES		293,977	152,926
NON-CURRENT LIABILITIES			
Long-term provisions	11	110,536	89,002
TOTAL NON-CURRENT LIABILITIES		110,536	89,002
TOTAL LIABILITIES		404,513	241,928
NET ASSETS		1,774,745	1,623,173
EQUITY			
Contributed equity	12	14,930	15,080
Reserves		151,566	151,566
Retained profits		1,608,249	1,456,527
TOTAL EQUITY		1,774,745	1,623,173

The accompanying notes form part of these financial statements.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

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

	Contributed Equity \$	Reserves \$	Retained Profits \$	Total \$
Balance 1 July 2017	14,730	151,566	1,341,231	1,507,527
Total Comprehensive income attributable to members	-	-	115,296	115,296
Shares issued during year	400	-	-	400
Shares bought back & cancelled during year	(50)	-	-	(50)
Balance at 1 July 2018	15,080	151,566	1,456,527	1,623,173
Total Comprehensive income attributable to members	-	-	151,722	151,722
Shares issued during year	100	-	-	100
Shares bought back & cancelled during year	(250)	-	-	(250)
Balance at 30 June 2019	14,930	151,566	1,608,249	1,774,745

The accompanying notes form part of these financial statements.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

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

	Notes	2019 \$	2018 \$
<hr/>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,734,802	1,672,655
Receipts from Government		167,739	24,696
Interest received		4,190	4,024
Payments to suppliers and employees		(1,535,997)	(1,565,978)
		<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES		370,734	135,397
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(82,947)	(32,055)
		<hr/>	<hr/>
NET CASH (USED IN) INVESTING ACTIVITIES		(82,947)	(32,055)
CASH FLOWS FROM FINANCING ACTIVITIES			
Allotment of Shares		100	400
Cancellation of ordinary shares		(250)	(50)
		<hr/>	<hr/>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(150)	350
NET INCREASE IN CASH HELD		287,637	103,692
Cash and cash equivalents at beginning of financial year		1,496,516	1,392,824
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year		1,784,153	1,496,516
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

The financial statements cover Progressive Broadcasting Service Co-operative Limited as an individual Co-operative incorporated and domiciled in Australia. Progressive Broadcasting Service Co-operative Limited is incorporated in Victoria under the *Co-operatives National Law Application Act 2013*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Co-operatives National Law Application Act 2013*. The Co-operative is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

No provision for income tax has been raised, as the Co-operative is exempt from income tax under Div.50 of the *Income Tax Assessment Act 1997*.

(b) Employee Benefits

Short-term employee benefits

Provision is made for the Co-operative's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Co-operative's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as short term provisions in the statement of financial position.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

Summary of Significant Accounting Policies (Cont'd.)

Other long-term employee benefits

The Co-operative classifies employees' long service leave as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Co-operative's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense

The Co-operative's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Co-operative does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(c) Provisions

Provisions are recognised when the Co-operative 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(d) Plant and Equipment

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

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

Summary of Significant Accounting Policies (Cont'd.)

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Furniture and equipment	5 - 100%
Leased assets	20%
Leasehold improvements	5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Co-operative, are classified as finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight -line basis over the lease term.

(f) Impairment of Assets

At the end of each reporting period, the Co-operative reviews the carrying amounts of its assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an assets class, the Co-operative estimates the recoverable amount of the cash-generating unit to which the class of assets belongs.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

Summary of Significant Accounting Policies (Cont'd.)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) 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 (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Co-operative during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within normal trading terms.

(j) Comparative Figures

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

(k) Investments

The investments in unlisted companies are brought to account at cost. As the investee companies operate on a break-even basis, no dividends are or will be receivable by the Co-operative.

(l) Revenue and Other Income

Revenue from the rendering of a service is determined with reference to the stage of completion of the transaction and where outcome of the contract can be estimated reliably. Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods. Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Non-reciprocal grant revenue is recognised in profit or loss when the Co-operative obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Co-operative and the amount of the grant can be measured reliably. If conditions are attached to a grant, which must be satisfied before the Co-operative is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

Summary of Significant Accounting Policies (Cont'd.)

When grant revenue is received whereby the Co-operative incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Cash sponsorships, donations and subscriptions income are recognised as revenue when received. All revenue is stated net of the amount of goods and services tax (GST).

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Co-operative becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Co-operative commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where applicable, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Financial assets are subsequently measured at either amortised cost or fair value through profit or loss. Measurement is on the basis of two primary criteria: the contractual cash flow characteristics of the financial asset; and the business model for managing the financial assets. A financial asset managed solely to collect contractual cash flows is subsequently measured at amortised cost. By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

Summary of Significant Accounting Policies (Cont'd.)

Financial Instruments

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Co-operative assesses whether there is objective evidence that a financial asset has been impaired.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Co-operative recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

Summary of Significant Accounting Policies (Cont'd.)

Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Fair value of assets and liabilities

The Co-operative measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Co-operative would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value.

(o) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(p) New Accounting Standards for Application in future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Co-operative has decided not to early adopt. The adoption of these standards is likely to have minimal impact on the Co-operative.

(q) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Co-operative.

Key Estimates – Impairment

The Co-operative assesses impairment at each reporting period by evaluation of conditions and events specific to the Co-operative that may be indicative of impairment triggers. Recoverable amounts of relevant assets are re-assessed using value-in-use calculations which incorporate various key assumptions.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<hr/>		
2. REVENUES FROM ORDINARY ACTIVITIES		
Operating Activities:		
Revenue from corporate sponsorship	525,918	486,710
Revenue from subscriptions (fundraising)	930,561	900,787
Revenue from events (fundraising)	162,307	150,032
Grants	47,650	24,696
Donations	77,433	106,045
Revenue from other income	20,811	17,467
	<hr/>	<hr/>
Total revenues from operating activities	1,764,680	1,685,737
Non-operating activities:		
Interest	4,190	4,024
	<hr/>	<hr/>
Total revenue	1,768,870	1,689,761
	<hr/> <hr/>	<hr/> <hr/>
3. EXPENSES AND LOSSES / (GAINS)		
Depreciation and amortisation of non-current assets		
Furniture and equipment	25,592	27,577
Leasehold improvements	18,194	18,618
	<hr/>	<hr/>
Total depreciation of non-current assets	43,786	46,195
	<hr/>	<hr/>
Bank fees and charges	13,525	18,562
Bad and doubtful debts expense	1,203	(2,331)
Operating lease rental (premises)	55,255	53,884

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at bank	1,604,317	1,494,959
Petty cash	704	602
Floats	3,939	955
Cash held on trust	<u>175,193</u>	<u>-</u>
	<u>1,784,153</u>	<u>1,496,516</u>
	<u> </u>	<u> </u>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>1,784,153</u>	<u>1,496,516</u>
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	80,403	69,426
Provision for impairment of receivables	<u>(3,500)</u>	<u>(3,500)</u>
	<u>76,903</u>	<u>65,926</u>
	<u> </u>	<u> </u>
6. PROPERTY, PLANT AND EQUIPMENT		
Furniture and equipment		
At cost	526,649	504,434
Accumulated depreciation	<u>(484,002)</u>	<u>(458,410)</u>
	<u>42,647</u>	<u>46,024</u>
	<u> </u>	<u> </u>
Leasehold improvements		
At cost	367,684	367,091
Accumulated amortisation	<u>(231,546)</u>	<u>(213,352)</u>
	<u>136,138</u>	<u>153,739</u>
	<u> </u>	<u> </u>
Technology and software		
At cost (work in progress)	39,190	19,280
Collingwood Arts Precinct (CAP)		
At cost (work in progress)	40,229	-
Total property, plant and equipment		
At cost	973,752	890,805
Provision for depreciation and amortisation	<u>(715,548)</u>	<u>(671,762)</u>
	<u>258,204</u>	<u>219,043</u>
Total written down amount	<u> </u>	<u> </u>

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

2019
\$

2018
\$

PROPERTY, PLANT AND EQUIPMENT (Cont'd.)

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:

Reconciliations of the carrying amounts of equipment and furniture at the beginning and end of the current financial year

	Furniture & Equipment	Leasehold Improvements	Total
	\$	\$	\$
Carrying amount at 1 July 2018	46,024	153,739	219,043
Additions	22,215	593	22,808
Disposals – written-down value	-	-	-
Depreciation expense	(25,592)	(18,194)	(43,786)
Capital work in progress – website			19,910
Capital work in progress - CAP	-	-	40,229
Carrying amount at 30 June 2019	<u>42,647</u>	<u>136,138</u>	<u>258,204</u>

7. FINANCIAL ASSETS

Investments at cost

Shares in unlisted companies – at cost

39,406

39,406

The Co-operative owns shares in Public FM Transmissions Pty. Ltd. (PFMT) and Community Digital Radio (Melb) Pty. Ltd. The principal activity of these entities is to operate a joint radio transmissions facility on behalf of its shareholders. The Co-operative has a minority ownership interest in both entities.

8. OTHER NON-CURRENT ASSETS

Bonds on leased premises and utilities

2,500

2,500

ROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<hr/>		
9. TRADE AND OTHER PAYABLES		
Trade payables	31,244	27,806
Sundry payables and accrued expenses	42,799	44,110
Goods and services tax	24,636	13,668
Deferred Income	<u>147,127</u>	<u>25,283</u>
	245,806	110,867
	<hr/>	<hr/>
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Trade and other payables	245,806	110,867
Less deferred income	<u>(147,127)</u>	<u>(25,283)</u>
Financial liabilities as trade and other payables	<u>98,679</u>	<u>85,584</u>
10. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors of the Co-operative for –		
an audit or review of the financial report of the Co-operative	6,145	5,991
other services in relation to the Co-operative	<u>2,755</u>	<u>2,755</u>
	8,900	8,746
	<hr/>	<hr/>
11. PROVISIONS		
CURRENT		
Provision for employee benefits: annual leave	38,575	36,024
Provision for employee benefits: long service leave	<u>9,596</u>	<u>6,035</u>
Total short-term provisions	48,171	42,059
	<hr/>	<hr/>
NON-CURRENT		
Provision for employee benefits: long service leave	110,536	89,002
Total long-term provisions	<u>110,536</u>	<u>89,002</u>
Total provisions	<u>158,707</u>	<u>131,061</u>
	<hr/>	<hr/>
Employee leave entitlements		
Opening balance at 1 July 2018	131,061	108,660
Additional provisions raised during the year	<u>27,646</u>	<u>22,401</u>
Balance at 30 June 2019	<u>158,707</u>	<u>131,061</u>
	<hr/>	<hr/>

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

2019 **2018**
\$ **\$**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Co-operative does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Co-operative does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

12. CONTRIBUTED EQUITY

(a)	Issued and paid up capital				
	Ordinary shares fully paid – 1,493 (2018: 1,508 shares)		14,930		15,080
(b)	Movements in shares on issue		2019		2018
	Issued and paid up ordinary shares at \$10 per share	Shares	\$	Shares	\$
	Opening Balance	1,508	15,080	1,473	14,730
	Shares issued during financial year	10	100	40	400
	Shares bought back and cancelled during year	(25)	(250)	(5)	(50)
	Closing balance	1,493	14,930	1,508	15,080

Terms and conditions of ordinary shares:

Members must hold a minimum of five (5) shares with a nominal value of \$10 each. At a meeting of members of the Co-operative, each member has one vote. In the event of winding up, any surplus assets must not be distributed among the members and must be given or transferred to an institution:

- (a) with similar objectives;
- (b) whose constitution prohibits distribution of property among its members; and
- (c) which has been chosen by the members at or before the time of the dissolution.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

Financial assets reserve:

The financial assets reserve records changes in fair value that arise on re-measurement of available-for-sale financial assets.

13. LEASING COMMITMENTS

(a) Operating lease commitments -

Minimum lease payments		
not later than one year	50,453	48,984
later than one year and not later than five years	73,885	124,339
later than five years	-	-
	<hr/>	<hr/>
Aggregate lease expenditure contracted for at balance date	124,338	173,323
	<hr/> <hr/>	<hr/> <hr/>

The non-cancellable operating lease relates to the lease of the premises at Collingwood. In 2016 the Co-operative exercised its option to renew the lease for a further five (5) years. Rent is payable monthly in advance.

14. RELATED PARTY DISCLOSURES

(a) Remuneration of Directors

The directors received no remuneration from the Co-operative during the financial year.

During the financial year, the directors had the following types of transactions with the Co-operative, where applicable –

- payment of annual subscriber fees;
- payment of sponsorship fees;

These transactions occurred within a normal subscriber relationship on terms and conditions no more or less favourable than those applying to other subscribers/announcers.

(b) Directors' Shareholdings at year end

The aggregate number of fully paid ordinary shares held by directors as at the reporting date fulfils the minimum required shareholding of five shares for each director.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019

2019 **2018**
\$ **\$**

15. FINANCIAL RISK MANAGEMENT

The Co-operative's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial assets			
Cash and cash equivalents	4	1,784,153	1,496,516
Trade receivables	5	76,903	65,926
Total financial assets		1,861,056	1,562,442
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	98,679	85,584
Total financial liabilities		98,679	85,584

16. CO-OPERATIVE DETAILS

The registered office and principal place of business of the Co-operative is:
47 Easey Street,
Collingwood 3066,
Victoria, Australia

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED

Opinion

We have audited the accompanying financial report of Progressive Broadcasting Service Co-operative Limited, 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Qualification

It is not practical for Progressive Broadcasting Service Co-operative Limited to maintain an effective system of control over fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fundraising activities was limited to amounts recorded.

Qualified Auditor's Opinion

In our opinion, with the exception of the above qualification, the financial report of Progressive Broadcasting Service Co-operative Limited is in accordance with the *Co-operatives National Law Application Act 2013*, including –

- (i) giving a true and fair view of the Co-operative's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Co-operatives National Law Application Act 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 Co-operative in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information included in the report. The other information comprises the information included in the Co-operative'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.

Responsibilities of the Directors for the Financial Report

The directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Co-operatives National Law Application Act 2013* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Co-operative'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 directors either intend to liquidate the Co-operative or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

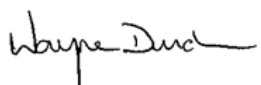
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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 Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Co-operative'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 Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.




Name of firm:	E. F. McPhail and Partners
Name of partner:	Wayne C. Durdin
Address:	Suite 12, 602 Whitehorse Road, Mitcham, Victoria, 3132
Dated this	28 th day of October 2019

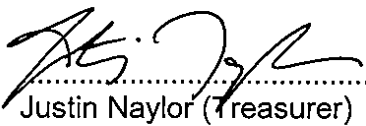
PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

DIRECTORS' DECLARATION
YEAR ENDED 30 JUNE 2019

In accordance with a resolution of the directors of Progressive Broadcasting Service Co-operative Limited, the directors of the Co-operative declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Co-operatives National Law Application Act 2013* and -
 - (a) comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Co-operative.
2. In the directors' opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.


.....
Jurgen Schaub (Chairman)
Director


.....
Justin Naylor (Treasurer)
Director

Dated this 28th day of October 2019