



ABN 35 055 984 865

Dear shareholder,

What a year. 2020 was an incredibly challenging and difficult one for PBS and the community we serve.

There was so much bad news. Restrictions on crowd size meant venues had to close their doors, many of them for good. This, in turn, prevented musicians performing, and travel restrictions meant they couldn't go anywhere else to perform either. Tours were cancelled. Shops were closed. Lots of people lost their income, without much support to fall back on.

In the midst of all this, PBS continued broadcasting. Our listeners and volunteers alike relied on the consistency of our radio signal and warmth of our programming and community. So many of our announcers, both on-air and off, remarked how PBS was helping keep them sane and busy. During the darkest days of winter, locked in at home with their record collections, announcers crafted some of the best radio we've ever put to air. We adapted, we experimented. We continued broadcasting.

Listeners in turn responded with thousands of messages of love and support for PBS and our announcers. People who were lucky enough to be employed through the year listened more, and more often, thus discovering new shows they may not have listened to before. I was one of them, and personally, PBS was a near-constant companion for my work-from-home routine. I'd curse under my breath every time I had to turn down (but not off!) an excellent track so I could join yet another interminable video meeting.

PBS staff had to learn how to manage a radio station remotely, while simultaneously learning how to do their regular jobs remotely, with distractions from kids, housemates, and lousy Internet connections. So much work went on behind the scenes to make sure that our signal remained strong and content remained good - even if an announcer couldn't make it to the studio at the last minute.

Governance

As you're aware, we've had to delay the AGM until such a time as we can meet in person. The rules for co-operatives like us don't allow for virtual AGMs. Additionally, we were delaying it just a little longer to see if we could have it at Easey Street. Alas, the physical distancing requirements would make that impractical, and the consequences of bringing COVID into the station building itself would be disastrous. We'll have to find some other way to say farewell to Easey Street.

I'd also like to take this opportunity to thank Tess Lawley, PBS board member for several years, as well as chair of the PPG. She's moved to Toronto for her work, and is therefore sadly unable to continue on the board and the PPG. I've known Tess for many years now, back to when she was at SYN, and have always found her a smart and thoughtful person, and a great leader. I'm hopeful she'll get sick of Toronto really quickly and come back to Melbourne. Thanks, Tess, for all your work for us and the wider radio community.

Money

It's no secret that many organisations that sponsor PBS are small businesses, or are somehow related to live music. When the bottom fell out of those two areas, our sponsorship revenue plummeted. The sponsorship staff did amazing work, trying to keep things rolling, but it was extremely difficult. At the same time, radio festival was approaching, and we were very nervous about what could happen. With so many people struggling, would anyone give us money? What would happen if they didn't?

Our members and listeners did not disappoint. Radio festival 2020 was the most successful in many years. This is due in no small part to the announcers, who put on some amazingly creative and engaging shows, and the staff who outdid themselves with planning and logistics. More detail about our finances and fundraising later in this document.

Home

Don't try to move a radio station during a global pandemic.

We've signed the lease, we've got contractors in there building new studios and office spaces, and there's a more detailed report later in this document. It's very likely that our next AGM will be in our new home.

I don't know where to begin here. Everyone - staff, shareholders, volunteers, members, listeners and the board - have given PBS so much love and attention this past year, at a time when they themselves may have been feeling pretty crap about things. In spite of it all, we came together as a community that cares for each other and watches out for each other.

Thanks also to the announcers for carrying on, and producing some incredibly good radio, sending positive energy through the airwaves.

Thanks to our members for digging deep and paying for something that they could just get for free.

Personally, I'm incredibly grateful that PBS continues to exist in this world, and that we all (shareholders, volunteers, staff, listeners) are involved in it together.

Jurgen Schaub
Chair, PBS



Purpose

The fundraising sub-committee's purpose is to assist the GM in developing and implementing a fundraising strategy to raise the funds required to 'Make it Home' to our new home at CAP.

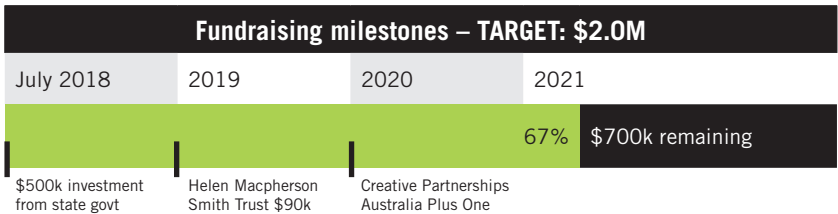
Background

Formed in 2018, the committee was first chaired by Jayne Lovelock, and followed by Monica Hann on Jayne's resignation from the board. With support from other committee members, (board member Lauren O'Dwyer, GM Adrian Basso, and Fundraising Head Jacki Melvin) a three year plan was put into place to raise the anticipated \$1.5m required to move to CAP. The plan included securing a large one-off donation to seed the campaign, followed by running public donation campaigns and applying for other grants concurrently.

2020 Membership

With the resignation of Monica and the advent of COVID-19, the membership stayed small this year:
Lauren O'Dwyer – Chair
Adrian Basso
Jacki Melvin

Fundraising overview



2020

2020 was a difficult year in the world of fundraising, but we were incredibly humbled by the continued ongoing support offered by our listeners, broadcasters and vollies. I am grateful to have inherited a thriving campaign from the previous chairs, and that 2020 was largely a year that we intended to focus our efforts on the public, on-air campaigns.

Thank you to the PBS family – vollies, broadcasters and staff for all of their support for the on-air campaign in 2020. A very special thank you and congrats to Adrian for all his attention and hard work in this space. It's draining work and it feels like you take a step back with every two steps forward, but he is tenacious, and our campaign success thus far shows.

Value management of the works has taken place, and our revised fundraising figure has moved from \$1.5m to \$2m. This is normal in a capital works project of this size, and I am confident that we can achieve the additional \$500k.

We had a couple of fundraising events planned for 2020 that have been postponed – keep your eyes and ears peeled for details on fundraising events throughout this year.

We were unsuccessful for the two grants we applied for in 2020, but I still want to commend Jacki for the great work that she did on the communications and applications.

2021 will mean the advent of the third phase of the campaign – securing individual donors. I look forward to working with the sub-committee this year on this phase of the campaign, and on updating you on our progress throughout the year.

Thank you,
Lauren O'Dwyer
Chair | Fundraising Sub-Committee



Move to Collingwood Yards (CAP)

Project Committee Chair Report – Chris Pearson



For period: 1 July 2019 to 30 June 2020, including update to December 2020

Project Overview

- Program:** PBS engaged preferred tenderer Plan A Commercial Interiors (“Plan A”) on 26 October 2020. Fit-out works on site are currently forecast to commence in January 2021 and run until July 2021, with building permit, Landlord CAP’s approval and design documentation in place.
- Cost:** A budget has been developed and includes a 5% contingency covering construction and other project risks: \$2.2M.
- Design:** ITN Architects (ITN) plus engineering consultants have progressed drawing revisions to “Issue For Construction”.
- Permits:** PBS’ secondary planning permit was awarded by local council on 13 August 2020. ITN secured PBS’ building permit with building surveyor Code Compliance on 10 December 2020.

Collingwood Yards / Collingwood Arts Precinct (CAP)

CAP achieved Practical Completion and Handover of the tenancy to PBS on Thursday 22 October 2020, a major project milestone, triggering PBS’s 9-month rent-free period, after which the lease commences.

CAP have identified a permanent acoustic remediation for the walkway above PBS’s tenancy, with plans to install and test by the beginning of February 2021.

The PBS team continues to maintain proactive communication with CAP.

Agreement for Lease (AFL) The Agreement for Lease (AFL) was executed by all parties on 14 August 2020.

Key project milestones

Product	Target Date (Date Complete*)	Outcome
Feasibility and scoping study	-	Complete
Seed funding	-	Complete
Schematic design	21 Nov 2019*	Complete
Detailed design	28 Jan 2020*	Complete
Agreement For Lease	14 Aug 2020*	Complete
Capital campaign launched	07 Nov 2019*	Complete
Keys handed over	22 Oct 2020	Complete
Builder appointed	26 Oct 2020	Complete
Station Fit Out commenced	27 Jan 2021	To be commenced
Station Fit Out complete	07 May 2021	To be commenced
Specialist equipment, IT install commenced	01 Apr 2021	To be commenced
Relocation commenced	05 Jul 2021	To be commenced
Go Live	02 Aug 2021	To be commenced
Relocation complete	04 Sep 2021	To be commenced
End of Easey St lease	30 Nov 2021	To be commenced

Move to Collingwood Yards (CAP)

Project Committee Chair Report – Chris Pearson



For period: 1 July 2019 to 30 June 2020, including update to December 2020

Stakeholder Engagement

Staff and volunteers have been engaged with (and will be continued to be engaged) to provide feedback on the design and technical requirements for PBS' new site.

Finances

Based on existing plans and project scoping, the full cost of the move is estimated at approximately \$2.20M, including contingency. The project is currently on budget based on existing projections.

So far, just over \$1.3M has been secured from collective grant funding, and listener/member support. Other funding channels are still being pursued.

Creative Victoria (CV) grant milestone 3. was triggered in August 2020 with the sign off of the AFL (\$100K) and grant milestone 4 was triggered in December 2020 with the commencement of fit out works (\$250K). For more, see the Fundraising report.

Risk

Key risks identified for mitigation at this stage include:

Risk	Impact	Likelihood	Mitigation strategy
Tenancy "cold shell" is handed over before PBS' contractor is ready to begin fit out works.	Low	This has occurred.	Absorb cost of rent (forecast 3 months = \$22k).
COVID-19 (coronavirus) causes works to be delayed, shutdown or cancelled.	High	Low-Medium	<p>Protections built into fit out contract, incl. shutdown criteria, procedures, costs, and works resumption criteria.</p> <p>5% contingency included in budget to cover unforeseen developments.</p>
Cost of project extends beyond project budget.	High	Low-Medium	Value Management workshops commenced with fit out contractor to identify cost savings with during construction phase.
Site remediation extends the scope of the project.	Medium	Very low	Ensure budget and timelines accommodates some change to scope.
Funding body dissatisfaction	Medium	Very low	Ensure proactive communications about project timelines and milestones.
Gurner basement works, including piling, affects PBS operations.	Medium	Very low	Gurner basement piling works commenced in the forth quarter of 2020. Gurner will work with PBS to find a solution should de-lays to works affect PBS operations.
Delay to "go live" date for broadcasting from CAP due to Specialist Equipment, Comms & IT.	Low-Medium	Low-Medium	Weekly design management meetings with technical specialists and key PBS staff. Deposit paid for radio broadcast syste, Axia. Lock in other specialist equipment early with suppliers.

Note: All figures in this report are EX GST

This year was always going to be a big one as we geared up to move out of Easey Street and into Collingwood Yards. But then came COVID and the whole world changed, PBS with it.

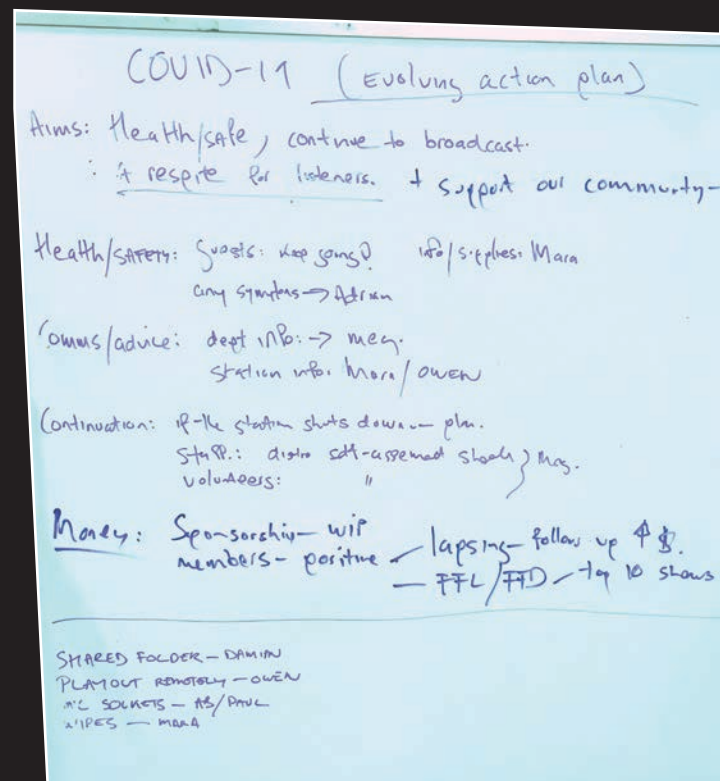
I remember when 2020 flipped for me. It was the March long weekend: Golden Plains, the Port Fairy Folk Festival and Womad, where I was near the front watching Aldous Harding fixing people with that part-terrifying, part-hilarious stare of hers. We were wondering if this might be the last large gathering we'd be at for a while, still not comprehending the scale and duration of the journey ahead.

Shortly afterwards, gig deferments and cancellations began, including the ones PBS ran and made money from. Sponsorship fell off a cliff. Restrictions were announced by the Victorian Government. PBS had to act quickly and we did.

Fortunately radio was our core business, it was an essential service and we were really good at it. We whiteboarded a plan to deal with our new and constantly evolving situation. Here's the snap of that whiteboard from soon after the first outbreak.

Aim: While providing a healthy and safe environment, stay on air and be a respite for our listeners, while supporting our community

- 1. Health and Safety.**
For instance: no guests, hygiene, reduce traffic (shut the front door, no other volunteers, and staff working from home), social distancing, information on symptoms provided, rotate studios, no training courses, regular comms ...
- 2. Comms/advice.**
Centralise copy (inside and outside consistent), keep across state and fed advice/rules, regular updates sent out ...
- 3. Continuation.**
Off-site content plan, set up CCTV for contact tracing, keep announcers informed, adhere to H&S, staff working remotely, seek 'essential service' credentials ...
- 4. A place of comfort and support.**
No news in breakfast, regular programming (as much as possible), focus on previous local studio 5s, phone interviews/mixes with/from local artists, point to all our platforms, and promote/help music community where possible ...
- 5. Money.**
Sponsorship a WIP – stem the bleed, find new sources. Chase debtors. Ramp up member support. Understand Govt stimulus, etc...



We immediately reduced the level of people traffic coming into the station. The once-open and friendly entrance became permanently locked. Staff started to work remotely, which wasn't easy to begin with but we got there. Non-broadcasting volunteers were told they couldn't come in, along with interview guests. No more musicians dropping by and friendly chats around the coffee machine. We metaphorically rolled up the drawbridge and prepared for the siege.

Much sought-after cleaning products were procured. Cleaning regimes, along with our COVID-safe plan, were communicated to everyone regularly. We did everything we could to ensure we could stay on air.

With venues, festivals and most businesses having to substantially or completely shut down, we saw one of PBS' main income sources, sponsorship, become an early COVID causality. Our annual Radio Festival became absolutely critical for the station, along with securing Commonwealth Government support packages – JobKeeper and the cash-flow boost – and any other support mechanisms we could find.

We had planned for a Radio Festival theme celebrating the station turning 40 but it became pretty apparent that a party mood was not such a great idea so we swiftly changed to 'You Can't Stop the Music'.

We also needed to move away from a phone room full of volunteers and switch to an almost 100% on-line sign-up process. Not only did this work, we increased membership by some 30 per cent! Fundraising for the move continued and similarly was well supported.

All the while we continued to ensure we provided a safe and clean environment throughout the two lockdowns and in between. Announcers kept coming in and putting to air amazing programs week in, week out. I truly believe we have never sounded so good. Perhaps this was because announcers were locked up with their record collections and could spend more time preparing. Perhaps it was because they were inspired to provide comfort, solace and enjoyment to all our listeners. Perhaps it was both. Our listeners certainly loved it, with the text machine going into overdrive. Again, perhaps because of the lockdowns people were listening more and for longer.

We are still some way from being out of the COVID woods. The music ecosystem is still under stress and sponsorship is still strongly affected. However the strong 2020 Radio Festival, coupled with government support, meant we emerged from 2019-20 in a reasonable position.

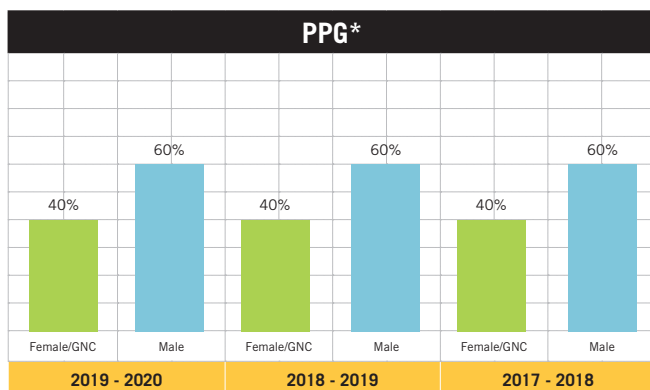
Meanwhile the move to Collingwood Yards is well under way – see the project report – and fundraising for this has been solid. We still have some way to go but our reserves mean we are covered for now while we continue to raise money.

I am sure we will get through 2021 as we did in 2020, with all of us pulling together, along with the amazing support of listeners...and we will be in a new home by the end of 2021.

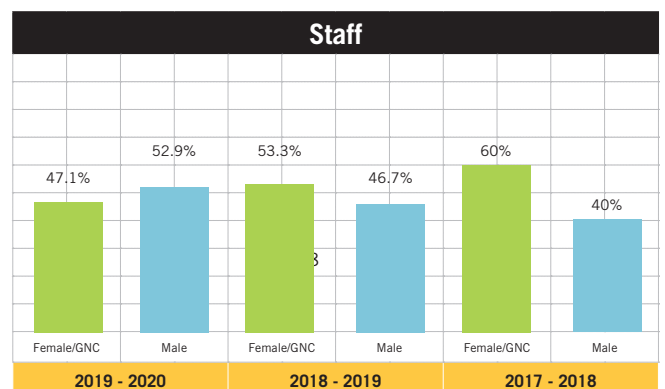
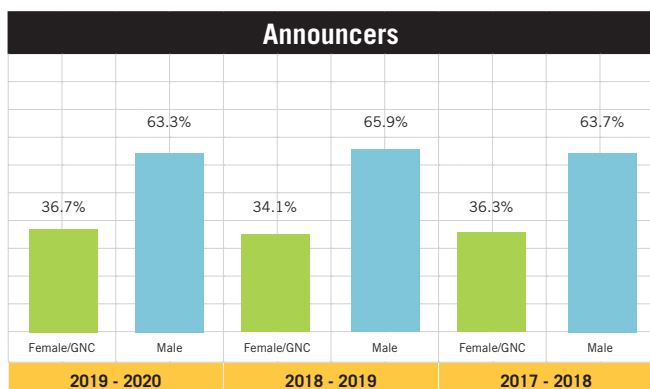
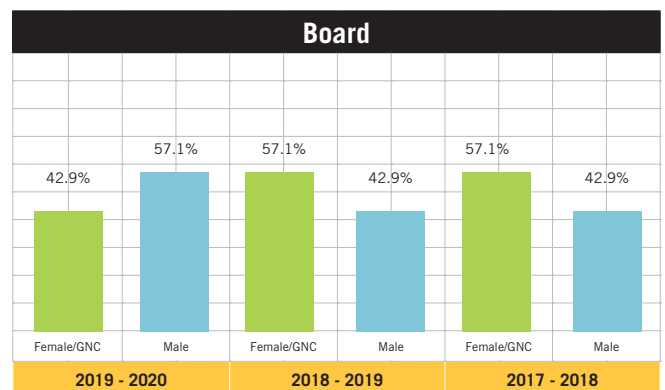
Plenty of things other than COVID did happen in 2019-20, even though it feels like a lifetime ago. We celebrated turning 40 and launched an amazing book. David Heard and Phi MacDougall celebrated 40 years on air. PBS was inducted into the Music Victoria Hall of Fame and Pierre Baroni received the Mick Geyer Award, just to name a few.

I want to give a massive thank you to staff - you are all amazing. To our dedicated and incredible announcers, thank you for creating such wonderful music radio programs. To the Board, thank you for all your support. To all our supporters – you helped keep us on air and the music didn't stop.

Key gender representation statistics as at 30 June 2020



*2019-2020 was 50%/50% earlier in 2020, but a member retired mid-term.



Some highlights for the year...

Acts from 2020 Drive Live



Emma Peel and Jesse I
 Music Victoria Hall of Fame Induction

2020 Drive Live Crew



Phil MacDougall

Saul Zavarce and Helen Jennings



Acoustic testing in Studio 5 Live basement

2020 Vespa Winner Andrew Broom



Pierre Baroni



Chris Xynos, Kylie Auldust and Steve Passiouras at PBS Book Launch



Femi and Made Kuti at Beasts of No Nation



David Heard with Mick Geyer, Graeme Osborne, Greg Geyer at
 Prince Patrick Hotel 1988 by Bill Runtung

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

Your directors present this report on the Progressive Broadcasting Service Co-operative (the Co-operative) for the financial year ended 30 June 2020.

Directors

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

Jurgen Schaub	Lauren O'Dwyer
Adrian Meade (retired 27/11/19)	Christopher Pearson (Appointed 27/11/ 2019)
Justin Naylor	Madeleine Macfarlane (Appointed 27/11/2019))
Monica Hanns (retired (27/11/19)	Peter Boyle (Appointed 26/08/2019)
Tess Lawley	

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 \$838,760 (2019: \$151,722).

The Board's financial plan for the 2019/20 financial year was to plan and manage the financial implications of the station's relocation to Collingwood Yards (formerly referred to as CAP, or the Community Arts Precinct) during 2021. This primarily related to seeking funds required for relocation fit-out works, through sourcing philanthropic grants, government grants, and donations from PBS Radio members and listeners. Fundraising campaigns for the PBS relocation formally commenced in November 2019.

However, the impacts of the global pandemic from late March 2020, had a significant impact on the Co-operative's financial performance for the 2019/20 financial year. PBS' regular operating revenue was significantly impacted, mainly in the area of sponsorship, as a result of the impact of cancelled live music and arts events. This enabled PBS to benefit from the government assistance in the form of JobKeeper. This greatly assisted PBS' ongoing operations leading into the annual Radio Festival.

The support shown by listeners and members during the Radio Festival was amazing, with significant growth in new memberships, record rates of renewals, and much-needed donations for the station relocation. All of the above factors contributed to the Co-operative achieving gross revenue (income before expenses) of \$2,641,759, higher than the previous four years (2016: \$1.6 M; 2017: \$1.7 M; 2018: \$1.6 M and 2019: \$1.7 M). Expenses were \$1,802,999, which included increases in both premises and staffing costs, as well as accelerated depreciation and amortization (non-cash item) related to the current Easey Street leasehold premises, in preparation for the relocation. The net operating figure of \$838,760 (or 32% of revenue) is significantly above the seven year average of \$140,000 (FY's 2013 through 2019, inclusive).

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

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 stable, 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.

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.

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

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

Secretary (retired 27/11/2019)

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

Experience 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.

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 (retired 27/11/2019)

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

Director and PPG Chair (from December 2016)

Bachelor of Communications (Professional Communication), RMIT University.

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

Experience	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	Director
Qualifications	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.
Experience	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. 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.
Christopher Pearson	Director (appointed 27/11/2019)
Qualifications	Hands on
Experience	40 years building industry experience. 6 years on the PPG as the Hard'n'Heavy category co-ordinator. 10 years as a volunteer of PBS. He joined the PBS Board November 2019.
Madeleine Macfarlane	Director (appointed 27/11/2019)
Qualifications	Bachelor Arts / Music (Honors). 4 years study of PhD (incomplete) for the Centre of Creative Partnerships at VCA.
Experience	10+ years broadcasting at PBS. Experienced grant writer for radio content development and training. Board experience for Sweethearts Foundation (music program & band through Matthew Flinders Girls Secondary College, Geelong). Current teacher PBS announcer course. CBF Content Grants Advisory Committee member. Director of: Sweethearts 2 years (2012-2013); Ladyfingers 2 years (approx. 2010-2011); and Renegade Pub Football League (2015). She joined the PBS Board November 2019.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
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DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2020

Peter Boyle
Qualifications

Director (appointed 26/08/2019), Secretary (appointed 27/11/2019)
Bachelor of Arts/Bachelor of Laws (La Trobe 2010); Senior Associate
Slater and Gordon Lawyers.

Experience

Peter is an experienced lawyer with a reputation for building good relationships, high quality work and a commitment to social justice. Peter acts for a diverse client base including individuals, businesses and not-for profit organisations and registered charities, in both litigious and non-litigious matters. As a Senior Associate in the Commercial Litigation group at Slater and Gordon, Peter acts for several not-for-profit organisations and registered charities, on both a fee paying and pro bono basis. Peter's not-for-profit clients have included community arts organisations, advocacy groups, unions and student unions and he is a trusted advisor for a large Victorian Aboriginal Corporation based in Melbourne. Peter's litigation practice focuses on business and property disputes as well as professional negligence matters. Joined the Board August 2019.

Meetings of Directors

During the financial year 11 meetings of directors were held. Attendances by each director were as follows:

Name	Eligible to Attend	Attended
Jurgen Schaub	11	11
Adrian Meade	5	5
Justin Naylor	11	10
Monica Hanns	5	5
Tess Lawley	11	9
Lauren O'Dwyer	11	8
Chris Pearson	6	6
Madeleine Macfarlane	6	6
Peter Boyle	10	10

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



.....
Jurgen Schaub (Chairman)
Director

Dated this 14th day of December 2020



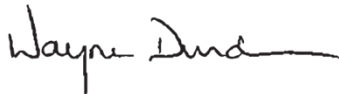
.....
Justin Naylor (Treasurer)
Director

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 2020, 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: 14th day of December 2020

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 2020

	Notes	2020 \$	2019 \$
Revenue	2	2,641,759	1,768,870
Depreciation and amortisation expenses	3	(83,609)	(43,786)
Borrowing costs	3	(26,016)	(13,525)
Office and telephone		(8,866)	(8,813)
Premises, maintenance and administration		(209,225)	(178,915)
Transmitter expenses		(173,768)	(171,670)
Promotional expenses		(48,475)	(52,442)
Salaries and employee benefits expense		(1,083,000)	(1,010,987)
Expenses from events (fundraising)		(90,257)	(58,170)
Other expenses from ordinary activities		(79,783)	(78,840)
Surplus before income tax		838,760	151,722
Income tax expense		-	-
Surplus for the year		838,760	151,722
Other comprehensive income		-	-
Total comprehensive income for the year		838,760	151,722

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 2020

	Notes	2020	2019
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	2,466,764	1,784,153
Trade and other receivables	5	26,100	76,903
Other current assets		21,014	18,092
TOTAL CURRENT ASSETS		<u>2,513,878</u>	<u>1,879,148</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	447,469	258,204
Financial assets	7	39,406	39,406
Other non-current assets	8	2,500	2,500
TOTAL NON-CURRENT ASSETS		<u>489,375</u>	<u>300,110</u>
TOTAL ASSETS		<u>3,003,253</u>	<u>2,179,258</u>
CURRENT LIABILITIES			
Trade and other payables	9	206,554	245,806
Short-term provisions	11	74,171	48,171
TOTAL CURRENT LIABILITIES		<u>280,725</u>	<u>293,977</u>
NON-CURRENT LIABILITIES			
Long-term provisions	11	128,111	110,536
TOTAL NON-CURRENT LIABILITIES		<u>128,111</u>	<u>110,536</u>
TOTAL LIABILITIES		<u>408,836</u>	<u>404,513</u>
NET ASSETS		<u>2,594,417</u>	<u>1,774,745</u>
EQUITY			
Contributed equity	12	14,880	14,930
Reserves		151,566	151,566
Retained profits		2,427,971	1,608,249
TOTAL EQUITY		<u>2,594,417</u>	<u>1,774,745</u>

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 2020**

	Contributed Equity \$	Retained Reserves \$	Profits \$	Total \$
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 July 2019	14,930	151,566	1,608,249	1,774,745
Total Comprehensive income attributable to members	-		838,760	838,760
Adjustments to retained earnings during the year			(19,038)	(19,038)
Shares issued during year	200			200
Shares bought back & cancelled during year	(250)			(250)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	<u>14,880</u>	<u>151,566</u>	<u>2,427,971</u>	<u>2,594,417</u>

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 2020**

	Notes	2020 \$	2019 \$
<hr/>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,541,607	1,734,802
Receipts from Government		146,751	167,739
Interest received		1,282	4,190
Payments to suppliers and employees		(1,734,105)	(1,535,997)
NET CASH PROVIDED BY OPERATING ACTIVITIES		<hr/> 955,535	<hr/> 370,734
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(272,874)	(82,947)
NET CASH (USED IN) INVESTING ACTIVITIES		<hr/> (272,874)	<hr/> (82,947)
CASH FLOWS FROM FINANCING ACTIVITIES			
Allotment of Shares		200	100
Cancellation of ordinary shares		(250)	(250)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<hr/> (50)	<hr/> (150)
NET INCREASE IN CASH HELD		682,611	287,637
Cash and cash equivalents at beginning of financial year		1,784,153	1,496,516
Cash and cash equivalents at end of financial year		<hr/> 2,466,764	<hr/> 1,784,153

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 2020

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 2020

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 2020

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

The Co-operative as a lessee

At inception of a contract, the Co-operative assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Co-operative where the Co-operative is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Co-operative uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (Cont'd.)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Co-operative anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Operating Leases

The minimum rental revenue of operating leases with fixed rental increases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, is recognised on a straight-line basis.

The mandatory adoption from 1 January 2019 of AASB 16 Leases has not been taken up by PBSFM in the current year as PBS are transitioning to new leases which commence after year end. As such, lease accounting will be taken up next year. The impact of not adopting these changes has not been deemed to have a material impact on the financials.

(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.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (Cont'd.)

(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 Recognition

The Co-operative has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

Operating Grants, Donations and Bequests

When the Co-operative receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15. When both these conditions are satisfied, the Co-operative:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Co-operative:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Co-operative recognises income in profit or loss when or as it satisfies its obligations under the contract.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (Cont'd.)

Capital Grant

When the Co-operative receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The Co-operative recognises income in profit or loss when or as the Co-operative satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

In the comparative period

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (Cont'd.)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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 liabilities

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;

Any gains or losses arising on changes in fair value are recognised in profit or loss. A financial liability cannot be reclassified.

(ii) Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is based on two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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 2020

Summary of Significant Accounting Policies (Cont'd.)

Impairment of assets

The Co-operative recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss
- Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

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 (i.e. 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.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
 - all risk and rewards of ownership of the asset have been substantially transferred; and
- the Co-operative no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (Cont'd.)

(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.

Initial application of AASB 16

The following practical expedients have been used by the Co-operative in applying AASB 16 for the first time:

- leases that have a remaining lease term of less than 12 months as at 1 July 2020 have been accounted for in the same way as short-term leases;
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<hr/>		
2. REVENUES FROM ORDINARY ACTIVITIES		
Operating Activities:		
Revenue from corporate sponsorship	398,219	525,918
Revenue from subscriptions (fundraising)	1,201,754	930,561
Revenue from events (fundraising)	145,120	162,307
Grants	24,444	47,650
Donations	697,383	77,433
Revenue from other income	173,557	20,811
	<hr/>	<hr/>
Total revenues from operating activities	2,640,477	1,764,680
Non-operating activities:		
Interest	<hr/> 1,282	<hr/> 4,190
Total revenue	<hr/> <u>2,641,759</u>	<hr/> <u>1,768,870</u>
3. EXPENSES AND LOSSES / (GAINS)		
Depreciation and amortisation of non-current assets:		
Furniture and equipment	30,659	25,592
Leasehold improvements	<hr/> 52,950	<hr/> 18,194
Total depreciation of non-current assets	<hr/> 83,609	<hr/> 43,786
Bank fees and charges	26,016	13,525
Bad and doubtful debts expense	1,682	1,203
Operating lease rental (premises)	54,428	55,255

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at bank	2,440,952	1,604,317
Petty cash	500	704
Floats	17,062	3,939
Cash held on trust	8,250	175,193
	<u>2,466,764</u>	<u>1,784,153</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>2,466,764</u>	<u>1,784,153</u>
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5. TRADE AND OTHER RECEIVABLES

Trade receivables	46,100	80,403
Provision for impairment of receivables	(20,000)	(3,500)
	<u>26,100</u>	<u>76,903</u>

6. PROPERTY, PLANT AND EQUIPMENT

Furniture and equipment		
At cost	609,824	526,649
Accumulated depreciation	(514,661)	(484,002)
	<u>95,163</u>	<u>42,647</u>
Leasehold improvements		
At cost	367,684	367,684
Accumulated amortisation	(284,496)	(231,546)
	<u>83,188</u>	<u>136,138</u>
Technology and software		
At cost (work in progress)	-	39,190
Collingwood Arts Precinct (CAP)		
At cost (work in progress)	269,118	40,229
Total property, plant and equipment		
At cost	1,246,626	973,752
Provision for depreciation and amortisation	(799,157)	(715,548)
	<u>447,469</u>	<u>258,204</u>
Total written down amount		

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
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 2019	42,647	136,138
Additions	83,175	-
Disposals – written-down value		83,175
Depreciation	(30,659)	(52,950)
Capital work in progress -website	-	-
Capital work in progress -CAP	-	269,118
Carrying amount at 30 June 2020	<u>95,163</u>	<u>83,188</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	<u>2,500</u>	<u>2,500</u>
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ROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
9. TRADE AND OTHER PAYABLES		
Trade payables	43,062	31,244
Sundry payables and accrued expenses	67,533	42,799
Goods and services tax	(24,130)	24,636
Deferred Income	120,089	147,127
	<u>206,554</u>	<u>245,806</u>
<i>Financial liabilities at amortised cost classified as trade and other payables</i>		
Trade and other payables	206,554	245,806
Less deferred income	(120,089)	(147,127)
Financial liabilities as trade and other payables	<u>86,465</u>	<u>98,679</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	7,500	6,145
other services in relation to the Co-operative	1,200	2,755
	<u>8,700</u>	<u>8,900</u>
11. PROVISIONS		
CURRENT		
Provision for employee benefits: annual leave	62,326	38,575
Provision for employee benefits: long service leave	11,845	9,596
Total short-term provisions	<u>74,171</u>	<u>48,171</u>
NON-CURRENT		
Provision for employee benefits: long service leave	128,111	110,536
Total long-term provisions	<u>128,111</u>	<u>110,536</u>
Total provisions	<u>202,282</u>	<u>158,707</u>
Employee leave entitlements		
Opening balance as 1 July 2019	158,707	131,061
Additional provisions raised during the year	43,575	27,646
Balance at 30 June 2020	<u>202,282</u>	<u>158,707</u>

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

2020 **2019**
\$ **\$**

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 – 1,488 (2019: 1,493 shares)	14,880	14,930	

(b) Movements in shares on issue

	2020		2019	
	Shares	\$	Shares	\$
Issued and paid up ordinary shares at \$10 per share				
Opening Balance	1,493	14,930	1,508	15,080
Shares issued during financial year	20	200	10	100
Shares bought back and cancelled during year	(25)	(250)	(25)	(250)
Closing balance	1,488	14,880	1,493	14,930

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.

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

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

In the 2019/20 year, AASB 16 Leases was adopted. This has not had any impact on the Co-operative as there are no operating leases in place at year end that have lease terms over 12 months.

(a) Operating lease commitments -

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

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. As the lease has less than 12 months term it has not been capitalized under AASB 16.

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.

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

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	2,466,764	1,784,153
Trade receivables	5	26,100	76,903
Total financial assets		<u>2,492,864</u>	<u>1,861,056</u>
 Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	<u>86,465</u>	<u>98,679</u>
Total financial liabilities		<u>86,465</u>	<u>98,679</u>

16. EVENTS AFTER BALANCE DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for PBSFM up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Co-operative's state of affairs in future financial years.

17. 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 2020, 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 2020 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 2020, 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.

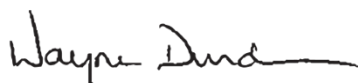
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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	14 th day of December 2020

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

DIRECTORS' DECLARATION
YEAR ENDED 30 JUNE 2020

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 26, 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 2020 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 14th day of December 2020