



Annual Report

Year end June 30, 2022

ABN 35 055 984 865

We made it home!

And what a beautiful home it is. Everyone involved has done such a great job designing, building, painting, wiring, project managing, purchasing... There's still a bit to go to get a couple of the remaining studios up and running perfectly, and to give the whole place a "lived in" look - but we're in. It's home now - and it's the best home we've ever had. Thanks to everyone who helped with this - whether it through throwing some money our way, through the blood, sweat and/or tears they freely gave, or whether it was part of their paid employment. We did it!

Meanwhile - after 15 years as a leader in the PBS community, Adrian Basso stepped down as our general manager earlier this year. I've had the privilege of being on the board for several of those years, and have seen first-hand the passion and hard work that he poured into PBS, the local music scene, and the community radio sector more generally. PBS is where it is today in no small part because of Adrian's work. On behalf of the rest of the board and shareholders of PBS: Thank you, Adrian.

After an extensive recruitment process, we've been lucky enough to secure Kristen Paterson as PBS's new general manager. We stole her from Wellington Access Radio in Aotearoa New Zealand, where she was serving as general manager. She was attracted to this prestigious role not only because of PBS's international reputation as an organisation that fanatically supports local music, but that she saw the care, respect and passion that the PBS team of staff and volunteers exhibit on a daily basis. She's been in the role over three months now, and has already made an impact in the station community. Her calm and fair demeanour combined with her genuine excitement for PBS's future are a great asset. The board and I are looking forward to working with her well into the future.

What with our new location and our new general manager, this really feels like a new chapter for PBS. We've been coasting along for several years now on a functional, but somewhat out of date strategic plan. Now that we have space to step back and think about things, we're launching a project to get a new strategic plan in place to help guide us through the next few years. I'm really excited to see what comes out of this process - we're entering this from a great position, and we're able to (carefully) think big about what PBS could evolve into, and how we can best serve Melbourne's music communities.

Thanks as always to my fellow board members: Claire, Peter, Lauren, Kieran, Evonne, and Fiona. Thanks as well to Maddy, who unfortunately for us had to step down from the board earlier this year. Thanks to the staff, especially Owen, who filled in as general manager while we were recruiting for the role, and Meg, who after several years at PBS has moved on to lend her talents to another organisation. And most importantly, a huge thank you to the volunteers and shareholders of PBS for your continued support.

Jurgen Schaub

Chair | PBS

It's no mean feat to remodel a site and build new studios, and maintain a 24/7 live broadcast, during a pandemic. Nevertheless, PBS took from January to December 2021 to do just that, and a new era began at Collingwood Yards with the first live broadcast on 14 December 2021 at 1pm.

But what is a space without the people? While the past few years were marked by distance and separation, PBS hosts continued to carry the torch for local music, a mainstay of relief amid wall-to-wall news. It has been a joy in the past few months to see staff and reception volunteers also return to the station, furnishing the space with the final element to make it home.

Despite our caution that we'd reached member support fatigue after the incredibly generous response fundraising for our new space, our members came through for us yet again for radio festival - Complete the Connection, setting the station on sure ground for the next year.

Our sponsors came through for us too – during difficult and uncertain times as we've kept supporting the local music scene, so it too has supported us.

PBS events returned with a bang at Community Cup, and we've been heartened by the turnout at PBS Presents events, Record Fair, Rock-A-Bye-Baby, and Soul-A-Go-Go, especially the many of you who joined us to celebrate and commemorate Pierre Baroni.

Back in the building, things have been going well during the defect reporting period. The radio studios are completed, Studio 5 is not far behind, and an imminent link between PBS and Music Market will enable live-to-air gigs in the heart of the arts precinct.

We welcomed the first group of broadcast trainees in over two years in August, meaning a slew of fresh new voices will be heard on air this year during summer fills. In the next three months we'll see the Housewarming on December 15, the relaunch of Studio 5, and Drive Live events in late February.

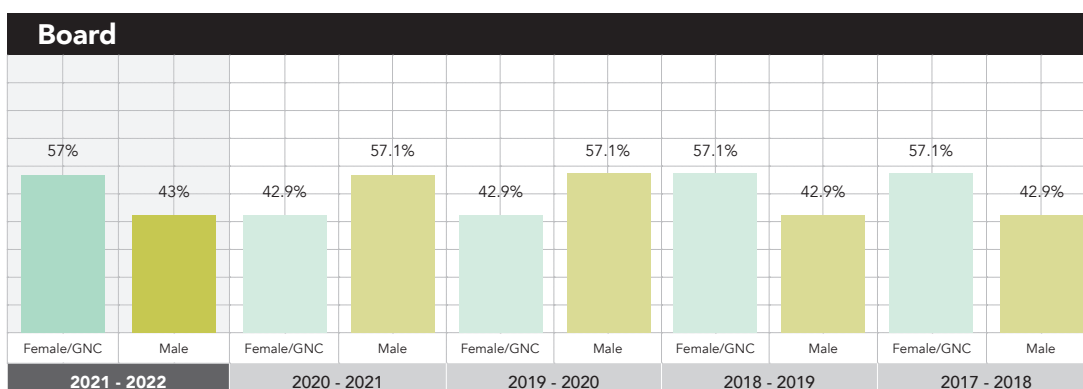
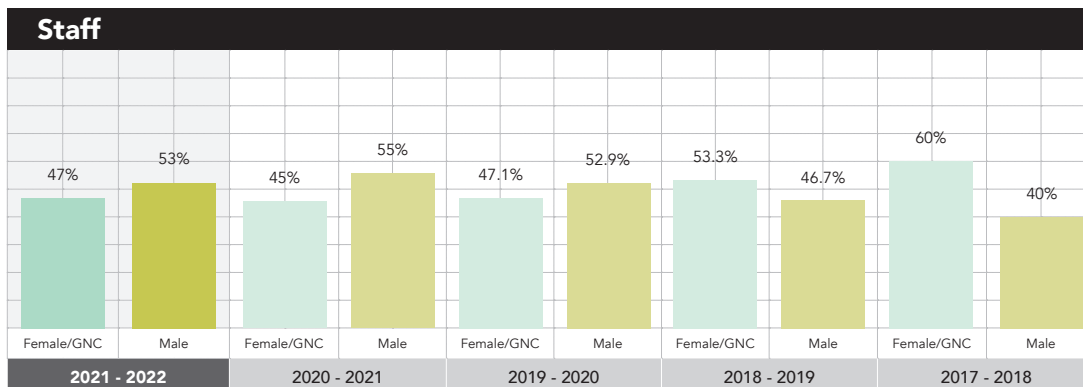
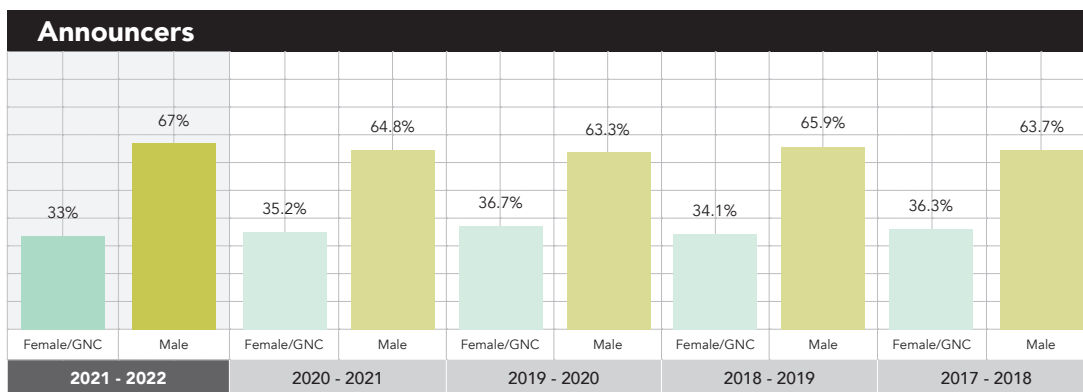
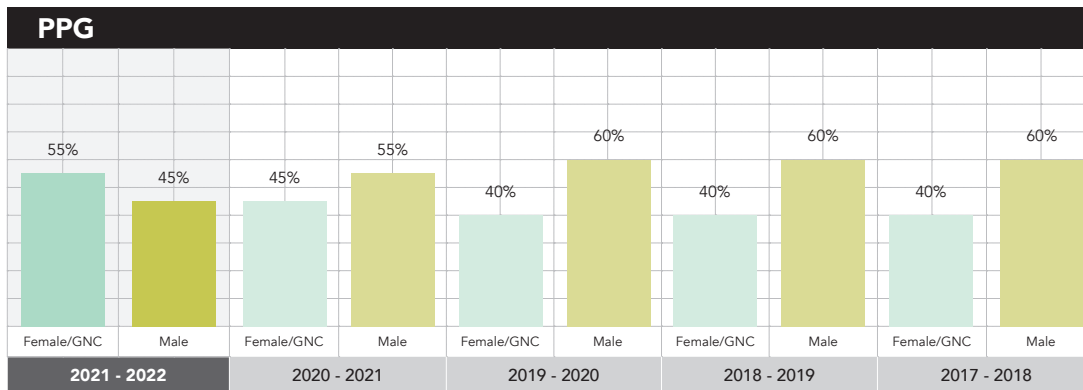
And while this year the station said goodbye Adrian, whose steady hand and the support of a phenomenal staff guided the PBS to a great place during uncertain times, we're now gearing up to (as Jurgen beautifully puts it) "launch rockets" from the steady base he left us. And a huge thank you to Owen McKern for his work as acting GM during the year, and for all his help and support during my first few months here.

Across the summer a strategic planning consultant will facilitate the creation of a new roadmap for PBS, seeking feedback from our network of members and supporters. As we look to the future, I feel lucky to be here, in this place, with these people.

Kristen Paterson

General Manager | PBS

Key gender representation statistics as at 30 June 2022





PBS General Manager Kristen Paterson with PBS Program Manager Owen McKern
Record Fair 2022



Loretta Miller, Tracey Miller and Kylie Auld at Soul-A-Go-Go tribute to Pierre Baroni
Record Fair 2022



Ajak Kwai at Rock-A-Bye-Baby 2022
Community Cup 2022



Leaps and Bounds Festival 2022



PBS staff Kurt, Michelle and Kayley





PBS Junior Member colouring sheet



Radio Festival - Julie and Lucy - Lights, Camera, Action



Radio Festival - Jordan - Underground Love



Radio Festival - Mike Mystic Brew and Mz Rizk



Radio Festival - Richie 1250 - Stone Love



Radio Festival - Stuckey, Goldie and Manchild



Radio Festival - Complete the Connection sticker



Radio Festival volunteers Debbie, Megan, Alan and Rodney



Radio Festival - Kylie, Lyndelle and Goldie



Radio Festival - Emma Peel



Radio Festival - Ella and Milo

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2022

Your directors present this report on the Progressive Broadcasting Service Co-operative (the Co-operative) for the financial year ended 30 June 2022.

Directors

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

Jurgen Schaub
Evonne Grosso
Madeleine Macfarlane
Lauren O'Dwyer
Christopher Pearson (retired 23/02/2022)

Peter Boyle
Kieran Rivett (appointed 23/02/2022)
Claire Stuchbery (appointed 23/02/2022)
Justin Naylor (retired 23/02/2022)

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 \$453,769 (2021: \$1,334,197).

With a change in the broader social climate towards a 'COVID normal' there has been a corresponding upturn in non-membership revenue, most particularly in Sponsorship: 364K revenue was recorded for FY2022, compared to 226K in FY2021 – a 61% positive change - with a healthy mix of both long-term sponsors and new clients signing up for both on-air and other promo.

Memberships once again achieved another solid result: 1,399K this year compared to last year's 1,328K; donations achieved a result of 538K this year, compared to 500K the previous year. Donations also notably include an extraordinary amount of 100K - a bequest to the station. It can be predicted for both the coming year - and beyond - that both membership and donation results will drop back down to something more historically typical; given that the 'Make it Home' appeal has now wrapped up.

Towards the end of the year PBS held the first Rock-a-Bye baby event in a long time, securing 2.2K in net revenue. Hopefully this marks the beginning of a gradual full return to ongoing events for the station.

A key station activity over FY2022 has been finalizing capacity at our new home: This has included: finishing off Studio 5, with expenditure for brand-new desktop PC's, a high-end audio expander and a dLive mixing system, among other items; switches for the studios, control room and admin/reception areas; new servers for both Dinesat and music; work on lighting throughout the premises; and a myriad of outgoings for both specially contracted technical and IT services. Special mention should be made here to the generous contribution of the Helen MacPherson Smith Trust, who contributed 90K towards the Studio 5 build.

Overall Capital expenditure for FY2022 was 889K, with 873K being for CAP outlay and associated Leasehold improvements. Overall expenditure for CAP (from the beginning of the project up to 30

June) came to 2.510M; just under the budgeted-to-30-June figure of 2.575M. Further outlay for air conditioning improvements are forecast for the FY2023 year.

With the focus on building capacity over the last two years, PBS engaged two technical service contractors to assist with the station move and help establish operations at the new location. In the FY2023 year, one of these contractors has subsequently been engaged by PBS on a permanent basis.

The station's overall financial picture is stable, with a current ratio of 5.59 (current assets/current liabilities, i.e.: \$5.59 of assets for each \$1 of liability) and a quick ratio of 5.55 (cash assets/current liabilities) indicating a comfortable level of solvency. Assets to liabilities overall yields a positive ratio of 2.62. Historical retained earnings to 30 June, including FY2022 results, are 4.171M.

A key item in the financials for FY2022 are the historically recent adjustments for leasehold assets and liabilities. PBS has taken up long term lease items for the Collingwood Yards premises, for an initial 10 years with 2 x 5-year foreseeable extension periods; and a 13-year lease, with a 5-year renewal period, at the TX Australia broadcast site. These are split into corresponding current and non-current liabilities, displayed at the Net Present Value of expected future cash outgoings (based on gov't bond rates in lieu of an internal borrowing rate).

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 2022

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.

Kieran Rivett

Qualifications

Experience

Treasurer (appointed 23/02/2022)

B.Commerce, Melbourne University; Qualified CPA 25 years; CFO and COO; Director of over 15 companies across 10 countries; PWC Alumni.

An ingrained part of Kieran's experience is an extensive background working in creative industries including music. A common thread in Kieran's career is bringing subtle commercial & financial reflection to these creative environments without changing the underlying culture that makes it so special. Ultimately whether it be financial, commercial or even governance, helping create a trusted and safe atmosphere can assist driving good decision making at both an operational and strategic level. Global CFO Aesop – 13 years; Sony Music Publishing London – 6 years; PwC – 2 years. Kieran joined the PBS Board February 2022.

Justin Naylor

Qualifications

Experience

Treasurer (retired 23/02/2022)

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 35 years. He is currently the Chief Financial Officer (CFO) at Grassports Australia. Justin was a committee member and Divisional Councillor at CPA Australia between 2011 and 2016, and in 2020 was appointed as the Financial Management member of the Heritage Council of Victoria. He joined the PBS Board in November 2013 and has been Treasurer since 2014.

Christopher Pearson

Qualifications

Experience

Director (retired 23/02/2022)

Hands on

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.

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2022

Information on Directors

Peter Boyle	Secretary (appointed 26/08/2019), Secretary (appointed 27/11/2019)
Qualifications	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.
Lauren O'Dwyer	Director and PPG Chair (from 24/02/2021)
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.

PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
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DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2022

Information on Directors

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.
Evonne Grosso	Director (appointed 24/02/2021)
Qualifications	Australian Institute of Company Directors – Company Directors Course (2020). Australasian Investor Relations Association – ESG for Investor Relations (2019). Surf Lifesaving Victoria – Enterprise Trainer (2018). Australasian Investor Relations Association – Diploma of Investor Relations (2017). Securities Institute of Australia – Certificate in Financial Markets (1996). James Cook University – Bachelor of Visual Arts (Communications Major) (1992).
Experience	As an Investor Relations & Corporate Affairs professional – with the added bonus of ESG reporting analysis and sustainability engagement, Evonne has worked for boutique businesses and large national and multinational mining, oil gas, engineering, exploration companies, fund managers, insurance companies and industry superannuation funds to progress their business strategy and engage their audiences and broader community. In the capacity of company spokesperson, over several turbulent market conditions, Evonne has been able to collaborate with executive leaders and colleagues to achieve positive results for in the areas of brand awareness, reputation, increasing sales, bottom line results and membership acquisition and retention. Joined the Board February 2021.
Claire Stuchbery	Director (appointed 23/02/2022, previously on the Board between 2010 and 2013).
Qualifications:	University of Melbourne - Masters of Public Policy & Management; Australian Institute of Company Directors - Company Directors Course (GAICD); Swinburne University - Bachelor of Media and Communications; Box Hill Institute - Certificate IV in Training and Assessment (to become a radio trainer); and NSW Tafe - Aboriginal Cultural Education.

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

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2022

Experience: Claire has been involved in community broadcasting since 1992 as a volunteer presenter on 3APL, 3SSR and PBS FM. She has contributed to PBS as a volunteer, presenter, staff member (Sponsorship Manager) and Board member (2010-2013), varying roles since 1996. She is a lifetime member and currently presents Firewater on Tuesdays from 5-7pm. Claire's professional career has centered around independent media, including the following roles: Policy & Stakeholder Engagement at First Nations Media Australia, the peak body for the First Nations media and communications industry (current); Trainer at the Community Media Training Organisation (current); Grants Manager at Community Broadcasting Foundation, the funding body for the community media sector (2013-2018); Director of 4PeopleMedia, a sponsorship sales agency that represented 135 community radio stations (2006-2013); Sales & Editorial support at Furst Media, primarily working on Beat Magaz.


Meetings of Directors

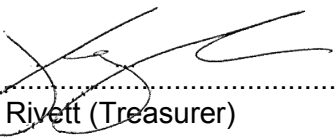
During the financial year 11 meetings of directors were held. Attendances by each director were as follows:

Name	Eligible to Attend	Attended
Jurgen Schaub	11	11
Justin Naylor	6	6
Kieran Rivett	4	4
Peter Boyle	11	9
Lauren O'Dwyer	11	7
Claire Stuchbery	4	4
Madeleine Macfarlane	11	8
Christopher Pearson	6	5
Evonne Grosso	11	9

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


.....
Jurgen Schaub (Chairman)
Director
Dated this


.....
Kieran Rivett (Treasurer)
Director

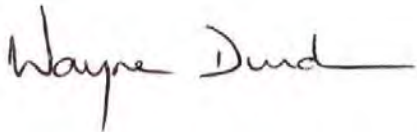
LEAD AUDITOR'S INDEPENDENCE DECLARATION

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 lead audit partner for the audit of the financial statements of Progressive Broadcasting Service Co-operative Limited for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i) the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- ii) any applicable code of professional conduct in relation to the audit.

E. F. McPHAIL & PARTNERS PTY. LTD.



WAYNE C. DURDIN
Director

25 October 2022
Melbourne

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 2022

	Notes	2022 \$	2021 \$
Revenue	2	2,392,462	3,034,224
Depreciation and amortisation expenses	3	(270,181)	(159,386)
Bank Fees and charges	3	(26,163)	(26,202)
Telephone expenses		(7,496)	(9,745)
Premises, maintenance and administration		(239,984)	(230,967)
Broadcasting expenses and copyright fees		(113,852)	(97,251)
Promotional expenses		(56,179)	(49,297)
Salaries and employee benefits expense		(1,114,699)	(1,064,269)
Expenses from events (fundraising)		(2,160)	(5,144)
Other expenses from ordinary activities		(107,979)	(57,766)
Surplus before income tax		453,769	1,334,197
Income tax expense		-	-
Surplus for the year		453,769	1,334,197
Other comprehensive income		-	-
Total comprehensive income for the year		453,769	1,334,197

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 2022

	Notes	2022	2021
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	2,169,609	2,501,824
Trade and other receivables	5	94,550	73,455
Other current assets		14,104	19,698
TOTAL CURRENT ASSETS		<u>2,278,263</u>	<u>2,594,977</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,519,168	1,766,493
Right-of-use asset	10	2,178,618	132,425
Financial assets	7	39,406	39,406
Other non-current assets	8	-	2,500
TOTAL NON-CURRENT ASSETS		<u>4,737,192</u>	<u>1,940,824</u>
TOTAL ASSETS		<u>7,015,455</u>	<u>4,535,801</u>
CURRENT LIABILITIES			
Trade and other payables	9	137,250	227,488
Lease liability	10	108,086	59,341
Provision for employee entitlements	11	162,423	130,739
TOTAL CURRENT LIABILITIES		<u>407,759</u>	<u>417,568</u>
NON-CURRENT LIABILITIES			
Lease liability	10	2,193,320	75,620
Provision for employee entitlements	11	76,330	113,949
TOTAL NON-CURRENT LIABILITIES		<u>2,269,650</u>	<u>189,569</u>
TOTAL LIABILITIES		<u>2,677,409</u>	<u>607,137</u>
NET ASSETS		<u>4,338,046</u>	<u>3,928,664</u>
EQUITY			
Contributed equity	12	14,930	14,930
Reserves		151,566	151,566
Retained profits		4,171,550	3,762,168
TOTAL EQUITY		<u>4,338,046</u>	<u>3,928,664</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 2022**

	Contributed Equity \$	Retained Reserves \$	Profits \$	Total \$
Balance at 1 July 2020	14,880	151,566	2,427,971	2,594,417
Total comprehensive income attributable to members	-	-	1,334,197	1,334,197
Shares issued during year	200	-	-	200
Shares bought back & cancelled during year	(150)	-	-	(150)
Balance at 1 July 2021	<u>14,930</u>	<u>151,566</u>	<u>3,762,168</u>	<u>3,928,664</u>
Total comprehensive income attributable to members	-	-	453,769	453,769
Prior year adjustment	-	-	(44,387)	(44,387)
Balance at 30 June 2022	<u>14,930</u>	<u>151,566</u>	<u>4,171,550</u>	<u>4,338,046</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 2022**

	Notes	2022 \$	2021 \$
<hr/>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,262,503	2,473,803
Receipts from Government		70,000	390,799
Interest received		264	2,178
Payments to suppliers and employees		(1,727,322)	(1,352,870)
		<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES		605,445	1,513,910
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(860,995)	(1,419,556)
		<hr/>	<hr/>
NET CASH (USED IN) INVESTING ACTIVITIES		(860,995)	(1,419,556)
CASH FLOWS FROM FINANCING ACTIVITIES			
Allotment of Shares		-	200
Cancellation of ordinary shares		-	(250)
Cash outflow from leases		(127,765)	(59,244)
		<hr/>	<hr/>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(127,765)	(59,294)
NET INCREASE IN CASH HELD		(383,315)	35,060
Cash and cash equivalents at beginning of financial year		2,552,924	2,466,764
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year		2,169,609	2,501,824
		<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 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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*. The Co-operative is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of Preparation

The Co-operative has elected to early adopt AASB 1060 General Purpose Financial Statements – *Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* prior to its mandatory effective date (annual reporting periods beginning on or after 1 July 2021). As a result of the early application of this standard, these financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the *Co-operatives National Law Application Act 2013*. On transition to Australian Accounting Standards – Simplified Disclosures, the Co-operative has applied the recognition and measurement requirements of AASB 1 First-Time Application of Australian Accounting Standards. The date of transition at which AASB 1 has been applied is 1 July 2021. In applying these requirements, the entity has made the adjustments outlined below.

Additional disclosures this year:

-Maturity analysis of future lease payments

The transition to Australian Accounting Standards - Simplified Disclosures has not had any impact on the presentation of the financial statements from the prior year. The modifications as described above relate to amendments to the notes to the financials.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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).

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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. The lease term includes extension periods where the Co-operative believes it is reasonably certain that the option will be exercised. 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.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

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

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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.

(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 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(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*.

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.

Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. The grant revenue expected to be recognised in the future related to the performance obligations that are unsatisfied (partially unsatisfied) at the reporting date are:

	2022	2021
Contract Liability	\$	\$
Contract Liability – Grants in advance	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Contract liabilities represent the Co-operative's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the Co-operative recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Co-operative has transferred the services to the customer.

	2022	2021
	\$	\$
Revenue by timing		
Transferred at a point in time	2,322,462	2,523,336
Transferred over time	70,000	510,888
Total	<u>2,392,462</u>	<u>3,034,224</u>

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.

Government Subsidies

Government Subsidies were received during the year, mainly in relation to JobKeeper. Revenue from subsidies is recognised when the Co-operative has complied with the conditions attached to them and when there is reasonable assurance that the subsidy will be received.

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

(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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Co-operative will make. The Co-operative determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Co-operative.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

	2022	2021
	\$	\$
<hr/>		
2. REVENUES FROM ORDINARY ACTIVITIES		
Operating Activities:		
Revenue from corporate sponsorship	364,839	226,643
Revenue from subscriptions (fundraising)	1,399,304	1,328,287
Revenue from events (fundraising)	3,777	(1,500)
Grants	70,000	510,888
Donations	538,043	500,744
Revenue from other income	16,235	466,984
Total revenues from operating activities	<u>2,392,198</u>	<u>3,032,046</u>
Non-operating activities:		
Interest	264	2,178
Total revenue	<u><u>2,392,462</u></u>	<u><u>3,034,224</u></u>

3. EXPENSES AND LOSSES / (GAINS)

Depreciation and amortisation of non-current assets:		
Furniture and equipment	48,788	38,549
Leasehold improvements	60,016	61,982
Total depreciation of non-current assets	<u>108,804</u>	<u>100,531</u>
Right-of-use-asset:		
Depreciation expense	10 161,377	58,855
Total Depreciation	<u><u>270,181</u></u>	<u><u>159,386</u></u>
Bank fees and charges	26,163	26,202
Bad and doubtful debts expense	-	2,341
Operating lease rental (premises)	38,310	69,308

4. CASH AND CASH EQUIVALENTS

Cash at bank	2,154,895	2,490,550
Petty cash	1,800	2,000
Floats	12,914	9,274
	<u><u>2,169,609</u></u>	<u><u>2,501,824</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>2,169,609</u>	<u>2,501,824</u>
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PROGRESSIVE BROADCASTING SERVICE CO-OPERATIVE LIMITED
ABN 35 055 984 865

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	102,050	93,455
Provision for impairment of receivables	(7,500)	(20,000)
	<u>94,550</u>	<u>73,455</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Furniture and equipment		
At cost	726,205	631,963
Accumulated depreciation	(601,513)	(553,210)
	<u>124,692</u>	<u>78,753</u>
Leasehold improvements		
At cost	2,800,971	367,685
Accumulated amortisation	(406,495)	(346,479)
	<u>2,394,476</u>	<u>21,206</u>
Collingwood Arts Precinct (CAP)		
At cost (work in progress)	<u>-</u>	<u>1,666,534</u>
Total property, plant and equipment		
At cost	3,527,176	2,666,182
Provision for depreciation and amortisation	(1,008,008)	(899,689)
Total written down amount	<u>2,519,168</u>	<u>1,766,493</u>

a. Movements in carrying amounts

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

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

	Furniture & Equipment	Leasehold Improvements	Capital WIP	Total
	\$	\$		\$
Carrying amount at 1 July 2021	78,753	21,206	1,666,534	1,766,493
Additions	94,242	766,753	-	860,995
Transfer to/(from) WIP	-	1,666,534	(1,666,534)	-
Disposals – written-down value	-	-	-	-
Depreciation	(48,303)	(60,016)	-	(108,319)
Carrying amount at 30 June 2022	<u>124,691</u>	<u>2,394,477</u>	<u>-</u>	<u>2,518,168</u>

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
7. FINANCIAL ASSETS		
Investments at cost		
Shares in unlisted companies – at cost	<u>39,406</u>	<u>39,406</u>

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>-</u>	<u>2,500</u>

9. TRADE AND OTHER PAYABLES

Trade payables	62,679	207,732
Sundry payables and accrued expenses	57,097	60,242
Goods and services tax	17,474	(40,486)
Contract Liability – Grants in advance	-	-
	<u>137,250</u>	<u>227,488</u>

Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables	137,250	227,488
Less Contract Liability – Grants in advance	-	-
Financial liabilities as trade and other payables	<u>137,250</u>	<u>227,488</u>

10. LEASES

The Co-operative has multiple leases. The broadcasting lease has a lease term of 4 years. The rental lease has a lease term of 21 years. The broadcasting lease has two transmission leases term of 18 years.

i) AASB 16 related amounts recognised in the balance sheet

Right-of-use-asset

Broadcasting lease	228,918	250,136
Accumulated depreciation broadcasting lease	<u>(161,589)</u>	<u>(117,711)</u>
	67,329	132,425
 Rent lease	 1,549,200	 -
Accumulated depreciation rent lease	<u>(73,087)</u>	<u>-</u>
	1,476,113	-
 Equipment lease	 8,554	 -
Accumulated depreciation equipment lease	<u>(809)</u>	<u>-</u>
	7,745	-

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
10. LEASES CONTINUED		
Transmission lease	695,002	-
Accumulated depreciation transmission lease	<u>(67,570)</u>	<u>-</u>
	627,432	-
 Total right-of-use asset	 2,178,618	 132,425
 Depreciation expense	 3 161,377	 58,855
Lease Liability		
Current lease liability	108,086	59,341
Non-current lease liability	<u>2,193,320</u>	<u>75,620</u>
Total lease liabilities	<u>2,301,406</u>	<u>134,961</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1-5 years	> 5 years	Total undiscounted	Lease liabilities per
	\$	\$	\$	lease liabilities	statement of
					financial position
2022					
Lease Liability	134,761	916,849	3,381,799	4,561,174	2,301,406
2021					
Lease Liability	59,904	75,884	-	135,788	134,961

Statement of Profit or Loss and Other Comprehensive Income

Interest Expense on lease liabilities	43,130	2,924
Depreciation of right-of-use assets	<u>161,377</u>	<u>58,855</u>

Statement of Cash Flows

Total cash outflows for leases	127,765	59,244
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11. PROVISIONS

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

CURRENT

Provision for annual leave	82,104	90,301
Provision for long service leave	<u>80,319</u>	<u>40,438</u>
Total short-term provisions	162,423	130,739

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

11. PROVISIONS CONTINUED

NON-CURRENT	2022 \$	2021 \$
Provision for employee benefits: long service leave	76,330	113,949
Total long-term provisions	<u>76,330</u>	<u>113,949</u>
Total provisions	<u>238,753</u>	<u>244,688</u>
Employee leave entitlements		
Opening balance as 1 July	244,688	202,282
Additional provisions raised during the year	116,375	101,423
Amounts used	<u>(122,310)</u>	<u>(59,017)</u>
Balance at 30 June	<u>238,753</u>	<u>244,688</u>

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

	Share Qty	\$
(a) Issued and paid up capital		
Ordinary shares fully paid – 1,493 (2021: 1,493 shares)	<u>1,493</u>	<u>14,930</u>

(b) Movements in shares on issue

	2022		2021	
	Shares	\$	Shares	\$
Issued and paid up ordinary shares at \$10 per share				
Opening Balance	1,493	14,930	1,488	14,880
Shares issued during financial year	-	-	20	200
Shares bought back and cancelled during year	-	-	(15)	(150)
Closing balance	<u>1,493</u>	<u>14,930</u>	<u>1,493</u>	<u>14,930</u>

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$

12. CONTRIBUTED EQUITY CONTINUED

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.

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	-	21,919
later than one year and not later than five years	-	-
later than five years	-	-
	-	-
Aggregate lease expenditure contracted for at balance date	<u>-</u>	<u>21,919</u>

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.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

2022 **2021**
\$ **\$**

14. RELATED PARTY DISCLOSURES CONTINUED

(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.

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	2,169,609	2,501,824
Trade receivables	5	94,550	73,455
Total financial assets		<u>2,264,159</u>	<u>2,575,279</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	137,250	227,488
Total financial liabilities		<u>137,250</u>	<u>227,488</u>

16. EVENTS AFTER BALANCE DATE

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Co-operative's state of affairs in future financial years.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<hr/>		
17. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the Auditors of the Co-operative for:		
Audit of the Co-operative	7,600	7,650
Other services in relation to the Co-operative	1,200	1,200
	<u>8,800</u>	<u>8,850</u>

18. CO-OPERATIVE DETAILS

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

Independent Auditor's Report To the Members of Progressive Broadcasting Service Co-operative Limited

Qualified Opinion

We have audited the financial report of Progressive Broadcasting Service Co-operative Limited (the "Entity"), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Entity is in accordance with the *Co-operatives National Law Application Act 2013*, including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Co-operatives National Law Application Act 2013*.

Basis for Qualified Opinion

Fundraising activities

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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2022 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 Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Entity'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.

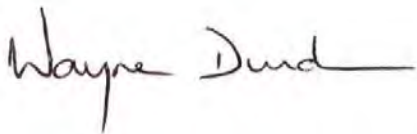
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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 the audit.

E. F. McPHAIL & PARTNERS PTY. LTD.



WAYNE C. DURDIN
Director

25 October 2022
Melbourne

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

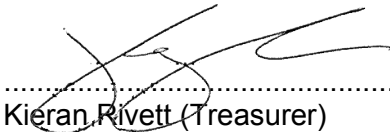
DIRECTORS' DECLARATION
YEAR ENDED 30 JUNE 2022

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 8 to 28, 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 2022 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



.....
Kieran Rivett (Treasurer)
Director

Dated this 25th day of October 2022