

Melbourne Community Television Consortium Limited

ABN: 54 104 562 076

Financial Statements

For the Year Ended 30 June 2009

Melbourne Community Television Consortium Limited

ABN: 54 104 562 076

For the Year Ended 30 June 2009

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Melbourne Community Television Consortium Limited

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Directors' Report

30 June 2009

Your directors (acting as the Committee) present their report on the company for the financial year ended 30 June 2009.

Directors

The names of the directors in office at any time, meetings of directors (including committees of directors) and their attendance during the year were as follows:

Directors Meetings

Name	Eligible to Attend	Number Attended
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Board directors appointed as at June 30th 2009

Name	Eligible to Attend	Number Attended	Notes
Bec Brown	12	12	Appointed by Student Community Television Inc
Peter McArthur	12	12	Appointed by Easter Regional Access Television Inc
Joe Varga	12	12	Appointed by Melbourne Hungarian Television Association Inc
Walter Adamson	12	11	Appointed by Russian Television Victoria Association Inc
Paul Spanos	12	11	Appointed by Northern Access Television Association Inc
Louis-robert Stomm	12	11	Appointed by Yarra Access Inner-City Television Inc
Tom Padula	12	10	Appointed by Italian TV Inc
Gladys Liu	12	10	Appointed by Asian Television Australia Association Inc
David Wong	12	9	Elected at the 2007 AGM; re-elected at the 2008 AGM
Ben Todica	12	9	Appointed by Australian Romanian Community Television
Francisco Lopez	10	8	Appointed by Hispanic Community Television Antenna Hispana Inc
Vas Maroulis	7	5	Appointed by Inner South-Eastern Access Television Inc
Luki Kalonta	7	2	Appointed by Indonesian Club Melbourne Inc
Kris Darmody	5	2	Co-opted by the Board of Directors
Mike Zafiroopoulos	2	2	Co-opted by the Board of Directors
Julio Altamirano	1	1	Appointed as alternative director by Francisco Lopez for 24/3/09 only

Board directors whose terms finished during the financial year

Name	Eligible to Attend	Number Attended	Notes
Campbell Manderson	5	5	Term finished at 2008 AGM
Peter Lane	5	4	Term finished at 2008 AGM
Alex Jobbagy	5	1	Term finished at 2008 AGM
Sudha Saini	5	1	Term finished at 2008 AGM
Christina Critch	5	0	Term finished at 2008 AGM
Noel Fanning	5	3	Term finished at 2008 AGM
Scott Star	4	3	Term finished at 2008 AGM

Board directors appointed as at June 30th 2009

Bec Brown (Board Chair)

(Appointed by Student Community Television Inc - RMITV)

Bec Brown has been an active member of the RMITV Board for several years, during which time she has also completed an Advanced Diploma of Screen at RMIT University. Bec has also acted as production manager on various television programs screened on C31, SBS, the Nine Network, Foxtel and internationally.

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David Wong (Board Deputy Chair)
(Elected by Assembly delegates at the AGM)

David Wong is the Vice President of Asian Television Association Australia Inc, and holds a Graduate Diploma in Business Administration. Now retired, David spent over 20 years with the Public Works Department as a Civil Engineer and project manager. He is also the chairman of the Australian Chinese Events Committee.

Walter Adamson
(Appointed by Russian Television Victoria Association Inc)
Now retired, Walter Adamson qualified with an Associateship Diploma in Electrical Engineering from RMIT, and rose to become a Senior Professional Engineer with the Buildings Engineering Services Section of Australia Post.

Gladys Liu
(Appointed by Asian Television Australia Association Inc)
Gladys Liu has been an active member of ATVAA since 2002. She has also been involved in other community organizations such as the Chinese Professional and Business Association, and the Chinese New Year Festival. Gladys is currently an advisor to the leader of the Victorian Liberal Party, and stood as a candidate in the 2006 state election.

Peter McArthur
(Appointed by Eastern Regional Access Television Inc)
Peter McArthur has had over forty years experience in radio and television, including nearly 30 years with the ABC as a newsreader, reporter and broadcaster. He has served as the mayor of Croydon, and in Victorian state parliament as the member for Ringwood from 1976 to 1982. In addition to his long-standing contributions to C31, Peter has also co-founded two community radio stations, Whitehorse-Boroondara and Eastern FM.

Tom Padula
(Appointed by Italian TV Inc)
In addition to being a director of C31, Tom Padula is also a member of the Moreland City Arts Board and public officer of the Italian Drama Company. Tom retired from secondary school teaching to start Insegna Booksellers, publishing and distributing books in a wide variety of languages.

Paul Spanos
(Appointed by Northern Access Television Association Inc)
Paul Spanos holds a Business Administration Degree from the University of Thessalonika, a Graduate Diploma of Education from Monash University, a Diploma in Business from Swinburne University and a Master of Arts from the Sydney College of Divinity. Paul is also a co-producer and presenter of the Zontas 100% program, and assists in the translation and creation of English language subtitles for the program.

Louis-robert Stomm
(Appointed by Yarra Access Inner-City Television Inc)
Louis-robert Stomm has been involved in community television since 1987, and produced over 1500 programs for C31. He has been a director of the Cosmopolitan Art Group and is a member of the Wyndham City Community Arts Project. Louis-robert also has a background in community radio, having been a presenter and committee member with Southern FM and a producer and spoken word co-ordinator at PBS-FM.

Ben Todica
(Appointed by Australian Romanian Community Television)
Ben Todica is a long term volunteer with Australian Romanian Community Television, and has produced,

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Directors' Report

30 June 2009

shot and edited many programs for broadcast on C31, as well as the critically acclaimed documentary *Drumul Nostru*.

Joe Varga

(Appointed by Melbourne Hungarian Television Association Inc)

Joe Varga is a veteran of the television industry, with over 39 years employment in commercial television. Joe is a Justice of the Peace, and for the last ten years he has also volunteered his time to the Melbourne Hungarian Television Association in both management and production roles.

Francisco Lopez

(Appointed by Hispanic Community TV Antenna Hispana Inc)

Francisco Lopez holds a Post Graduate Diploma of Health Service Management, and is employed by the Alfred Hospital as a project manager in strategy and planning and service improvement. He is a member of the Australian College of Health Service Executives.

Vas Maroulis

(Appointed by Inner South-Eastern Access Television Inc – SKA-TV)

Vas Maroulis holds a Diploma of Travel & Tourism from the Travel Training College Melbourne, and a Diploma of Sport & Recreation, a Graduate Diploma of Sport Business and a Masters of Sport Business from Victoria University. Vas has held various sales and management roles in the travel and sports industries, including the Melbourne stopover of the 2006 Volvo Ocean Race. He has also been involved in strategic planning with sports organisations and community media outlets.

Luki Kalonta

(Appointed by Indonesian Club Melbourne Inc)

Luki Kalonta is the President of Indonesian Club Melbourne Inc. His television programs have been broadcast both on C31 and television services in Indonesia. He also presents Indonesian radio programs on 3ZZZ, 3WBC and Southern FM.

Kris Darmody

(Co-opted by the Board)

Kris Darmody is a Media and Entertainment lawyer with Marshalls & Dent Lawyers. Kris holds a Bachelor of Laws degree and a Bachelor of Arts degree both from Monash University. Kris is currently on the Melbourne Queer Film Festival Board, and has been a past board member of Arena Theatre Company and the Melbourne Midsumma Festival, where she held the position of Chair for two years.

Mike Zafiropoulos

(Co-opted by the Board)

Mike Zafiropoulos was the SBS General Manager in Melbourne for 13 years. Previously, he had held senior positions in the Department of Immigration and Multicultural Affairs, the Bureau of Immigration, Multiculturalism and Population Research and the Australian Institute of Multicultural Affairs. Mike is also the Chair of Regional Arts Victoria, and Deputy Chair of Regional Arts Australia; a Board Member of the Lord Mayor's Charitable Foundation and the Royal Victorian Eye and Ear Hospital; and Chair of Arts Victoria's Multicultural Arts Policy Advisory committee.

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Directors' Report

30 June 2009

Board directors whose terms finished during the financial year 2008/09

Campbell Manderson

(Elected by Assembly delegates at the AGM)

Campbell Manderson has a long history with C31 as both a producer and an activist. Campbell has a particular interest in training, and holds a Certificate IV in Workplace Training & Assessment.

Peter Lane (Board Chair, 1 July 2008 to 20 November 2008)

(Elected by Assembly delegates at the AGM)

Peter Lane has worked in media for 25 years, as an actor, crew member, director, and producer. One of the founding fathers of community television in Australia, he has been active in many areas of the sector, including lobbying, planning, development, management and governance. Peter has extensive experience in language, employment, arts and media training across tertiary education, labour market programs, traineeships, short courses, work experience and volunteers. Previous Board and Committee memberships include the Community Broadcasting Association of Australia (CBAA), TVU, SKA TV, Professional and Graduate Education (PAGE), and the Program Development Committee of ACFE.

Alex Jobbagy

(Elected by Assembly delegates at the AGM)

Alex Jobbagy has been involved in community television production and management for over a decade. He is a professional graphic and web designer, with Bachelor of Arts and a certificate in New Media Studies.

Sudha Saini

(Appointed by The Indian Television Broadcasting Association Inc until 2008 AGM; thereafter co-opted by the Board)

Sudha Saini graduated from Delhi University with Physics, Chemistry and Advanced Maths as majors; and has subsequently gained a Masters in IT at Swinburne University, and is currently studying Law at RMIT. She has been active within the Indian Community since 1996, being an executive member of Hindi Niketan, the Federation of Indian Associations of Victoria, and now an executive member of Australian Indian Innovations Inc (AIII), which organizes the annual Indian Diwali fair At Sandown.

Christina Critch

(Appointed by Inner South-Eastern Access Television Inc – SKA-TV)

Christina Critch brings to C31 her experience on the boards and committees of a wide range of not for profit arts organizations. She has worked in and advocated for the arts and cultural industries.

Noel Fanning

(Appointed by Geelong Newsbeat Inc)

Noel Fanning has produced nearly 500 programs within the Geelong community. His qualifications include a Bachelor of Arts, an Associate Diploma in Media, and a Graduate Diploma in Education.

Scott Star

(Appointed by Student Youth Network Inc)

Scott Star has been a producer of community radio and television programs since 2006 for SYN-FM and C31.

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Directors' Report

30 June 2009

Finance Committee 2008/09

Name	Eligible to Attend	Number Attended	
Bec Brown	12	11	
Paul Spanos	12	12	
Greg Dee	12	12	
Joe Varga	7	5	Term commenced at 2008 AGM
Vas Maroulis	7	6	Term commenced at 2008 AGM
David Wong	7	4	Term commenced at 2008 AGM
Campbell Manderson	5	5	Term finished at 2008 AGM
Peter Lane	5	3	Term finished at 2008 AGM
Sudha Saini	5	2	Term finished at 2008 AGM

Programming Committee 2008/09

Name	Eligible to Attend	Number Attended	
Joe Varga	11	11	
Bec Brown	11	10	
Louis-robert Stomm	11	8	
David Wong	11	8	
Francisco Lopez	6	5	Term commenced at 2008 AGM
Ben Todica	6	1	Term commenced at 2008 AGM

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

An amount of \$2,020 was paid to Peter Lane for his services rendered as Chairman of the Board. Other directors are honorary and did not receive any remuneration for their services.

Company Secretary

Matthew Sharp has held the position of company secretary for the financial year.

Principal Activities

The principal activities of Melbourne Community Television Consortium Limited during the financial year were broadcasting of community television programs, developing and maintaining television presentation and transmission facilities and seeking sponsorship revenue.

No significant change in the nature of these activities occurred during the year.

Operations and Results

The deficit of Melbourne Community Television Consortium Limited amounted to \$89,002 (2008: surplus of \$45,788).

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Directors' Report

30 June 2009

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Indemnifying Officers or Auditors

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 Melbourne Community Television Consortium Limited.

After balance day events

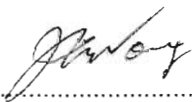
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Melbourne Community Television Consortium Limited, the results of those operations or the state of affairs of Melbourne Community Television Consortium Limited in future financial years.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 9. Signed in accordance with a resolution of the Board of Directors:

Director: 

Bec Brown

Director: 

David Wong

Dated this *20th* day of *October* 2009



Grant Thornton
ABN 13 871 256 387


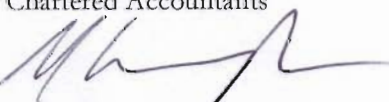
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Auditor's Independence Declaration To the Directors of Melbourne Community Television Consortium Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Melbourne Community Television Consortium Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.


GRANT THORNTON
Chartered Accountants

M. A. Cunningham
Partner

Dated this 20th day of October 2009
Melbourne, Australia

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Income Statement

For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	2,228,327	2,755,173
Employee costs		(1,254,978)	(1,413,693)
Depreciation, amortisation and impairments		(128,803)	(142,955)
Cost of goods sold		(22,304)	(141,491)
Occupancy expenses		(108,867)	(110,000)
Marketing expenses		(14,448)	(15,301)
Other expenses		(784,899)	(878,518)
Finance costs		(3,030)	(7,427)
Surplus / (Deficit)		(89,002)	45,788

The accompanying notes form part of these financial statements

Melbourne Community Television Consortium Limited

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Balance Sheet

30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	87,800	50,911
Trade and other receivables	5	261,352	439,355
Inventories		3,999	4,500
Other current assets	6	43,731	45,454
Total current assets		396,882	540,220
Non-current assets			
Plant and equipment	7	493,583	595,601
Total non-current assets		493,583	595,601
TOTAL ASSETS		890,465	1,135,821
LIABILITIES			
Current liabilities			
Trade and other payables	8	227,500	398,438
Financial liabilities	9	73,202	67,141
Short-term provisions	10	69,697	59,776
Other current liabilities	11	46,495	55,164
Total current liabilities		416,894	580,519
Non-current liabilities			
Other long-term provisions	10	12,871	5,600
Total non-current liabilities		12,871	5,600
TOTAL LIABILITIES		429,765	586,119
NET ASSETS		460,700	549,702
EQUITY			
Retained surplus		460,700	549,702
TOTAL EQUITY		460,700	549,702

The accompanying notes form part of these financial statements

Melbourne Community Television Consortium Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2009

	2009	Retained Surplus	Total
	Note	\$	\$
Balance at 1 July 2008		549,702	549,702
Deficit for the year		(89,002)	(89,002)
Balance at 30 June 2009		460,700	460,700

	2008	Retained Surplus	Total
	Note	\$	\$
Balance at 1 July 2007		503,914	503,914
Surplus for the year		45,788	45,788
Balance at 30 June 2008		549,702	549,702

The accompanying notes form part of these financial statements

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Cash Flow Statement

For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Cash from operating activities:			
Receipts from customers		2,391,760	2,478,133
Payments to suppliers and employees		(2,337,017)	(2,317,444)
Interest received		3,101	2,374
Interest paid		(3,030)	(7,427)
Net cash provided by (used in) operating activities	13	54,814	155,636
Cash flows from investing activities:			
Payment to acquire property, plant and equipment		(23,986)	(153,368)
Net cash provided by (used in) investing activities		(23,986)	(153,368)
Net increase (decreases) in cash held		30,828	2,268
Cash at beginning of financial year		(16,230)	(18,498)
Cash at end of financial year	4(a)	14,598	(16,230)

The accompanying notes form part of these financial statements

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Notes to the Financial Statements

For the Year Ended 30 June 2009

General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Melbourne Community Television Consortium Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS").

Comparative Figures

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

Plant and Equipment

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

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets and capitalised leased assets is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Plant and Equipment (continued)

Depreciation rates

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

Class of Fixed Asset

Plant and Equipment	30%
Office Equipment	11.25 - 30%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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. Bank overdrafts are shown within financial liabilities in current liabilities on the balance sheet.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Provisions

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

Revenue

Revenue from broadcasting services other than Telemarketing is recognised upon delivery of the service to the customers. Revenue from Telemarketing is recognised when non-cancellable contracts are executed.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Income Tax

The company is exempt from income tax under Section 50-45 item 9-1, 9-2 of the Income Tax Assessment Act 1997 as amended, as the company's objective is the encouragement of art and culture and its business is not carried on for the purpose of profit or gain for its individual members.

New Accounting Standards and AASB Interpretations

Certain new accounting standards and AASB Interpretations have been published that are not mandatory for 30 June 2009 reporting periods but contain an option for early adoption.

The company has reviewed each of these new standards and Interpretations and is satisfied that they have no impact on the reported financial position or performance of the company for the year ended 30 June 2009 and therefore there has been no early adoption of these standards or interpretations, with the exception of AASB 8 operating segments and AASB 2007-3

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company has sustained a loss of \$89,002 for the year ended 30 June 2009. The company has a working capital (current assets less current liabilities) deficiency of \$20,012 at balance date.

The ability of the company to continue paying its debts as and when they fall due is dependant upon the continued support of its member organisations, sponsors and program suppliers and the establishment of profitable trading operations.

The Directors have reviewed both the operational and financial performance forecasts of the company for the 2009 / 2010 financial year which and summarised them as follows:

Budgeted income and expenditure have been reduced from 2008/09 levels with the planned result of a small surplus for 2009/10. The first three months of 2009/10 have had financial outcomes closer to budget forecast than for the corresponding period in the previous year.

There are indications that a digital broadcast licence will be forthcoming and it is believed that digital broadcasting will start in calendar year 2010. It is anticipated that the announcement of the channel's digital future will be made during the financial year. It is expected that both the announcement and the commencement of digital broadcasting should provide an upward stimulus to the company's financial performance.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Going Concern (continued)

A Budget and cash flow forecast has been prepared which indicates that the company plans to meet its forecast operating expenses with matching levels of sponsor and program placement income.

The Directors will continue to monitor the operating performance against the Budget and cash flow forecast.

The Company has positive net assets, sound relationships and trading terms with suppliers and customers and the Directors are confident that they will be able to obtain continuing support from Member organisations, sponsors and program suppliers to enable the continuing of operations.

The financial statements of the Company do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities, which might be necessary should the Company not be able to continue as a going concern.

2 Revenue

	2009	2008
	\$	\$
Services revenue	2,225,162	2,752,725
Interest received	(a) 3,101	2,374
Donations	64	74
Total	2,228,327	2,755,173

(a) Interest revenue from:

Other persons	3,101	2,374
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3 Surplus

Cost of goods sold	22,304	45,090
Finance Costs:	3,030	7,427
Doubtful debts expense:	141,907	71,383
Total Employee Benefits Expense	1,254,978	1,413,693
Rent expense on operating lease	108,867	110,000
Depreciation and Amortisation expense	128,803	142,955

4 Cash and Cash Equivalents

Cash on hand	1,274	653
Cash at bank	86,526	50,258
	87,800	50,911

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Notes to the Financial Statements

For the Year Ended 30 June 2009

4 Cash and Cash Equivalents (continued)

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	87,800	50,911
Bank overdraft	(73,202)	(67,141)
	14,598	(16,230)

5 Trade and Other Receivables

CURRENT

Trade receivables	309,053	499,999
Provision for impairment of receivables	(47,701)	(60,644)
	261,352	439,355

Trade receivables have been aged according to their original due date in the ageing analysis below, including where repayment terms for certain long outstanding trade receivables have been renegotiated. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances. Payment terms for Sponsorship are always in advance of going to air. Payments made up front at the time of sale are incentivised by offering the client bonus spots – otherwise set dates for payment are agreed and entered on the booking form. In some cases agreed payments may be spread over several months as the campaign is aired

The basis for our estimate of the doubtful debt provision required for trade receivables is that we consider all balances where there is an indication that the client is not going to utilise the company's services. In most cases this would be noted at or before the production stage.

An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past provision of goods and services, determined by reference to past default experience. During the current financial year, the allowance for doubtful debts decreased by \$12,943 (2008: increased by \$7,087). This movement was recognised in the Income Statement.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. No collateral is held over impaired receivables.

Refer to note 18 (Financial Instruments Note) for more information on the risk management policy of Melbourne Community Television Consortium Ltd.

The aging of the impaired trade receivables is:

	2009	2009	2008	2008
	Gross	Allowance	Gross	Allowance
	\$	\$	\$	\$
Not past due	309,053	47,701	499,999	60,644

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Notes to the Financial Statements

For the Year Ended 30 June 2009

A reconciliation of the movement in the provision for impairment of trade receivables is shown below:

	2009	2008
	\$	\$
Opening balance	60,644	53,557
- additional provisions	141,097	71,383
- amounts used	(154,040)	(64,296)
Total	47,701	60,644

6 Other Assets

CURRENT		
Prepayments	43,250	44,973
Other assets	481	481
	43,731	45,454

7 Plant and Equipment

PLANT AND EQUIPMENT

Plant and equipment		
At cost	876,881	876,456
Less accumulated depreciation	(487,380)	(406,102)
Total plant and equipment	389,501	470,354
Office equipment		
At cost	196,160	175,412
Less accumulated depreciation	(115,343)	(91,236)
Total office equipment	80,817	84,176
Leasehold improvements		
At cost	141,712	136,100
Less accumulated depreciation	(118,447)	(95,029)
Total leasehold improvements	23,265	41,071
Total plant and equipment	493,583	595,601

Movements in Carrying Amounts

	Plant and Equipment	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Current Year				
Balance at the beginning of year	470,354	84,176	41,071	595,601
Additions	425	20,748	5,612	26,785
Depreciation expense	(81,278)	(24,107)	(23,418)	(128,803)
Carrying amount at the end of year	389,501	80,817	23,265	493,583

Melbourne Community Television Consortium Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Prior Year

Balance at the beginning of year	400,043	93,121	64,024	557,188
Additions	159,423	17,853	4,091	181,367
Depreciation expense	(89,112)	(26,798)	(27,044)	(142,955)
Carrying amount at the end of year	470,354	84,176	41,071	595,601

8 Trade and Other Payables

	2009	2008
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	113,280	157,361
Other payables	114,220	241,077
	227,500	398,438

9 Financial Liabilities

	2009	2008
	\$	\$
CURRENT		
Secured liabilities		
Bank overdraft	73,202	67,141

The bank overdraft is secured by a registered mortgage over the business.

10 Provisions

CURRENT		
Employee entitlements	69,697	59,776
NON-CURRENT		
Employee entitlements	12,871	5,600

11 Other Liabilities

Deferred income	46,495	55,164
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12 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the company. At 30 June 2009 the number of members was 28 (2008: 28).

Melbourne Community Television Consortium Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

13 Cash Flow Information

Reconciliation of Cash Flow from Operations with Surplus

	2009	2008
	\$	\$
Net surplus / (deficit) for the year	(89,002)	45,788
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	128,803	142,955
Assets received on contra account	(2,800)	-
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	178,003	(77,513)
(Increase)/decrease in inventory	501	(4,500)
(Increase)/decrease in prepayments	1,724	(1,400)
Increase/(decrease) in trade payables and accruals	(170,938)	26,670
Increase/(decrease) in unearned income	(8,669)	(9,186)
Increase/(decrease) in provisions	17,192	32,822
	54,814	155,636

Loan Facilities

Overdraft facilities	130,000	130,000
Amount utilised	(56,798)	(67,141)
	73,202	62,859

The company has a bank overdraft facility. The facility may be terminated at any time at the option of the bank.

14 Capital and Leasing Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2009	2008
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	108,269	47,917
- between 12 months and 5 years	403,062	-
	511,331	47,917

The lease is a non-cancellable property lease, with rent payable in advance. An option exists to renew the lease at the end of the term for an additional term of 5 years.

Melbourne Community Television Consortium Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Transmitter upgrade - 28,000

Payable:

- not later than 12 months - 28,000

15 Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefits \$	Total \$
2009			
Total compensation	265,638	23,595	289,233
2008			
Total compensation	244,881	21,374	266,255

16 Auditors' Remuneration

	2009 \$	2008 \$
Remuneration of the auditor of the company for:		
- auditing or reviewing the financial report	14,000	13,000
- other services	3,000	3,000

17 Segment Reporting

The company operates predominately in one business and geographical segment being Television Broadcasting in the greater region of Melbourne and Geelong.

18 Financial Instruments

The company is exposed to a variety of financial risks through its use of financial instruments. This note discloses the company's objectives, policies and processes for managing and measuring these risks.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are describe below.

Specific risks

- Market risk (interest rate risk);
- Credit risk
- Liquidity risk

Melbourne Community Television Consortium Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

18 Financial Instruments (continued)

Financial assets/liabilities used

The principal categories of financial assets/liabilities used by the company are:

- Cash at bank;
- Trade receivables;
- Bank overdraft; and
- Trade payables.

Objectives, policies and processes

The risk management policies of the company are designed to mitigate the above risks and reduce volatility on the financial performance of the company. Financial risk management is carried out by management and is overseen by the Finance Committee and the Board.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns through the optimisation of equity balances.

Market risk

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The following table outlines the Company's financial instruments:

	2009	2008
	\$	\$
<i>Financial Assets</i>		
Cash at bank	86,526	50,258
Cash on Hand	1,274	653
Trade receivables	261,352	439,355
<i>Financial Liabilities</i>		
Trade payables	113,280	157,361
Bank Overdraft	73,202	67,141

The following table demonstrates the impact on net profit if the average interest rate had either increased or decreased by 1% over the whole year ending 30 June 2009.

Interest rate sensitivity

	2009	2009	2008	2008
	Interest (revenue) / expense	Net (Profit) / Loss	Interest (revenue) / expense	Net (Profit) / Loss
	\$	\$	\$	\$
If interest rates were 1 per cent higher with all other variables held constant -increase/(decrease)	72	72	(185)	(185)
If interest rates were 1 per cent lower with all other variables held constant - increase/(decrease)	653	653	185	185

Melbourne Community Television Consortium Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

18 Financial Instruments (continued)

Credit risk

The company trades only with recognised, creditworthy third parties. It is the company policy that all telemarketing customers do not have access to credit terms as sponsor's programs do not go to air until consideration is obtained from the sponsor. In addition, receivable balances are monitored on an ongoing basis.

With respect to credit risk arising from the other financial assets of the company which comprise cash and cash equivalents, the companies exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the company.

Liquidity risk analysis

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

Liquidity risk includes the risk that, as a result of our operational liquidity requirements;

- We will not have sufficient funds to settle a transaction on the due date;
- We will be forced to sell financial assets at a value which is less than what they are worth;
- We may be unable to settle or recover a financial asset at all.

To help reduce these risks we:

- have readily accessible overdraft facilities in place (refer to note 13).

Amounts presented below represent the future undiscounted principal and interest cash flows.

	Effective Interest Rate 2009 %	1 - 5 Years 2009 \$	Over 5 Years 2009 \$	Non-interest Bearing 2009 \$	Total 2009 \$
<i>Financial Assets</i>					
Cash and cash equivalents	4.00	86,526		1,274	87,800
Trade receivables				261,352	261,352
Total Financial Assets					
<i>Financial Liabilities</i>					
Bank Overdraft	11.24	73,202			73,202
Trade payables				113,280	113,280
Total Financial Liabilities					

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the balance sheet date.

Melbourne Community Television Consortium Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

18 Financial Instruments (continued)

Fair Value Estimation

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2008: net fair value)

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- Cash & cash equivalents, bank overdraft, receivables and payables – due to the short-term nature, the carrying value approximates fair value.
- The carrying value less impairment provisions of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature of trade receivables and payables.

19 Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Melbourne Community Television Consortium Limited, the results of those operations or the state of affairs of Melbourne Community Television Consortium Limited in future financial years.

20 Company Details

Registered office and principal place of business

The registered office of the company is:

Melbourne Community Television Consortium Limited
Level 1, 501 Swanston Street
Melbourne Victoria 3000

Melbourne Community Television Consortium Limited

ABN: 54 104 562 076

Directors' Declaration

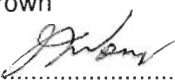
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 25, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 

Bec Brown

Director 

David Wong

Dated this 20th day of October 2009



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Independent Auditor's Report To the Members of Melbourne Community Television Consortium Ltd

We have audited the accompanying financial report of Melbourne Community Television Consortium Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance,

but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

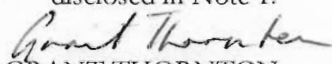
Electronic presentation of audited financial report


This auditor's report relates to the financial report of Melbourne Community Television Consortium Limited for the year ended 30 June 2009 included on Melbourne Community Television Consortium Limited's web site. The Company's directors are responsible for the integrity of the Melbourne Community Television Consortium Limited's web site. We have not been engaged to report on the integrity of the Melbourne Community Television Consortium Limited's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Auditor's opinion

In our opinion:

- a. the financial report of Melbourne Community Television Consortium Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.


GRANT THORNTON
Chartered Accountants


M. A. Cunningham
Partner

Dated this 20th day of October 2009
Melbourne, Australia