

Canberra Christian Radio Limited
2017 Annual General Meeting – Friday 3 November 2017
Chairman's Report – Brett Anderson

Introduction

1. It is my pleasure to present this report on the activities of Canberra Christian Radio Ltd (CCRL) over the 2017 calendar year and an analysis of the company's financial health for the 2016/17 financial year.
2. At the AGM of 2016, nine members were elected as directors in accordance with the CCRL Articles of Association. All directors remained current through the term of this Board.
3. This has been my ninth consecutive term on the Board of Directors, also my ninth term as Chairman of CCRL.
4. Due to continuing ill health, our longstanding Company Secretary, Janice Webb, expressed her desire to stand down from this role during this year. Sue Bruce, a new member of our Board, and a Chartered Accountant, offered to take on the Company Secretary role and so the Board elected her to the role, first as Assistant Company Secretary and then as Company Secretary when Janice stepped down in June 2017. I am most grateful to both Janice and Sue for their diligence throughout this year in ensuring that CCRL has met its corporate governance obligations.
5. Our directors too, have exercised their responsibility well, as advocates for 1WAY FM and as leaders, helping to shape the future for the radio station and supporting the operational team tasked with running the station. I extend thanks to them on behalf of all the members of CCRL.
6. 1WAY FM has again shown great growth throughout this year with a strong team headed by our General Manager, Colin Webster. Our staff and volunteers are the lifeblood of the station and we are so grateful for the commitment and dedication they show as they carry out their various duties. Thank you to all those who have given so selflessly to ensure that 1WAY FM continues to broadcast a Christian message of hope and encouragement to listeners in our Canberra region.

Sharpening our Focus

7. Much of the Board's time this year has been taken up establishing a clearer understanding of who our community of interest is: our members, our listeners, our donors, our sponsors, our volunteers. Each of these groups plays a vital role in ensuring the sustained success of 1WAY FM. It was clear from a number of comments we had received at last year's Annual General Meeting that perhaps our understanding in some areas could be refined to provide a better service to our community.
8. A number of initiatives were established within the Board and in collaboration with our operational team, to investigate; and then respond to; the needs and desires of various community groups we identified.
9. Within the Board, four focus groups were established, targeting different segments of our community: sponsors, members, volunteers and donors. These focus groups each convened a small forum to listen to the views of constituents to try to identify threads of commonality where our team could focus on improvement. Much was discovered in these focus groups that has already been used to refine our on-air sound and our consistency of process. More will be done over the term of the next Board through these focus groups to continue our refinement process.
10. Early in 2017, we participated in a national survey of Christian radio listeners, conducted by McCrindle. The focus of this survey was to understand who listens and why they listen to Christian radio. We had a fantastic response from our 1WAY FM listeners to the survey, which really provided good insight into our listener profile and our valued content.
11. As well as confirming our value proposition of providing safe, uplifting and Godly content for our listeners, the survey revealed another challenging observation: in trying to cater for the diversity of our listening community, 1WAY FM had inadvertently split our listening audience into three disparate segments. This 'dilution' of our audience in effect meant that in trying to cater for everyone we were missing the mark in each audience segment. This concurred with the comments we had received at the 2016 AGM regarding the 'eclectic' nature of our on-air programming.
12. Much has been done over the past year to address this inconsistency in our programming, with reviews and refinement of our music and careful consideration of the scheduling of interviews and other content, to ensure a more consistent sound across the day for our listeners. Our team has also invested heavily in building a profile of our listening audience to develop a greater awareness of who is listening across the day and what they would be expecting from our programming at various times. This work will continue over the coming year to put more structure around our programming, but I am pleased to report that the changes made already have been noticed and commented on favourably by listeners.
13. The Board held our strategic planning workshop in late April 2017. The focus of this workshop was to renew our strategic plan for the next three years. In line with our "improved focus" agenda, the Board felt that the Vision and Mission statements as articulated in the existing strategic plan did not provide sufficient clarity by themselves to guide the delivery of a consistent and reliable product for our community of interest. In line with modern strategic planning practice, the Board devised a 'Statement of Purpose' for 1WAY FM that offers clear and measurable direction for our team: **1WAY FM presents a Christian message of hope and encouragement to our listeners.** This carefully worded statement provides a "litmus" for testing everything we do in the station; and it focuses our endeavours on ensuring we meet the expectations of our community of interest.

Brief Financial Analysis

(please refer to the graphs at the end of this report. Detail is included in the 2016/17 Financial Statements).

14. After taking into account asset depreciation of just under \$12,000, CCRL recorded a financial deficit of \$53,757 for the 2016/17 Financial Year (FY). This significant shortfall is attributable to declining revenue, most notably this year in the significant reduction of grant revenue received. Costs though, have remained consistent with last year, at just under \$340,000.

Revenue Analysis:

15. Total revenue this FY was down almost \$63,000 on last year. All revenue streams recorded a decline, with operating grants dropping by \$22,000. Donations were down more than \$7,000 this year and sponsorship revenue declined by just over \$5,000. A little over \$284,500 was raised in the 2016/17 financial year to support the Station.
16. Declining revenue is a topic of discussion across the not-for-profit sector as economic factors in our community reduce available discretionary finances of our partners, donors and sponsors. Clearly, for CCRL to continue to deliver our vital service in the community, we need to find ways to attract a greater pool of financial supporters and to open new channels for revenue raising to ease the burden on our existing donor base.
17. Donations this year account for around 60% of our annual revenue to support the operation of 1WAY FM. The continued generosity of our supporters through donations, raised over \$177,000 in the last financial year. We are deeply grateful to those who contribute financially to ensure that 1WAY FM has the necessary finances to support its work.
18. It was also highlighted through our “sponsors” focus group that 1WAY FM needs to rethink our engagement with our sponsors. Our current model, of providing sponsorship announcement slots on air for our sponsors in return for a financial contribution, is not meeting the need of our sponsor community to engage sufficiently with our community of interest. 1WAY FM can build a better model of engagement with sponsors by adopting a partnering model, and by opening additional channels for them to engage with our community. Work is underway to rethink our sponsorship model and will continue to be a focus for both the Board and the Leadership Team over the coming year.
19. Late last year our most significant source of grant funding announced a number of changes to their application process, in the interest of streamlining their grants administration process. 1WAY FM put in an application for grant funding to assist with the development of a number of initiatives within the station, but unfortunately, we were unsuccessful in that round of applications. We are very grateful though for the grant funding we have received which offsets some of the cost of running our transmitter. Our operational team is committed to continued focus on responding to suitable grant opportunities to assist with building our capability.
20. Membership subscriptions have declined too over 2016/17 FY. Our Leadership Team is investing time in bringing the information in our contact management system up to date so the system can be used more effectively to engage more closely with our members. Work is also being done to review and update our membership offering, which has remained consistent for many years now.

Expenses Analysis:

21. Administration costs and, most significantly, salaries, account for much of our outgoings, with rental expenses the next largest expense.
22. Most expenses remained relatively consistent with previous years.

Some additional notes:

23. Cash at Bank was reported at \$111,345 at the end of the Financial Year, a drop of \$53,000 on last year.
24. The 2016/17 Financial Statements have been audited by our external auditor, RSM Australia Partners, and a full report is available on the 1WAY FM website.
25. Thank you too, to all who continue to support the Station financially as members, donors and sponsors. These finances are critical to keeping the station on air and your support ensures the ongoing viability of Christian community radio in the Canberra region.

Other Highlights of 2017

26. Our annual financial appeal, held this year over 28-30 July 2017, was a blessing again for the station. Our theme “Ready, Set, Move!” was designed to position our community alongside the station for what God is calling us to over this coming year. Again we were encouraged by the generosity of those that donated to the appeal, and we were blessed by the encouragement expressed by those who rang in to donate. We focused our attention this year on building our base of partners, those who make a regular financial contribution to support the work in the station. We set a target of encouraging 50 new partners, and while we didn’t achieve that this year, we did welcome 26 new partners.

Farewells and other changes on the horizon

27. It is with some sadness that I must report that our General Manager, Colin, has tendered his resignation and will leave 1WAY FM at the end of January 2018. After six fantastic years leading our 1WAY FM team, Colin and his wife Susan have opted for a quieter life in Tasmania. Colin has achieved so much over his time in the station having taken on the role of General Manager at a time when 1WAY FM was looking to mature our business. Colin’s careful business management and wise leadership over the past six years has enabled the station to develop strong business process and effective administration, in essence, a foundation on which we can now reach for excellence. On behalf of the members of CCRL I would like to thank Colin for his dedication, his generosity, his wisdom and his passion in nurturing 1WAY FM toward continued growth and success. We will certainly miss Colin’s attentive and level-headed approach, his witness as a follower of Jesus, unwavering in his faith that God will continue to provide for all our needs. We wish Susan and Colin well in the next stage of their journey and trust that God will bless them for their faithfulness to His call.

28. Janice Webb too has decided, after more than 11 years on the Board and an equal time of service as our Company Secretary, that it is time for her to retire. Janice has been a rock for the Station on so many fronts through so many years and has had involvement in the station in various capacities since the early days of the station. Her keen attention to detail, her diligent administration and her dedication to ensuring 1WAY FM's success has provided a strong governance platform to ensure the strategic development of the station and CCRL. Janice has acted as our historian too, collecting the memories of our development along the way. Over the past few years Janice's health has deteriorated, but her determination to ensure that the Station is achieving its mission has kept her connected. While singling out Janice in this short paragraph I must also acknowledge the faithful commitment of the whole Webb family that has had such a monumental impact on the success of 1WAY FM over many years. Janice's husband, David (who is standing down from his volunteer position as our technical coordinator also), and her sons Kieren and Kenneth have been instrumental in the development and sustainment of our on-air technical and IT environments. We wish Janice and David the very best for the next stage of their life, we trust that they will continue to be a part of the life of the station, and we are so grateful for the investment that the Webb family continues to make in supporting our team. I am sure that God will reward them richly for their generosity.

In the Coming Year

29. We have many challenges ahead of us over the coming year! I have already mentioned the urgent need for us to bolster our revenue generation to ensure sustainability of our financial resources to cover our costs. I am sure though, that God will ensure that we have the resources we need. His attentive nurturing of us, his gentle nudging toward his purpose and his faithful provisioning when we need it is constant and reliable.
30. Another challenge for us is the likely need to relocate our studios some time in the next year. Some may have noticed that the Southside Lighting building is for sale and it is very possible that the building will sell in the coming months. While we are not sure exactly what will be required of us once the building is sold, we have commenced planning for the probability of a move. This is a time for us to consider what we need in accommodation for the Station to maximise the value of our modernised business processes. I take this opportunity too, to thank our current landlord, Dennis Barnes, for his generous support and care for the station over so many years.
31. Last year I advised the membership of the impending rollout of digital radio in the Canberra region. Over the past year, this has progressed rapidly and I report this year that digital radio will be rolled out in the Canberra region over the coming year. The legal instruments for governance over this capability are currently being finalised and CCRL is a signatory to the arrangements. CCRL has engaged the Community Broadcasting Association of Australia (CBAA) to act on our behalf through the establishment of the legal and technical frameworks. The Federal Government has committed funding (administered by CBAA) to support the introduction of digital radio services in the four licenced community broadcasters. Digital radio services provide us much opportunity for enhancement of our presence in the Canberra region and we look forward to developing this capability within the station as it becomes available.

Conclusion

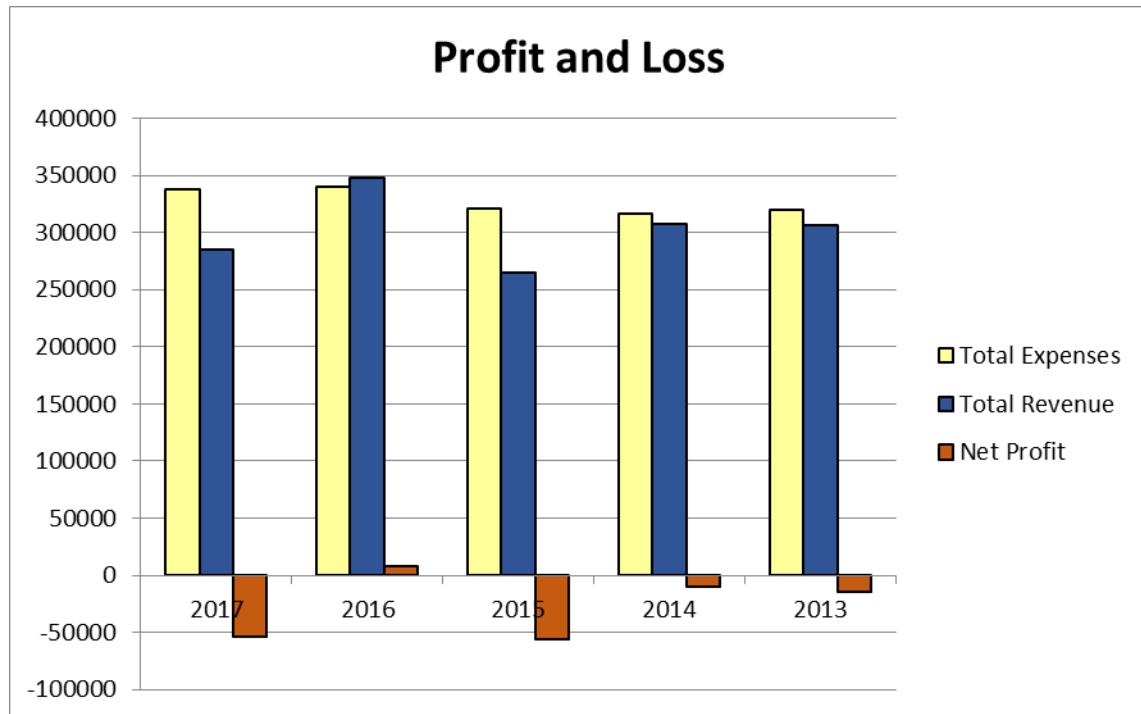
32. Each year I offer a word of action for our team to focus on. This coming year, I suggest, will be a year of "**Transformation**". As we accept the challenges before us this coming year, we know that God walks beside us on the journey. With change comes opportunity, and with careful preparation and a steady hand, this opportunity can be transformational.
33. On behalf of the CCRL Board, thank you to our 1WAY FM team, our members, sponsors, listeners and supporters for a fantastic 25th year of CCRL. We are encouraged, strengthened and supported by your prayers, commitment and contribution and we look forward to another 25 years of Growth in the watchful care of Jesus, our Hope.
34. I am pleased to report that four of our outgoing board members have nominated to continue on the CCRL Board for another year.

Brett Anderson
Chairman
Canberra Christian Radio Ltd
Canberra's 1WAY FM

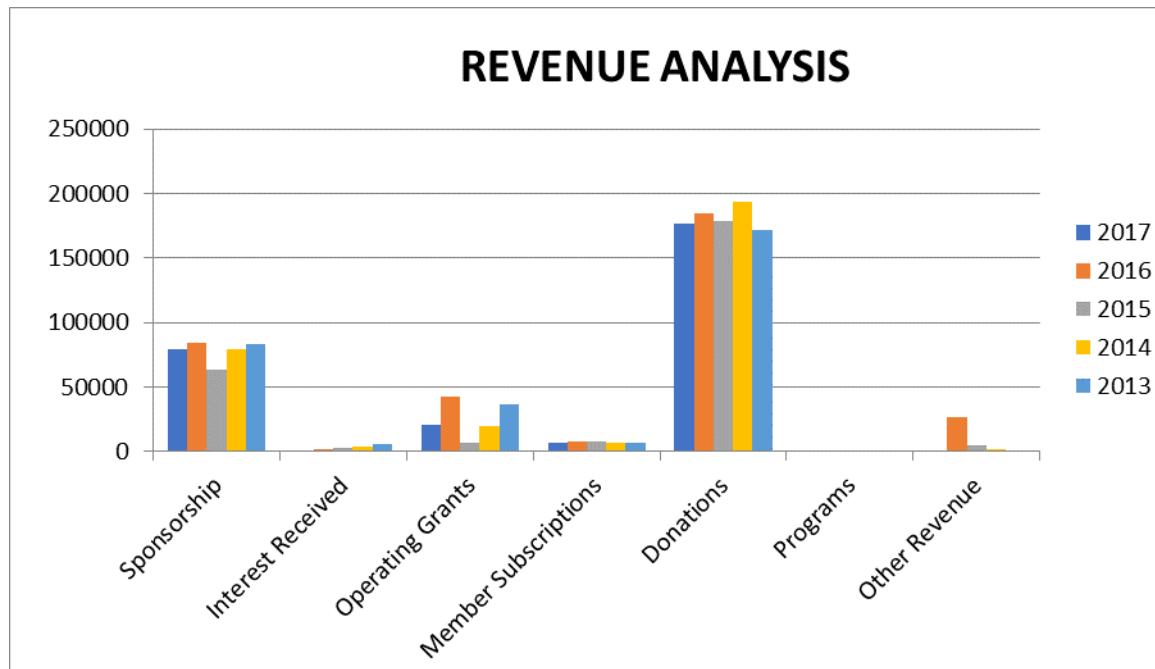
3 November 2017

Financial Analysis

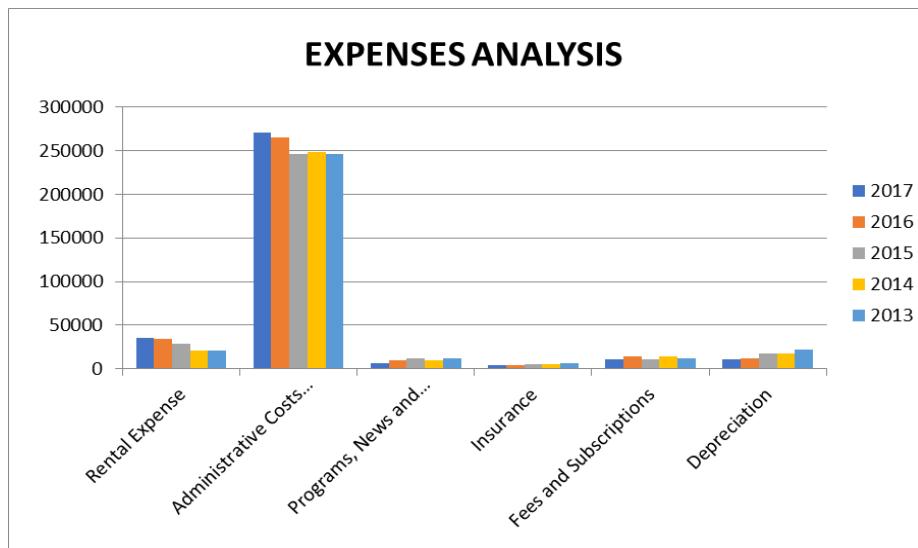
The following charts provide a précis of the financial position of CCRL over the last 5 years.



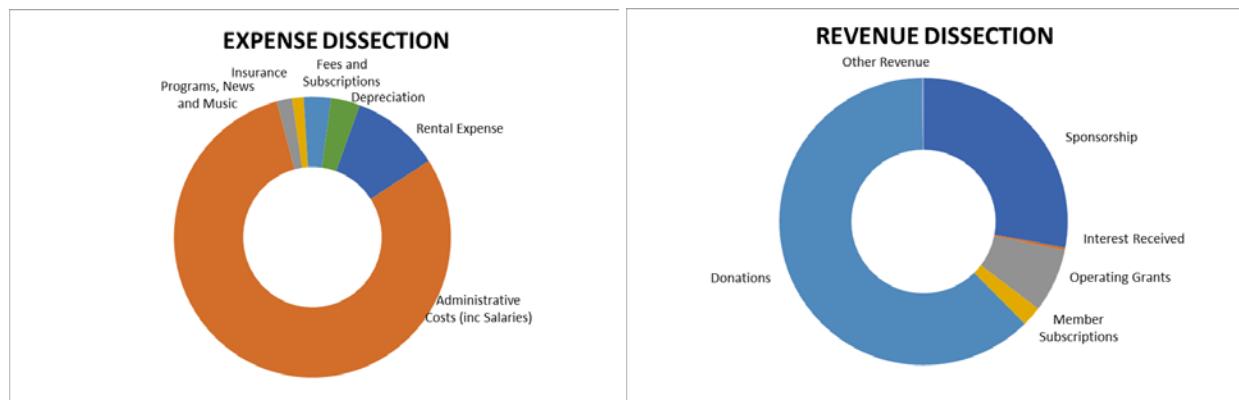
Looking at the revenue breakup, donations are still our major source of revenue.



The expenses breakdown shows expenses are similar to previous years albeit slightly higher on Rental Expenses and Administrative Costs.



The following graphs show a proportional breakdown of expenses and revenue for 2015/16 FY:



The following graph shows a modest recovery in our cash reserves in the 2015/16 financial year:

