APPENDIX 4E

Financial report for the year ended 30 June 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 June 2020 $'000	30 June 2019 $'000	Up/Down	Movement %
Total revenue	**163,680**	191,862	Down	**(14.7%)**
Earnings before interest, income tax, depreciation and amortisation (EBITDA)[1]	**20,272**	38,469	Down	**(47.3%)**
Depreciation and amortisation expenses	**(10,076)**	(11,879)	Down	**(15.2%)**
Impairment expenses	**(532)**	(14,018)	Down	**(96.2%)**
Operating profit	**9,212**	11,402	Down	**(19.2%)**
Net tax expense	**(2,601)**	(4,054)	Down	**(35.8%)**
Net profit for the period attributable to members	**6,611**	7,348	Down	**(10.0%)**

DIVIDEND INFORMATION	Amount per share	Franked amount per share	Tax rate for franking credit
Interim dividend 2020 (paid during current reporting period)	-	-	-
Final dividend 2020	-	-	-

There are no dividend or distribution reinvestment plans in operation.

EARNINGS PER SHARE	Current Period	Previous Corresponding Period
Basic EPS (cents)	**1.8**	2.0
Basic EPS excluding specific items (cents)	**1.8**	2.0
Net tangible assets per security (cents)[2]	**13.0**	11.4

The information in this Appendix 4E is based on the financial statements which have been audited by Ernst & Young. The financial statements include an independent auditor's report to the members of Prime Media Group Limited. Additional Appendix 4E disclosure requirements can be found in the Annual Report for Prime Media Group Limited and its controlled entities for the year ended 30 June 2020 including directors' report, financial statements and notes to the financial statements.

[1] The Group adopted AASB 16 *Leases* using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. EBITDA for the prior period has not been restated to reflect the change in accounting standard.
[2] Right-of-use assets have been excluded from net tangible assets.

PRIME MEDIA GROUP LIMITED

ABN 97 000 764 867

ANNUAL REPORT

YEAR ENDED
30 JUNE 2020

Corporate Information

ABN 97 000 764 867

This annual report covers both Prime Media Group Limited ("the Company") as an individual entity and the consolidated entity comprising Prime Media Group Limited and its subsidiaries ("the Group"). The Group's functional and presentation currency is AUD ($).

NAME	POSITION	DATE APPOINTED	DATE RETIRED/RESIGNED
Directors:			
Peter J. Macourt	Chair	1 September 2014	-
Ian R. Neal		6 June 2008	-
Cass A. O'Connor		21 April 2015	-
John K. Hartigan		15 May 2014	19 December 2019
Robbie L. Sefton		8 April 2019	13 February 2020
Ian C. Audsley	Chief Executive Officer	24 June 2010	-

Registered Office
363 Antill Street
Watson ACT 2602
Ph: 02 6242 3700

Share Register
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Ph: 1300 554 474

Prime Media Group Limited shares are listed on the Australian Securities Exchange (Listing Code PRT).

Bank
Australia and New Zealand Banking Group Limited (ANZ)

Auditors
Ernst & Young

Directors' Report

Your directors submit their report for the year ended 30 June 2020.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Peter J. Macourt
Non-Executive Chair and Director (appointed 1 September 2014)

Mr Macourt is a former Chair and non-executive director of Virtus Health Limited and Sky Network Television Limited. He is also a former director of FOXTEL and a former director and chief operating officer of News Limited and Independent Newspapers Limited. Mr Macourt was appointed Interim Chair of Prime Media Group Limited on 19 December 2019 and is a member of the Audit and Risk Committee and Remuneration and Nomination Committee.

Ian R. Neal
Non-Executive Director (appointed 6 June 2008)

Mr Neal is a Chair for the Executive Connection and consults on business strategy and implementation from a perspective of maximising shareholder value. Mr Neal was co-founder and managing director of Nanyang Ventures Pty Limited from 1993 to 2004. Mr Neal's professional background is in financial markets, commencing as an equities analyst and moving to various banking positions until establishing Nanyang Ventures. Mr Neal is a life member of the Financial Services Institute of Australia, a previous National President of The Securities Institute of Australia and was a member of the first Corporate Governance Council which established the Corporate Governance Guidelines. Mr Neal is Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Cass A. O'Connor
Non-Executive Director (appointed 21 April 2015)

Ms O'Connor has over 30 years' experience as a director of ASX listed companies, Federal and State government and unlisted entities. For the past 20 years she has managed her own corporate advisory company. Ms O'Connor is currently Chair of Carriageworks Limited, a shareholder and director of multi-award winning independent television and film production entity Goalpost Pictures; Chair of TRIBE, a leading influencer marketing and branded content generation platform; and Chair of Karista, a curated disability services provision platform. Ms O'Connor has previously worked for Bain & Co / Deutsche Bank, Turnbull & Partners, Goldman Sachs (Australia) and Carnegie, Wylie & Company. Ms O'Connor is Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

John K. Hartigan
Non-Executive Chair (appointed 15 May 2014, retired 19 December 2019)

Mr Hartigan headed News Corporation's Australian operations as Chair and Chief Executive Officer of News Limited (now known as News Corp Australia). He was also a director of FOXTEL and Chair of Australian News Channel, which owns and operates Sky News. Mr Hartigan is a trustee of the Sydney Cricket and Sports Ground Trust, a Lifetime Member of The Bradman Foundation, a director of the Australian Paralympic Committee and was previously Chair of Destination NSW.

Directors' Report

Robbie L. Sefton
Non-Executive Director (appointed 8 April 2019, resigned 13 February 2020)

Ms Sefton is a wool, meat and grain farmer, and managing director of Seftons, a national strategic marketing communications company based in Tamworth, NSW. Ms Sefton has been a member on the Reserve Bank of Australia's Small Business Finance Panel. She is currently the Deputy Chair of the National Australia Day Council and a board member of the newly created Cooperative Research Centre for High Performing Soils.

Ian C. Audsley
Chief Executive Officer (appointed 16 June 2010)
Executive Director (appointed 24 June 2010)

Mr Audsley has had over 30 years' experience in the television industry. He has held various senior roles at the Seven Network, Nine Network, TV3 New Zealand and Southern Cross Television.

Directors' Report

DIRECTORS' INTERESTS

The relevant interest of each director in the shares and performance rights issued by the Company at the date of this report is as follows:

NAME	ORDINARY SHARES
P.J. Macourt	-
I.R. Neal	40,000
C.A. O'Connor	75,000
I.C. Audsley	974,300

INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS WITH THE COMPANY

No director has any interest in any contract or proposed contract with the Company other than as disclosed elsewhere in this report.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships of other listed entities held by directors of the Company during the three years immediately before the end of the year are as follows:

DIRECTOR	COMPANY	PERIOD OF DIRECTORSHIP	
		From	**To**
P.J. Macourt	Sky Network Television Limited (Chair and Non-Executive Director)	August 2002	October 2019
	Virtus Health Limited (Non-Executive Chair)	June 2013	November 2019
I.R. Neal	Greatcell Solar Limited (formerly Dyesol Limited) (Non-Executive Chair)	September 2006	December 2018
C.A. O'Connor	McGrath Limited (Chair and Non-Executive Director)	December 2015	February 2018

COMPANY SECRETARY

John Palisi was Company Secretary during the reporting period. He has been a Chartered Accountant for over 20 years and is a graduate of the Australian Institute of Company Directors.

EARNINGS PER SHARE

	Cents
Basic earnings per share – Profit from Statutory earnings	**1.8**
Diluted earnings per share– Profit from Statutory earnings	**1.8**
Basic earnings per share – Profit from Core earnings	**1.6**
Diluted earnings per share – Profit from Core earnings	**1.6**

PRINCIPAL ACTIVITIES

The principal activities of Prime Media Group Limited during the year were the broadcast of free-to-air commercial television services in regional New South Wales, the Australian Capital Territory, regional Victoria, the Gold Coast area of Southern Queensland and regional Western Australia.

The majority of the Group's television programming is supplied through a program supply agreement with the Seven Network and broadcast under the PRIME7 brand on the east coast and the GWN7 brand in regional Western Australia.

Directors' Report

OPERATING AND FINANCIAL REVIEW

STATUTORY RESULTS

The Company's consolidated profit after tax attributable to the members for the year ended 30 June 2020 was $6,611,000, which represents a decrease of $737,000 or 10.0% on the prior year.

Total revenue of $163,680,000 declined $28,182,000 or 14.7% on the prior year. Revenue from contracts with customers was materially impacted by the COVID-19 pandemic, declining $16,705,000 or 34.7% in the final quarter of this financial year compared to the previous corresponding period. Revenue declines were recorded across national agency and local direct advertisers, as consumer sentiment weakened and advertiser categories such as retail, household furnishings and the motor vehicle sector declined. Changes to AFL fixtures and the broadcast also impacted Prime's advertising revenue opportunity.

During the financial year, the Company maintained its lead revenue share of 41.0% in the aggregated regional market of New South Wales and Victoria. Advertising revenue in the aggregated regional market of New South Wales and Victoria declined by 16.4% on the prior year, compared to the market, which declined 15.4% in the same period.

As a result of revenue declines in the final quarter of this financial year, the Company was eligible for the JobKeeper Payment subsidy totalling $2,976,000, which has been disclosed as Other Income in this financial year.

Cost of sales, including affiliation payments to the Seven Network under the program supply agreement, declined by $7,871,000 or 7.8% on the prior year. Affiliation payments made to the Seven Network are based on a percentage of gross advertising revenue.

Total operating expenses of $49,933,000 decreased by $2,011,000 or 3.9% on the prior period inclusive of one-off non-recurring costs associated with the proposed scheme of arrangement with the Seven Network of $1,583,000. Operating expenses were also impacted by the application of AASB 16 *Leases* during this reporting period. The change in accounting standard resulted in a decrease in operating expenses on the prior period of $1,568,000 and a corresponding increase in depreciation and interest expense.

Included in total operating expenses was a reduction in employee benefit expense of $2,572,000 or 7.4% on the prior year. The reduction in employee benefits expense was primarily due to measures taken as a result of the COVID-19 pandemic including key management agreeing a temporary reduction in base salary from May to September 2020 and forgoing short and long term incentives in respect of this financial year. Non-executive directors also agreed a temporary reduction in director fees. The Company enacted a hiring freeze during the pandemic and reduced work hours for employees whose duties were curtailed by the pandemic.

The Group's share of associate profits of $194,000 relates to joint ventures that broadcast Nine Entertainment programming in regional Western Australia and Mildura.

Earnings before interest, tax, depreciation, and amortisation of $20,272,000 decreased by $18,196,000 or 47.3% on the prior year.

DIVIDEND

The Company continues to suspend dividend payments. This decision has been taken due to the significant uncertainty in regional advertising markets.

Directors' Report

CORE NET PROFIT AFTER TAX

Core net profit after tax (non-IFRS measure) and before specific items of $6,038,000 (2019: $17,161,000), declined $11,123,000 or 64.8% on the previous corresponding period.

	2020 $'000	2019 $'000
Reported profit after tax	6,611	**7,348**
Impairment (non-cash)	532	**14,018**
Release of deferred tax liability arising from impairment	-	**(4,205)**
JobKeeper subsidy	(2,976)	-
Non-recurring legal and consulting expenses	1,583	-
Redundancies	43	-
Income tax benefit related to specific items	245	-
CORE NET PROFIT AFTER TAX AND BEFORE SPECIFIC ITEMS	**6,038**	**17,161**

SHAREHOLDER RETURNS

Core Earnings Per Share (cents per share)*	1.6	**4.7**
Statutory Earnings Per Share (cents per share)	1.8	**2.0**
Core Return on Assets (ROA) %*	7.2	**19.8**
Statutory Return on Assets (ROA) %	7.9	**8.5**
Weighted Average Cost of Capital (pre-tax) (%)	14.15	**12.96**
Weighted Average Cost of Capital (post-tax) (%)	14.15	**12.64**
Core Return on Equity (ROE) (%)*^	9.8	**31.3**
Statutory Return on Equity (ROE) (%)	10.8	**13.4**
Net Debt / Net Debt + Equity Ratio (%)	-	**14.9**
Share price ($)	0.09	**0.21**
Dividends per share (cents)	-	**-**
Total Shareholder Return (%)	(56.7)	**(27.6)**

** These returns have been calculated using core net profit after tax as set out within the Directors Report.*

^ Equity has been normalised for the impact of items disclosed as specific items.

STATEMENT OF FINANCIAL POSITION AND CASH FLOW

Net assets as at the reporting date of $61,352,000 included cash at bank of $17,148,000.

Net cash flow from operating activities of $28,892,000 improved $6,426,000 or 28.6% compared to the prior year. While revenue declined $28,182,000 or 14.7% on the prior year, receipts from customers declined $20,320,000 or 9.6% for the same period. The material decline in advertising revenues experienced in the final quarter of this financial year due to the impact of the COVID-19 pandemic is expected, in part, to reduce receipts from customer in the first quarter of the 2021 financial year. Receipts from customers also includes JobKeeper subsidies of $1,989,000.

Payments to suppliers and employees declined by $21,672,000 or 11.9% on the prior year inclusive of one-off non-recurring costs associated with the proposed scheme of arrangement with the Seven Network of $1,531,000. Affiliation fees paid to the Seven Network and payments to employees declined during the period. Included in the prior reporting period were one-off transitional spectrum licence fee payments of $6,215,000.

Net cash flows used in investing activities of $953,000 (2019: $2,581,000) relates to capital expenditure for the purchase of broadcast and computer equipment. During the reporting period, the Group received a repayment of loan funds from associates of $750,000 and paid loan funds to associates of $300,000.

CAPITAL STRUCTURE

The Group's secured bank loan facility was undrawn as at 30 June 2020 (30 June 2019: $16,000,000). During the reporting period, the debt facility limit was reduced to $20 million (2019: $30 million).

	2020 $'000	**2019 $'000**
Interest-bearing loan	**-**	16,000
Cash and short term deposits	**(17,148)**	(6,443)
Net (cash)/debt	**(17,148)**	9,557
Total equity	**61,352**	54,784
Total capital employed	**44,204**	64,341
Gearing	**-%**	14.9%

Directors' Report

RISK MANAGEMENT

The Group's approach to risk management is addressed in the Corporate Governance Statement, which is available on the Group's website www.primemedia.com.au/investors. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of strategic plans designed to meet stakeholders' needs and manage business risk; and
- implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including monitoring of financial and non-financial key performance indicators ('KPIs').

As part of its risk management framework, the Group has identified the following key material business risks that may affect the Group's financial performance:

- COVID-19 outbreaks may disrupt the broadcast of major sporting events, resulting in further declines in regional advertising revenues
- the impact of the COVID-19 pandemic on employees and operations and the potential for serious interruption to services
- a prolonged deterioration in general economic conditions as a result of the COVID-19 pandemic, resulting in a sustained downturn in regional advertising markets
- the continued decline in television audiences as a result of new media platforms and technologies and the resultant impact on television advertising revenues
- the increasing cost of content and continued access to quality programming
- the ability to attract and retain employees with relevant media experience.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the Group's state of affairs.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 30 June 2020 the Minister for Communications, Cyber Safety and the Arts announced that the Company was eligible under the Public Interest News Gathering Program (PING) for grant funding totaling $4,703,000. On 14 August 2020 the Company executed a PING funding agreement with the Commonwealth Government. The Company expects the grant funding to be available and grant obligations to apply over the 12 month period from the date of agreement.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board and Executive considers the future performance of the Group to be highly dependent on conditions in Prime's advertising markets in regional New South Wales and Victoria. Advertising revenues declined 34.7% in the final quarter of the 2020 financial year compared to the prior corresponding period in part due to government restrictions to limit the spread of the COVID-19 virus. At the time of preparing this report, the State of Victoria was experiencing Stage 4 restrictions, while New South Wales was at Stage 2 restrictions, resulting in an uncertain trading environment. Future trading conditions and advertising revenues are also expected to remain subdued given the current economic downturn.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the *Corporations Act 2001*, the directors disclose that the Company has a Directors' and Officers' Liability policy covering each of the directors and certain executive officers for liabilities incurred in the performance of their duties and as specifically allowed under the *Corporations Act 2001*. During the year, the Company paid premiums totalling $904,194 (2019: $563,974) in relation to the Directors' and Officers' Liability policy. The terms of the policy specifically prohibit the disclosure of any other details relating to the policy. The Company has also executed a deed of access, indemnity and insurance with Directors and Officers in their capacity for the Company, its subsidiaries and related parties.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' MEETINGS AND COMMITTEE MEMBERSHIP

The number of meetings of directors, including meetings of committees of directors, held during the year and the numbers of meetings attended by each Director were as follows:

	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Nomination Committee Meetings
Number of meetings held:	**30**	**2**	**2**
Number of meetings attended:			
P.J. Macourt	27	2	2
I.R. Neal	26	2	2
C.A. O'Connor	27	2	2
I.C. Audsley	30	-	-
J.K. Hartigan (retired 19 December 2019)	26[1]	-	-
R.L. Sefton (resigned 13 February 2020)	23[1]	-	-

[1]All directors were eligible to attend all meetings held, except J.K. Hartigan and R.L. Sefton, who were eligible to attend 26 directors' meetings during the year.

Directors' Report

Message from the Chair of the Remuneration and Nomination Committee

Dear Shareholder

On behalf of the Board of Prime Media Group I am pleased to present the Company's Remuneration Report for the financial year to 30 June 2020 in accordance with section 300A of the Corporations Act, outlining the nature and amount of remuneration for non-executive directors and key management personnel.

The 2020 financial year has been an incredibly difficult and challenging year for the Company and its senior management. While the Scheme of Arrangement with the Seven Network was not supported by key shareholders, the senior management team worked tirelessly to complete the Scheme timetable over a 4 month period, culminating in the shareholders meeting on 19 December 2019.

The second half of the financial year was underlined by the outbreak of the COVID-19 pandemic and bushfires in regional areas. As reported to you over past months, the COVID-19 pandemic materially impacted advertising revenues in the final quarter of this financial year. In response to the material and dramatic declines, senior management agreed to a temporary 20% reduction in base salary from May to September 2020 and to forgo short and long term incentives in respect of this financial year. Non-executive directors also agreed a temporary 20% reduction in director fees for the same period. The temporary reduction will be reviewed in September 2020.

Despite the difficult trading environment and significant disruption caused by the COVID-19 pandemic, the Company has been able to navigate through this difficult time, having strengthened its balance sheet by repaying its debt facility. Encouragingly, the Company has maintained a market leading revenue share of 41.0% in key markets.

As Chair of the Remuneration and Nomination Committee, I invite you to review the Remuneration Report and welcome your continued feedback and engagement.

Yours sincerely

Mr. Ian Neal
Non-Executive Director and Chair of Remuneration and Nomination Committee

REMUNERATION REPORT (AUDITED)

This Remuneration Report for the year ended 30 June 2020 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report is presented under the following sections:

1. Remuneration Report Overview
2. Remuneration Governance
    a. Remuneration and Nomination Committee
3. Executive Remuneration Arrangements
    a. Remuneration Principles and Strategy
    b. Remuneration Mix
4. Detail of Incentive Plans
    a. Short Term Incentive Entitlements and Outcomes
    b. Long Term Incentives
    c. Executive Remuneration Outcomes (including link to performance)
5. Executive Contracts
6. Non-Executive Director Remuneration

1. Remuneration Report Overview

The Remuneration Report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise).

For the purposes of this report, the term 'executive' includes the Chief Executive Officer (CEO), executive directors, senior executives, and secretaries of the Company and the Group. KMP for the year ended 30 June 2020 were:

KMP	POSITION	TERM AS KMP
Non-Executive Directors		
P.J. Macourt	Chair; Director	Full Year
I.R. Neal	Director	Full Year
C.A. O'Connor	Director	Full Year
J.K. Hartigan	Chair; Director	From 1 July 2019 to 19 December 2020
R.L. Sefton	Director	From 1 July 2019 to 13 February 2020
Executive KMP		
I. Audsley	CEO and Executive Director	Full Year
D. Walker	Group General Manager Sales and Marketing	Full Year
J. Palisi	Chief Financial Officer	Full Year

2. Remuneration Governance

a. Remuneration and Nomination Committee

The Board has appointed a Remuneration and Nomination Committee consisting of three independent non-executive directors (NEDs) to, amongst various responsibilities, review and make recommendations to the Board regarding:

- Executive management remuneration and incentives;
- Executive management performance against agreed performance targets; and
- The remuneration framework for directors.

During the financial year, the Remuneration and Nomination Committee held 2 meetings which were attended by all committee members.

The CEO and Company Secretary also attended the Remuneration and Nomination Committee meetings by invitation, where management input was required. The CEO and Company Secretary were not present during any discussions relating to their own remuneration arrangements. Further information on the Remuneration and Nomination Committee's role, responsibilities and membership is available at www.primemedia.com.au/investors.

3. Executive Remuneration Arrangements

a. Remuneration Principles and Strategy

The Company's executive remuneration strategy aims to attract, motivate and retain high performing individuals and align the interests of executives and shareholders. The Remuneration and Nomination Committee reviews total remuneration packages annually.

To this end, key objectives of the Company's reward framework are to ensure that remuneration practices:

- Are aligned to Prime Media Group's business strategy;
- Offer competitive remuneration;
- Provide strong linkage between individual and Group performance and rewards; and
- Align the interest of executives and shareholders.

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and aligned with market practice. When referencing the external market, the Company has regard for media sector wages and remuneration offered amongst the pool of candidates for which it must compete for talent.

b. Remuneration Mix

The following table represents target remuneration at grant assuming that all performance conditions are met. The relative proportions of senior executive remuneration are as follows:

NAME	FIXED REMUNERATION %	AT RISK STI %	AT RISK LTI %	TOTAL %	TOTAL AT RISK %
CEO and Executive Director					
I. Audsley	46%	30%	24%	100%	54%
Other KMP					
D. Walker	48%	32%	20%	100%	52%
J. Palisi	56%	22%	22%	100%	44%

The 'at risk' component of the CEO package was subject to achievement of both short term and long term performance requirements linked to the Company's strategy and long term shareholder wealth creation.

REMUNERATION COMPONENT	VEHICLE	PURPOSE	LINK TO PERFORMANCE
Fixed remuneration	Represented by total employment cost: comprises base salary, superannuation contributions and other discretionary and non-discretionary benefits.	To provide competitive fixed remuneration set with reference to the median of comparable external market roles.	Company and individual performance are considered during the annual review process.
STI component	Paid in cash.	Rewards KMP for their contribution to achievement of Group and business unit outcomes, as well as individual Key Performance Indicators (KPIs).	Core Net Profit After Tax (NPAT); Operational performance; A positive power ratio, which is a measure of the Company's share of revenue to the Company's share of audience; and Risk management including commitment to Work Health Safety.
LTI component	Prime Media Group Limited Cash Settled Performance Plan introduced to replace the performance rights plan.	Rewards KMP for their contribution to the creation of shareholder value over the longer term.	Performance is linked to achievement of STI targets over 3 financial years.

4. Detail of Incentive Plans

a. Short Term Incentive Entitlements and Outcomes

The Group operates an annual STI program that is available to key management personnel and awards a cash bonus subject to attainment of clearly defined Group wide, business unit and individual measures.

STI Performance Criteria

The actual STI payments awarded to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of KPIs covering financial and non-financial, corporate and individual measures of performance. A summary of the measures and weightings is set out below:

Performance measures	**Group financial performance measures:** Core NPAT	**Divisional financial performance measures:** Power ratio Revenue yield Expense Management Revenue Generation	**Non-Financial Measures:** Group Strategy Operational performance including: Audience share Commitment to risk management and Work Health Safety
Chief Executive Officer	40%	-%	60%
Group GM Sales and Marketing	9%	84%	7%
Chief Financial Officer	20%	60%	20%

KEY PERFORMANCE OBJECTIVES	**OUTCOMES**	**COMMENTARY**
Financial results	Not achieved Not achieved	Statutory net profit after tax of $6,611,000. Core net profit after tax of $6,038,000.
Maximising advertising revenue share and yield	Not achieved	Prime reported a power ratio of 0.099, which demonstrates that Prime's revenue share of 41.0% fell below its audience share of 41.3% in the aggregated regional market of New South Wales and Victoria.
Strategic priorities	Partially Achieved	Maintaining efforts for further media reform.
Risk management culture including promotion of work health safety	Achieved	The Executive Risk Management Committee continued to promote a companywide culture of risk management and work health safety.

After consideration of performance against KPIs, the Remuneration and Nomination Committee considers and recommends to the Board, on an annual basis, the amount, if any, of STI to be paid to each executive. The Board has agreed with KMP that STI payments will not be awarded this financial year due to the impact of the COVID-19 pandemic on the financial performance of the Group.

b. Long Term Incentives

The Prime Media Group Limited Cash Settled Performance Plan has been designed to reward KMP performance over a 3 year period by offering a potential entitlement to cash payments linked to the Group's share price performance and STI achievement over the same period.

The maximum long term incentives under the plan for the following KMP are as follows:

	Entitlement	Grant Date	Share Price at Grant	Maximum Value at Grant Date ($)	Vesting Date Tranche 1	Vesting Date Tranche 2	Vesting Date Tranche 3
Director							
I. Audsley – 2020	-	-	-	450,000	-	-	-
I. Audsley - 2019	1,204,282	12/12/2018	$0.2242	450,000	Aug 2020	Aug 2021	Aug 2022
I. Audsley - 2018	1,000,000	23/1/2018	$0.4200	420,000	Aug 2019	Aug 2020	Aug 2021
Executive							
D. Walker – 2020	-	-	-	189,000	-	-	-
D. Walker - 2019	281,771	12/12/2018	$0.2242	189,000	Aug 2020	Aug 2021	Aug 2022
D. Walker - 2018	443,926	23/1/2018	$0.4200	189,000	Aug 2019	Aug 2020	Aug 2021
J. Palisi – 2020	-	-	-	157,500	-	-	-
J. Palisi – 2019	561,998	12/12/2018	$0.2242	157,500	Aug 2020	Aug 2021	Aug 2022
J. Palisi – 2018	375,000	23/1/2018	$0.4200	157,500	Aug 2019	Aug 2020	Aug 2021

Under the cash-settled performance plan, eligible KMP will be granted notional share units, the value of which will vary with the Company's share price over a three year vesting period. The amount of notional share units that vest will be linked to the employee's STI performance measures as set by the Board at the beginning of each financial year. The entitlement vests in three equal tranches over three years. The value of notional share units at vesting will be equivalent to the Company's share price at the date of vesting.

As demonstrated in the table above, KMP have agreed to forgo their 2020 entitlement to a long term benefit under the cash settled plan due to the impact of the COVID-19 pandemic on the financial performance of the Group.

At the reporting date, $223,000 (2019: $423,000) had been accrued under the cash-settled performance plan in relation to the notional share units available from prior year entitlements which are yet to vest.

An employee will forfeit their entitlement to unvested notional share units if their employment ends prior to the vesting date. In the event of a change of control of the Company, an employee's notional share units will vest on a pro-rata basis at the share price value on the date of change of control.

In August 2019 all KMP met the vesting conditions for tranche 1 of the 2018 entitlement. Accordingly 606,308 notional share units from prior year entitlements vested and were paid to KMP in this reporting period (2019: nil) based on a share price of $0.1837.

c. Executive Remuneration Outcomes (including link to performance)

Company performance and its link to Short Term Incentives

As demonstrated in the table below, KMP have agreed to forgo STI payments for the 2020 financial year due to the impact of the COVID-19 pandemic on the financial performance of the Group. STI payments awarded for 2019 financial performance were paid in full to KMP in the 2020 financial year.

EXECUTIVE	FY20 STI Accrued	FY20 STI Award Pool	%	FY19 STI Paid in Cash	FY19 STI Award Pool	Paid %
I Audsley	-	550,000	-%	330,000	550,000	60.0%
D Walker	-	315,036	-%	106,124	317,500	33.4%
J Palisi	-	160,000	-%	128,000	160,000	80.0%
Total	**-**	**1,027,500**	**-%**	564,124	**1,027,500**	**54.9%**

LTI awards under the former performance rights plan

The Prime Media Group Limited Performance Rights Plan ended in the 2019 financial year. A final tranche of performance rights vested in the 2019 financial year, and as a result the Trustee of the Prime Media Group Limited Performance Rights Plan acquired 826,284 ordinary shares on market in the 2019 financial year for performance rights that were issued in 2015 and vested in September and November 2018. No performance rights or awards have been made in this financial year as the Prime Media Group Limited Performance Rights Plan has ended.

The Prime Media Group Limited Performance Rights Plan that ended in the 2019 financial year had adopted the following performance measures for the vesting of LTI performance rights:

- Core EPS (defined as statutory EPS before specific non-core items); and
- Maintenance or growth of the power ratio greater than 1.

Directors' Report

Table 1: Remuneration for the year ended 30 June 2020

	SHORT-TERM BENEFITS				POST EMPLOYMENT	LONG-TERM BENEFITS	CASH SETTLED PERFORMANCE PLAN EXPENSE[4]	TOTAL	PERFORMANCE RELATED
	Salary & Fees[1]	Annual Leave[2]	Cash Bonus	Non-cash Benefit	Superannuation	Long Service Leave Provision[3]			
	$	$	$	$	$	$	$	$	%
Non-executive directors									
P.J Macourt (Chair) – appointed 19 December 2019	87,267	-	-	-	8,290	-	-	95,557	0.0%
J.K Hartigan (Chair) – retired 19 December 2019	43,555	-	-	-	4,138	-	-	47,693	0.0%
I.R Neal	93,027	-	-	-	-	-	-	93,027	0.0%
C.A O'Connor	84,956	-	-	-	8,071	-	-	93,027	0.0%
R.L Sefton - resigned 13 February 2020	54,724				5,199	-	-	59,923	0.0%
Total non-executive directors	363,529	-	-	-	25,698	-	-	389,227	0.0%
Executive directors									
I. Audsley	837,843	74,374	-	5,166	21,003	75,137	(52,641)	960,882	(5.5%)
Key management personnel									
D. Walker	465,590	6,842	-	6,626	21,003	21,679	(31,270)	490,470	(6.4%)
J. Palisi	405,656	38,351	-	14,442	21,003	21,862	(4,930)	496,384	(1.0%)
Total executive KMP	1,709,089	119,567	-	26,234	63,009	118,678	(88,841)	1,947,736	(4.6%)
TOTAL	2,072,618	119,567	-	26,234	88,707	118,678	(88,841)	2,336,963	(3.8%)

[1] The amounts disclosed include the 20% reduction in salary and fees effective 10 May 2020 due to COVID-19 trading conditions.
[2] The amounts disclosed under this category represent amounts that accrued to each KMP during the year, by virtue of their service, less amounts for annual leave taken.
[3] The amounts disclosed under this category represents amounts that accrued to each KMP during the year by virtue of their service and do not represent payments made to KMP.
[4] Cash settled performance plan expense represents amounts expensed under the performance plan and do not represent actual amounts paid to KMP. Amounts expensed in the financial year are negative due to the fair value remeasurement of the liability based on best estimates of the number of awards expected to vest and the prevailing share price at the reporting date.

Directors' Report

Table 2: Remuneration for the year ended 30 June 2019

	SHORT-TERM BENEFITS				POST EMPLOYMENT	LONG-TERM BENEFITS	EQUITY SETTLED SHARE BASED PAYMENTS EXPENSE[3]	CASH SETTLED PERFORMANCE PLAN EXPENSE[4]	TOTAL	PERFORMANCE RELATED
	Salary & Fees	Annual Leave[1]	Cash Bonus	Non-cash Benefit	Superannuation	Long Service Leave Provision[2]				
	$	$	$	$	$	$	$	$	$	%
Non-executive directors										
J.K Hartigan (Chair)	**91,324**	**-**	**-**	**-**	**8,676**	**-**	**-**	**-**	**100,000**	**0.0%**
I.R Neal	**95,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**95,000**	**0.0%**
P.J Macourt	**86,758**	**-**	**-**	**-**	**8,242**	**-**	**-**	**-**	**95,000**	**0.0%**
C.A O'Connor	**86,758**	**-**	**-**	**-**	**8,242**	**-**	**-**	**-**	**95,000**	**0.0%**
R.L Sefton - appointed 8 April 2019	**21,690**				**2,061**	**-**	**-**	**-**	**23,751**	**0.0%**
Total non-executive directors	**381,530**	**-**	**-**	**-**	**27,221**	**-**	**-**	**-**	**408,751**	**0.0%**
Executive directors										
I. Audsley	**855,613**	**27,401**	**330,000**	**10,428**	**20,531**	**78,841**	**37,577**	**162,750**	**1,523,141**	**34.8%**
Key management personnel										
D. Walker	**483,055**	**6,843**	**106,124**	**7,428**	**20,531**	**19,040**	**12,033**	**63,788**	**718,842**	**25.3%**
J. Palisi	**414,260**	**7,670**	**128,000**	**9,635**	**20,531**	**27,719**	**7,964**	**53,165**	**668,944**	**28.3%**
Total executive KMP	**1,752,928**	**41,914**	**564,124**	**27,491**	**61,593**	**125,600**	**57,574**	**279,703**	**2,910,927**	**31.0%**
TOTAL	**2,134,458**	**41,914**	**564,124**	**27,491**	**88,814**	**125,600**	**57,574**	**279,703**	**3,319,678**	**27.2%**

[1] The amounts disclosed under this category represent amounts that accrued to each KMP during the year, by virtue of their service, less amounts for annual leave taken.

[2] The amounts disclosed under this category represents amounts that accrued to each KMP during the year by virtue of their service and do not represent payments made to KMP.

[3] Equity settled share-based payments expense represents amounts accrued for performance rights issued under the Prime Media Group Limited Performance Rights Plan that ended in the 2019 financial year that have not vested and do not represent payments made to KMP.

[4] Cash settled performance plan expense represents amounts expensed under the performance plan and do not represent actual amounts paid to KMP. Amounts expensed in the financial year are based on the fair value remeasurement of the liability based on best estimates of the number of awards expected to vest and the prevailing share price at the reporting date.

Table 3: Prime Media Group Limited Performance Rights Plan Ended in the 2019 Financial Year

The Prime Media Group Limited Performance Rights Plan ended in the 2019 financial year with no performance rights granted during the 2020 or 2019 financial year. The following performance rights vested and/or lapsed during the 2019 financial year:

2019	Grant Date	Vesting Date	VESTED Number	LAPSED Number
Director				
I. Audsley	10/11/2015	10/11/2018	449,800	300,200
Executive				
D. Walker	21/9/2015	21/09/2018	226,551	151,202
J. Palisi	21/9/2015	21/09/2018	149,933	100,067
TOTAL			**826,284**	**551,469**

Table 4: Performance rights holdings of KMP

As demonstrated in the table below, the Prime Media Group Limited Performance Rights Plan ended in the prior reporting period and there are no outstanding rights to shares at the balance date.

2019	Balance 1 July 2018	Granted as remuneration	Performance rights exercised	Performance rights lapsed	Performance rights forfeited	Balance 30 June 2019	Exercisable	Not exercisable
Director								
I. Audsley	750,000	-	449,800	300,200	-	-	-	-
Executive								
D. Walker	377,753	-	226,551	151,202	-	-	-	-
J. Palisi	250,000	-	149,933	100,067	-	-	-	-
TOTAL	**1,377,753**	**-**	**826,284**	**551,469**	**-**	**-**	**-**	**-**

Table 5: Value of performance rights granted, exercised, lapsed or cancelled during the previous financial year

	Value of performance rights granted during the prior year^	Value of performance rights exercised during the prior year*	Value of performance rights lapsed during the prior year^	Value of performance rights cancelled during the prior year
	$	$	$	$
I. Audsley	-	102,349	124,883	-
D. Walker	-	36,901	64,377	-
J. Palisi	-	55,757	42,605	-
TOTAL	**-**	**195,007**	**231,865**	**-**

^ Determined at the time of grant per AASB 2.

* Determined at the time of exercise.

There were no alterations to the terms and conditions of performance rights granted as remuneration since their grant date. The maximum grant payable assuming that all service and performance criteria were met, was equal to the number of rights granted multiplied by the fair value at the grant date.

Table 6: Equity holdings and transactions

Non-Executive Director	Balance at start of the year	Shares granted on exercise of rights	Purchases and other changes during the year	Other Movements[1]	Balance at the end of the year
P.J Macourt	-	-	-	-	-
I.R Neal	**40,000**	-	-	-	**40,000**
C.A O'Connor	**75,000**	-	-	-	**75,000**
J.K Hartigan (retired 19 December 2019)	**42,750**	-	-	**(42,750)**	-
Executive Director					
I. Audsley	**974,300**	-	-	-	**974,300**
Key Management Personnel					
D. Walker	-	-	-	-	-
J. Palisi	**168,992**	-	-	-	**168,992**

[1]Other movements relate to the retirement of John Hartigan as Chair and non-executive director of the Company on 19 December 2019.

The Prime Media Group Security Trading Policy applies to all NEDs and executives. The policy prohibits officers and employees from dealing in Company securities in a way that breaches insider trading laws or would compromise confidence in Prime's investor practices. This policy is publicly disclosed and available at www.primemedia.com.au/investors.

5. Executive Contracts

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below:

NAME	NOTICE PERIOD	TERMINATION PAYMENT
CEO AND EXECUTIVE DIRECTOR		
I. Audsley	12 months	12 months (fixed remuneration)
OTHER KMP		
D. Walker	End of contract	Maximum of 6 months
J. Palisi	6 months	6 months (fixed remuneration)

Under the Prime Media cash settled long term incentive plan where a participant leaves before all Notional Share Units vest and becomes a good leaver the Board determines in its sole and absolute discretion to allow some or all of those Notional Share Units to vest. Under other leaver circumstances, such as termination for cause, all unvested Notional Share Units will lapse and be forfeited.

6. Non-Executive Director Remuneration

Remuneration Policy

The Board seeks to aggregate remuneration at the level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

All of the current NEDs carry an initial contract duration of three years that remains subject to their re-election by shareholders. The employment contracts for NEDs do not carry notice provisions or termination entitlements. Board fees are set with reference to comparable ASX-listed companies. The Company does not currently provide securities as part of NED remuneration and shareholder approval would be sought for this form of remuneration to be paid.

The amount of the aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed from time to time against fees paid to NEDs of comparable companies. The Board also considers advice from external consultants when undertaking the review process. The aggregate fees paid to NEDs in the 2020 financial year were $363,529 (excluding superannuation).

In May 2020 NEDs agreed a temporary 20% reduction in directors' fees for the period to September 2020 due to the adverse impact of the COVID-19 pandemic on the financial performance of the Group. The temporary reduction will be reviewed in September 2020. As a result NED fees for the 2021 financial year are estimated to be up to $282,939, which is less than the determination made at the Annual General Meeting held in November 2007 when shareholders approved an aggregate fee pool of $750,000 per annum (excluding superannuation).

Structure

NED remuneration consists of fixed annual directors' fees only and therefore NED's are not entitled to receive performance-based remuneration or any other entitlements that may be perceived to compromise their independence.

The rates and fees (inclusive of superannuation contributions) for the NEDs in 2020 financial year is as follows:

BOARD POSITION	ANNUALISED FEE
Chair	$100,000
NED Base Fee	$95,000
Committee Chair	Nil
Committee Member	Nil

As set out in Table 1 actual director fees paid during the financial year were less than the annualised fee due to the COVID-19 pandemic. Non-executive directors have agreed a temporary 20% reduction in annualised fees for the period May to September 2020.

Remuneration Consultants

To ensure the Board is fully informed when making decisions, the Remuneration and Nomination Committee has formalised policies that govern arrangements to engage independent remuneration consultants to provide independent advice and, where required, to make remuneration recommendations, free from the undue influence by members of the KMP.

Having undertaken a significant review of KMP remuneration during the 2018 financial year, the Committee did not engage remuneration consultants in this financial year or the prior year.

ADDITIONAL STATUTORY DISCLOSURES

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Auditor Independence and Non-Audit Services

The Directors have received and are satisfied with the 'Auditor's Independence Declaration' provided by the Company's external auditors, Ernst & Young, which is included on page 24.

Non-Audit Services

The following non-audit services were provided by the Group's auditor, Ernst & Young. The directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that the auditor's independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance services	29,757
Assurance services not required by regulation	222,860
Total	**252,617**

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Prime Media Group Limited support and have, unless otherwise disclosed in the corporate governance statement, adhered to the principles of corporate governance. The Company's corporate governance statement is available on the Company website www.primemedia.com.au/investors.

Signed in accordance with a resolution of the directors.

C. A. O'Connor
Director

Sydney, 27 August 2020

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Building a better working world

Auditor's Independence Declaration to the Directors of Prime Media Group Limited

As lead auditor for the audit of the financial report of Prime Media Group Limited for the financial year ended 30 June 2020, I declare 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.

This declaration is in respect of Prime Media Group Limited and the entities it controlled during the financial year.

Ernst & Young

Michael J Wright
Partner
27 August 2020

Table of Contents

For the Year Ended 30 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	NOTES	CONSOLIDATED 2020 $'000	2019 $'000
Revenue and other income			
Revenue from contracts with customers	2	159,850	190,674
Interest income	2	75	141
Other income	2	3,755	1,047
Total revenue and other income		163,680	191,862
Cost of sales		(93,594)	(101,465)
Gross profit		70,086	90,397
Broadcasting and transmission expenses		(40,297)	(41,546)
Administration and marketing expenses		(9,636)	(10,398)
Depreciation and amortisation	3	(10,076)	(11,879)
Impairment expense	8,14	(532)	(14,018)
Operating Profit		9,545	12,556
Finance costs	3	(527)	(1,310)
Share of associate profits	22	194	156
Profit before income tax		9,212	11,402
Income tax expense	5	(2,601)	(4,054)
Profit for the year		6,611	7,348
Profit for the year		6,611	7,348
Total comprehensive income for the year		6,611	7,348
Profit attributable to owners of the parent		6,611	7,348
Total comprehensive income attributable to owners of the parent		6,611	7,348
Basic Earnings per share (cents per share)	6	1.8	2.0
Diluted Earnings per share (cents per share)	6	1.8	2.0

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2020

	NOTES	CONSOLIDATED	
		2020	2019
		$'000	$'000
ASSETS			
Current Assets			
Cash and short term deposits	7	17,148	6,443
Trade and other receivables	9	27,256	37,323
Intangible assets	8	3,000	3,000
Current tax asset	5	-	1,594
Other assets	10	4,905	4,711
		52,309	53,071
Assets classified as held for sale	21	-	645
Total Current Assets		52,309	53,716
Non-Current Assets			
Investment in associates	22	121	377
Property, plant and equipment	14	18,696	22,358
Right-of-use assets	11	4,689	-
Intangible assets	8	6,160	9,878
Deferred tax assets	5	871	-
Other assets	10	488	501
Total Non-Current Assets		31,025	33,114
Total Assets		83,334	86,830
LIABILITIES			
Current Liabilities			
Trade and other payables	12	9,864	9,898
Lease liabilities	11	1,606	-
Provisions	13	5,931	4,601
Current tax liabilities	5	31	-
Total Current Liabilities		17,432	14,499
Non-Current Liabilities			
Trade and other payables	12	792	930
Interest-bearing loans and borrowings	15	-	16,000
Lease liabilities	11	3,295	-
Provisions	13	463	600
Deferred income tax Liabilities	5	-	17
Total Non-Current Liabilities		4,550	17,547
Total Liabilities		21,982	32,046
Net Assets		61,352	54,784
EQUITY			
Equity attributable to equity holders of the parent interest			
Contributed equity	17	310,262	310,262
Reserves	19	27,180	20,785
Accumulated losses	19	(276,090)	(276,263)
Parent Interests		61,352	54,784
Total Equity		61,352	54,784

The above Consolidated Statement of Financial Position should be read in conjunction with accompanying notes.

Consolidated Statement of Changes in Equity

As at 30 June 2020

	Issued Capital $'000	Accumulated Losses $'000	Employee Benefits Reserve $'000	Profits Reserve $'000	Total Parent Entity Interest $'000
At 1 July 2019	**310,262**	**(276,263)**	**3,722**	**17,063**	**54,784**
Effect of adoption of AASB 16 (refer Note 1)	-	(43)	-	-	(43)
At 1 July 2019 (restated)	**310,262**	**(276,306)**	**3,722**	**17,063**	**54,741**
Profit for the period	-	6,611	-	-	6,611
Profits reserved	-	(6,395)	-	6,395	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income and expense for the period	-	216	-	6,395	6,611
At 30 June 2020	**310,262**	**(276,090)**	**3,722**	**23,458**	**61,352**

	Issued Capital $'000	Accumulated Losses $'000	Employee Benefits Reserve $'000	Profits Reserve $'000	Total Parent Entity Interest $'000
At 1 July 2018	**310,262**	**(280,813)**	**4,091**	**14,265**	**47,805**
Profit for the period	-	7,348	-	-	7,348
Profits reserved	-	(2,798)	-	2,798	-
Total comprehensive income and expense for the period	-	4,550	-	2,798	7,348
Transactions with equity holders in their capacity as equity holders:		-			
Exercise of performance rights	-	-	(195)	-	(195)
Share-based payments credit	-	-	(174)	-	(174)
At 30 June 2019	**310,262**	**(276,263)**	**3,722**	**17,063**	**54,784**

The above Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2020

	NOTES	CONSOLIDATED	
		2020 $'000	2019 $'000
OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		191,752	212,072
Payments to suppliers and employees (inclusive of GST)		(160,523)	(182,195)
Interest received		82	141
Interest paid		(514)	(940)
Income tax paid		(1,905)	(6,612)
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	28,892	22,466
INVESTING ACTIVITIES			
Purchase of property, plant & equipment and intangible assets		(953)	(2,581)
Purchase of program rights	8	-	(15,000)
Loan funds received from related entities		750	1,000
Loan funds paid to related entities		(300)	(150)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(503)	(16,731)
FINANCING ACTIVITIES			
Proceeds from borrowings		18,000	95,000
Repayments of borrowings		(34,000)	(105,000)
Payment of principal portion of lease liabilities		(1,564)	-
Debt facility establishment fees		(120)	-
Share-based payments – performance rights exercised		-	(195)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(17,684)	(10,195)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10,705	(4,460)
Cash and cash equivalents at beginning of period		6,443	10,903
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7	17,148	6,443

The above Consolidated Statement of Cash Flows should be read in conjunction with accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial report of Prime Media Group Limited (the "Company") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 27 August 2020.

Prime Media Group Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of both Prime Media Group Limited ("the Company") as an individual entity and the consolidated entity comprising Prime Media Group Limited and its subsidiaries ("the Group") are described in the Directors' Report.

(a) BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements from the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under the Australian Securities and Investment Commission (ASIC) Legislative Instrument 2016/191. The Company is an entity to which this Legislative Instrument applies.

The consolidated financial statements provide comparative information in respect of the previous period.

Significant accounting policies are provided throughout the notes to the financial statements.

(b) COMPLIANCE WITH AUSTRALIAN ACCOUNTING STANDARDS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) CHANGES IN ACCOUNTING POLICIES, DISCLOSURES, STANDARDS AND INTERPRETATIONS

Changes in accounting policy and disclosures

The Group adopted all new and amended Australian Accounting Standards and Interpretations that became applicable during the current financial year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, AASB 16 *Leases* and AASB Interpretation 23 *Uncertainty Over Income Tax Treatments*. The nature and effect of this change is disclosed below.

Several other amendments and interpretations apply from 1 July 2019, but do not have an impact on the consolidated financial statements of the Group.

All other accounting policies adopted are consistent with those of the previous financial year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following significant Australian Accounting Standards and Interpretations have recently been issued or amended, but are not yet effective:

Reference	Title	Application date of standard	Application date for Group
Conceptual Framework AASB 2019-1	Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards – Reference to the Conceptual Framework	1 January 2020	1 July 2020
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	1 July 2020
AASB 2019-5	Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020	1 July 2020
AASB 2020-4	Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions	1 June 2020	1 July 2020
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022	1 July 2022

The Group has elected not to early adopt any of the new standards or amendments in these financial statements. The Group does not expect the new standards or amendments will have a significant impact when applied in future periods.

AASB 16 *Leases*

AASB 16 *Leases* supersedes AASB 117 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under AASB 16 *Leases* is substantially unchanged from AASB 117 *Leases*. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117 *Leases*. Therefore, AASB 16 *Leases* does not have a material impact for leases where the Group is the lessor.

The Group adopted AASB 16 *Leases* using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying AASB 117 *Leases* and AASB Interpretation 4 at the date of initial application.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

AASB 16 *Leases* (continued)

The effect of adoption of AASB 16 *Leases* as at 1 July 2019 (increase/(decrease)) is as follows:

	1 JULY 2019 $'000
ASSETS	
Right-of-use assets	**5,256**
Prepayments	**(3)**
Total Assets	**5,253**
LIABILITIES	
Lease liabilities	**5,394**
Deferred tax liabilities	**41**
Trade and other payables	**(139)**
Total Liabilities	**5,296**
Total adjustment on equity:	
Accumulated losses	43
Total Equity	**43**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Nature of the effect of adoption of AASB 16 *Leases*

The Group has lease contracts for various office buildings, transmission sites, motor vehicles and other equipment. Before the adoption of AASB 16 *Leases*, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the short-term lease exemption to leases with lease term that ends within 12 months of the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 July 2019:

- 'Right-of-use assets' of $5,256,000 were recognised and presented separately in the statement of financial position.
- Lease liabilities of $5,394,000 were recognised and presented separately in the statement of financial position.
- 'Prepayments' of $3,000 and 'Trade and other payables' of $139,000 related to previous operating leases were derecognised.
- 'Deferred tax liabilities' increased by $41,000 as a result of the deferred tax impact of the changes in recognised lease related assets and liabilities.
- 'Accumulated losses' increased due to the net impact of these adjustments.

Lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019, as follows:

	$'000
Operating lease commitments as at 30 June 2019	**22,745**
Weighted average incremental borrowing rate as at 1 July 2019	**2.96%**
Discounted operating lease commitments as at 1 July 2019	**20,946**
Less:	
Commitments relating to short-term leases	**(524)**
Commitments relating to agreements that do not satisfy all the requirements of AASB 16 *Leases*[1]	**(16,071)**
Add:	
Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	**1,043**
Lease liabilities as at 1 July 2019	**5,394**

[1]Represents service arrangements in relation to transmission agreements which were included as commitments in the financial statements at 30 June 2019 that have been assessed under AASB 16 *Leases* as not being a lease.

b) **Summary of new accounting policies**

Set out below are the new accounting policies of the Group upon adoption of AASB 16 *Leases*:

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (below $5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Set out below are the AASB 117 *Leases* policies that apply to the comparative period:

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) **Summary of new accounting policies (continued)**

Group as a Lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Finance leases are capitalised at the lease's inception at the lower of fair value of the leased property or the estimated present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Group as a Lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 *Income Taxes*. It does not apply to taxes or levies outside the scope of AASB 112 *Income Taxes*, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions. The Group did not identify any uncertain tax positions. The Interpretation did not have an impact on the consolidated financial statements of the Group.

2. REVENUE

	2020 $'000	2019 $'000
Advertising and other external revenue	**159,850**	190,674
Finance income	**75**	141
Other income	**3,755**	1,047
	163,680	191,862
Breakdown of finance income:		
Interest received	**75**	141
	75	141
Breakdown of other income:		
Government grants including JobKeeper Payment	**3,114**	139
Other revenues	**641**	908
	3,755	1,047

During the reporting period the Group recognised Other Income from the JobKeeper Payment subsidy totalling $2,976,000. At the reporting date the Group is eligible for assistance under the JobKeeper Payment subsidy for the period 31 March to 27 September 2020.

ACCOUNTING POLICY

Revenue from contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. As a television broadcaster, the Group contracts with media buyers and media agencies for the sale of advertising airtime to third party advertisers. Under AASB 15, the Group determines whether its performance obligation is to provide the good or service to media buyers and media agencies as the Group's customers, or whether the Group's customers are the third party advertisers. The Group's customers are media buyers and media agencies and accordingly advertising revenue is recognised net of agency commission since this is treated as a payment made to a customer. The specific recognition criteria described below must also be met before revenue is recognised:

Revenue Class	Recognition Criteria
Advertising revenue	Revenue is recognised when the commercial advertisement has been broadcast. Where the Group has committed to delivering a specific viewer metric for an advertising campaign, then revenue for this performance obligation will be recognised when the viewer metric has been achieved. Advertising revenue is recognised net of agency commission.
Advertising production revenue	Revenue is recognised when the production is complete and the customer invoiced.
Sales representation revenue	The performance obligation is satisfied when the advertising airtime is broadcast.

2. REVENUE (CONTINUED)

Other Revenue	
Government grants	Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions have been complied with.
i) Reimbursement of expense	Recognised in profit or loss on a systematic basis over the periods the related costs, which it is intended to compensate, are expensed.
ii) Reimbursement for cost of asset	Recognised in profit or loss over the useful life of the related asset on a systematic basis. When the Group receives grants of non-monetary assets, the assets and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.
Rental income	Rental income is recognised on a straight-line basis over the term of the lease.
Interest income	Interest revenue is recognised as it accrues, based on the effective yield of the financial asset.

3. EXPENSES

	2020 $'000	2019 $'000
Finance Expenses		
Interest on debt and borrowings	**527**	1,310
	527	1,310
Employee Benefit Expense		
Wages and salaries	**26,555**	27,211
Sales commissions and incentives	**1,931**	3,496
Superannuation expense	**2,360**	2,511
Share-based payments release	**-**	(174)
Other employee benefits expense	**1,236**	1,610
	32,082	34,654
Other Expenses		
Bad debts and expected credit losses and credit notes – trade debtors	**11**	114
Minimum lease payments – operating leases	**299**	8,100
Depreciation and Amortisation Expense		
Property, plant and equipment depreciation	**4,588**	4,975
Right-of-use assets depreciation	**1,639**	-
Program rights amortisation	**3,000**	4,667
Intangibles amortisation	**849**	2,237
	10,076	11,879

ACCOUNTING POLICY

Borrowing Costs

Borrowing costs are expensed in the period incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Operating Leases

Minimum lease payments in the current year are for low value assets and short-term leases that are expected to complete in less than 12 months and are recognised as an expense. In the prior year operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

4. OPERATING SEGMENTS

ACCOUNTING POLICY

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to assess performance, make resource allocation decisions and for which discrete financial information is available.

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group operates as a single regional free-to-air television broadcasting segment. The Group holds commercial television licences to broadcast in regional New South Wales, the Australian Capital Territory, regional Victoria, the Gold Coast area of Southern Queensland and regional Western Australia. The majority of the Group's television programming is supplied through a program supply agreement with the Seven Network and broadcast in regional areas under the PRIME7 brand on the east coast of Australia and the GWN7 brand in regional Western Australia.

The Board and Executive monitor the operating performance of the segment based on internal reports and discrete financial information that is reported to the Board on at least a monthly basis.

5. INCOME TAX

The major components of income tax expense are:

	2020	2019
	$'000	$'000
Consolidated Statement of Profit or Loss		
Current income tax		
Current income tax charge	**3,703**	5,813
Adjustments in respect of current income tax of previous years	**(173)**	(105)
Deferred income tax		
Relating to origination and reversal of temporary differences	**(958)**	(1,762)
Adjustments in respect of deferred income tax of previous years	**29**	108
Income tax expense in the Consolidated Statement of Profit or Loss	**2,601**	4,054

5. INCOME TAX (CONTINUED)

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by Australia's domestic income tax rate is as follows:

	2020 $'000	2019 $'000
Accounting profit before income tax	**9,212**	11,402
Prima facie tax expense at 30% (2019: 30%)	**2,764**	3,421
Expenses not deductible for tax	**123**	404
Income not assessable for tax	**(148)**	(202)
Adjustments in respect of tax of previous years	**(144)**	3
Derecognition of DTA	**6**	428
Income tax expense reported in the Statement of Profit or Loss	**2,601**	4,054
Effective tax rate	**28.2%**	**35.6%**

DEFERRED TAX ASSETS AND LIABILITIES

	2020 $'000 Current Income Tax	2020 $'000 Deferred Income Tax	2019 $'000 Current Income Tax	2019 $'000 Deferred Income Tax
Opening balance	**1,594**	**(17)**	690	(1,821)
Effect of adoption of new standards (Note 1)	**-**	**(41)**	-	149
Charged to income	**(3,530)**	**929**	(5,708)	1,655
Other payments and receipts	**1,905**	**-**	6,612	-
Closing balance	**(31)**	**871**	1,594	(17)
Tax expense in statement of profit or loss and other comprehensive income		**2,601**		4,054
Amounts recognised in the statement of financial position:				
Deferred tax asset		**871**		-
Deferred tax liability		**-**		(17)
		871		(17)

	Statement of Financial Position	
	2020	2019
	$'000	$'000
Deferred income tax as at 30 June relates to the following:		
Deferred tax liabilities		
Accelerated depreciation for tax	**(18)**	(25)
Right-of-use assets	**(1,407)**	-
Prepaid expenses deductible for tax	**(137)**	(359)
Income not yet assessable for tax	**(242)**	(3)
Intangible assets – Program Rights deductible for tax	**(2,700)**	(3,600)
	(4,504)	(3,987)
Set-off of deferred tax assets	**4,504**	3,970
Net deferred tax liabilities	**-**	(17)
Deferred income tax as at 30 June relates to the following:		
Deferred tax assets		
Expenses not yet deductible for tax	**2,794**	3,119
Deferred income	**279**	320
Lease liabilities	**1,470**	-
Difference between accounting and tax write off	**832**	531
	5,375	3,970
Set-off of deferred tax liabilities	**(4,504)**	(3,970)
Net deferred tax assets	**871**	-

Notes to the Financial Statements

For the Year Ended 30 June 2020

5. INCOME TAX (CONTINUED)

INCOME TAX LOSSES

		2020 $'000	2019 $'000
(a)	Deferred tax assets arising from tax losses of a controlled entity which at balance date are recognised as being highly probable of recovery. These losses relate to the Australian Tax Consolidated Group.	-	-

TAX CONSOLIDATION

(i) Members of the tax consolidated group and the tax sharing arrangements

Effective 1 July 2002, for the purposes of income taxation, Prime Media Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group. Prime Media Group Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) Tax effect accounting by members of the consolidated group

Measurement method adopted under UIG 1052 *Tax Consolidation Accounting*

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group Allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and deferred tax assets arising from unused tax losses and unused tax credits from controlled entities in the tax consolidated group.

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group in accordance with their taxable income for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 *Income Taxes*. Allocations under the tax funding agreement are made at the end of each half year.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany loan accounts with the tax consolidated group head company, Prime Media Group Limited. In accordance with UIG 1052: *Tax Consolidation Accounting*, the Group has applied the "separate taxpayer within group" approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

	PRIME MEDIA GROUP LIMITED	
Prime Media Group Limited has recognised the following amounts as tax consolidation contribution adjustments:	**2020 $'000**	2019 $'000
Total increase to inter-company assets of Prime Media Group Limited	**3,763**	19,946

ACCOUNTING POLICY

Current Income Taxes

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or favourable to, the taxation authority. Cash flows are included in the statement of cash flows on a gross basis and the GST component of the cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

6. EARNINGS PER SHARE

	2020	2019
Basic earnings per share (cents per share)	**1.8**	2.0
Diluted earnings per share (cents per share)	**1.8**	2.0

ACCOUNTING POLICY

Basic Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted Earnings Per Share

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2020 $'000	2019 $'000
Earnings used in calculating basic and diluted earnings per share	**6,611**	7,348

	2020 Number of shares	**2019 Number of shares**
Weighted average number of ordinary shares used in calculating basic EPS:	366,330,303	366,330,303
Weighted average number of ordinary shares used in calculating diluted EPS:	366,330,303	366,330,303

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the completion of the financial statements.

7. CASH AND SHORT-TERM DEPOSITS

	2020	2019
	$'000	$'000
Cash balance comprises:		
Cash at bank and on hand	**17,148**	6,443
Closing cash balance	**17,148**	6,443

ACCOUNTING POLICY

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand. For the purpose of the consolidated statement of cash flows, cash and short term deposits consist of cash and short-term deposits.

Reconciliation of the net profit after tax to the net cash flows from operations	**2020**	2019
	$'000	$'000
Profit after tax	**6,611**	7,348
Non-cash adjustment for:		
Depreciation and amortisation	**7,076**	7,212
Amortisation of program rights	**3,000**	4,667
Net loss on disposal of property, plant and equipment	**43**	8
Impairment	**532**	14,018
Share of associate profits	**(194)**	(156)
Share based payments benefit	**-**	(174)
Working capital adjustments		
Decrease in trade and other receivables	**10,065**	359
Increase in prepayments	**(86)**	(2,622)
Increase in provisions	**1,194**	574
Decrease in trade and other payables	**(66)**	(6,365)
Cash flows from operating activities	**28,175**	24,869
Decrease in deferred tax liabilities	**(888)**	(1,801)
Increase/(Decrease) in tax provision	**1,581**	(906)
Increase in borrowing costs	**24**	304
Net cash flow from operating activities	**28,892**	22,466

8. INTANGIBLE ASSETS

	2020	2019
	$'000	$'000
Program rights	**9,000**	12,000
Business software, development costs including websites	**160**	878
Television broadcast licences	**-**	-
Infrastructure access licences	**-**	-
	9,160	12,878

ACCOUNTING POLICY

A summary of the policies applied to the Group's intangible assets is as follows:

	Television broadcast licences	**Program rights, Infrastructure access licences, Business software and development costs**
Useful lives:	Indefinite	Finite
Amortisation method used	Not amortised or revalued	Amortised on a straight-line basis over the period of the expected future benefit
Internally generated or acquired	Acquired	Internally generated / Acquired

Program Rights

Consists of television program rights arising from the Group's program supply agreement with the Seven Network. Program Rights represent the purchased rights to broadcast certain programs at some time in the future. These program rights are amortised to the profit and loss over the term of the contract to which the rights relate. The carrying value of the rights is cost less accumulated amortisation and impairment losses.

Business Software and development costs including websites

Business software and development costs represent the cost to implement a television sales and traffic software system and a newsroom management system. Amortisation of the asset begins when the development is complete and the asset is available for use. The carrying value of the software and development costs is cost less accumulated amortisation and impairment losses.

Television Broadcast Licences

Television broadcast licences have been acquired through business combinations and consist of the right to broadcast television to specific market areas. The licences are carried at cost less accumulated impairment losses. The licences are subject to renewal by the Australian Communications and Media Authority at no significant cost to the Company. The directors have no reason to believe the licences will not be renewed at the end of their current legal terms and have not identified any factor that would affect their useful life. These assets are not amortised but are tested for impairment annually.

Infrastructure Access Licences

Infrastructure access licenses represent licences acquired to use transmission facilities for initial periods up to 10 years. The licences are amortised to the profit and loss over the term of the licence.

Reconciliation of carrying amounts at the beginning and end of the period.

	Broadcast Licences $'000	Program Rights $'000	Infrastructure Access Licence $'000	Business Software and Development Costs incl websites $'000	TOTAL $'000
Cost					
At 1 July 2018	**182,963**	**14,000**	**4,978**	**17,923**	**219,864**
Additions	-	15,000	160	381	15,541
Disposals	-	(14,000)	-	-	(14,000)
At 30 June 2019	**182,963**	**15,000**	**5,138**	**18,304**	**221,405**
Additions	-	-	266	6	272
Disposals	-	-	-	(143)	(143)
At 30 June 2020	**182,963**	**15,000**	**5,404**	**18,167**	**221,534**
Amortisation and impairment					
At 1 July 2018	**(171,140)**	**(12,333)**	**(4,587)**	**(13,544)**	**(201,604)**
Amortisation charges	-	(4,667)	(551)	(1,685)	(6,903)
Impairment charges	(11,823)	-	-	(2,195)	(14,018)
Disposals	-	14,000	-	-	14,000
At 30 June 2019	**(182,963)**	**(3,000)**	**(5,138)**	**(17,424)**	**(208,525)**
Amortisation charges	-	(3,000)	(266)	(583)	(3,849)
Impairment charges	-	-	-	-	-
Disposals	-	-	-	-	-
At 30 June 2020	**(182,963)**	**(6,000)**	**(5,404)**	**(18,007)**	**212,374**
Net Book Value					
At 30 June 2020	**-**	**9,000**	**-**	**160**	**9,160**
Total Current	-	3,000	-	-	3,000
Total Non-Current	-	6,000	-	160	6,160
At 30 June 2019	**-**	**12,000**	**-**	**878**	**12,878**
Total Current	-	3,000	-	-	3,000
Total Non-Current	-	9,000	-	878	9,878

8. INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT TESTING OF INTANGIBLE ASSETS WITH INDEFINITE LIVES

ACCOUNTING POLICY

Impairment of non-financial assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. When an asset is tested for impairment, the Group estimates the assets recoverable amount. An assets recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the markets assessment of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses should be reversed. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been calculated in prior years. A reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

KEY ASSUMPTIONS USED IN VALUE-IN-USE CALCULATIONS AND SENSITIVITY TO CHANGES IN ASSUMPTIONS

The Group is considered to be the sole CGU. In accordance with the Group's accounting policies, the Group conducted an annual review at the reporting date and did not identify any impairment.

In the prior year, the Group fully impaired its indefinite life intangible assets being television broadcast licences. In making this assessment, the Group relied on the following key assumptions:

VALUE-IN-USE CASH FLOWS	APPROACH
Year 1	Based on the annual budget as approved by the Board and as amended for current advertising trading conditions and reasonably foreseeable changes to operating conditions.
Years 2-5 cash flows	Free-to-air television advertising revenue has been assumed to decline consistent with the forecast decline in regional television advertising audiences. Expenses have been forecast to increase in line with long term CPI and/or agreed contractual increases.
Long-term growth rate - terminal	The rate is consistent with industry forecasts specific to the CGU in which the Group operates.
Discount rate	Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The value-in-use assessment is based on the following key assumptions:

VALUE-IN-USE ASSUMPTIONS	2019
5 year compound annual growth rate for free-to-air advertising revenue	(2.6%)
Long-term growth rate – terminal	(3.2%)
Discount rate (pre-tax)	12.96%
Discount rate (post-tax)	12.64%

8. INTANGIBLE ASSETS (CONTINUED)

The value-in-use calculation is most sensitive to changes in the following assumptions, which would result in either a surplus or deficit between the recoverable amount and the carrying amount:

VALUE-IN-USE ASSUMPTIONS - SENSITIVITY	Surplus/(deficit) Sensitivity $'000
5 year compound annual growth rate for free-to-air advertising revenue ('CAGR')	
An increase in the 5 year CAGR of 0.5% will reduce impairment by:	5,017
A decrease in the 5 year CAGR of 0.5% will increase impairment by:	(13,121)
Long-term growth rate – terminal ('TGR')	
A further decline in the TGR of 1.0% will increase impairment by:	(1,282)
An improvement in the TGR of 1.0% will reduce impairment by:	1,455
Discount rate (pre-tax)	
An increase in the discount rate (pre-tax) of 2.0% will increase impairment by:	(4,796)
A decrease in the discount rate (pre-tax) of 2.0% will reduce impairment by:	6,024

9. TRADE AND OTHER RECEIVABLES

	2020 $'000	2019 $'000
Current		
Trade receivables	**24,374**	34,282
Other receivables	**3,150**	3,522
Related party receivables	**512**	335
	28,036	38,139
Allowance for expected credit losses	**(780)**	(816)
Carrying amount of trade and other receivables	**27,256**	37,323

ACCOUNTING POLICY

Trade Receivables

Trade receivables are carried at original invoice amount less an allowance charge for expected credit losses (ECL). Trade receivables are generally settled within 30 to 45 days and are not interest bearing. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The collectability of trade receivables is reviewed on an ongoing basis and bad debts are written off when identified.

Having adopted AASB 9 *Financial Instruments,* the Group applies a forward-looking ECL approach to account for impairment losses for financial assets, including trade and other receivables. The ECL approach is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to trade and other receivables and the economic environment. An impairment provision equivalent to the expected credit loss is recorded without regard for evidence of an actual loss event.

The maximum exposure to credit risk is the fair value of receivables (refer to Note 16 regarding information on the Group's exposure to credit and market risk).

Refer to Note 26 for details on related parties.

PROVISION FOR EXPECTED CREDIT LOSS

Set out below is the movement in the provision for expected credit losses of trade receivables:

	2020 **$'000**	2019 $'000
At July 1	**816**	323
Effect of adoption of new accounting standards (refer Note 1)	**-**	497
(Recovery)/charge for the year	**(2)**	293
Amounts written off	**(34)**	(297)
At June 30	**780**	816

In reviewing the provision for expected credit loss of trade receivables the Group had regard for the continued uncertain trading environment due to the COVID 19 pandemic; the potential for further disruption to the Group's key regional advertising markets of New South Wales and Victoria; the potential disruption to future broadcasts of key sporting events including the AFL and cricket. The forecast prolonged deterioration in general economic conditions as a result of the COVID-19 pandemic is also expected to impact regional advertising markets and may reduce the earnings capacity of national and regional advertisers.

10. OTHER ASSETS

	2020 **$'000**	2019 $'000
Current		
Prepayments	**4,905**	4,711
Non-current		
Prepayments	**488**	501
Total	**5,393**	5,212

ACCOUNTING POLICY

Prepayments

Prepayments are recognised when a payment is made for goods or services the Group expects to receive or consume in future periods. Prepayments are expensed to profit or loss as they are received or consumed.

Notes to the Financial Statements

11. LEASES

Group as a lessee

The Group has lease contracts for various office buildings, transmission sites, motor vehicles and other equipment used in its operations. Leases of property and sites generally have remaining lease terms of between 3 and 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group applies the 'short-term lease' recognition exemptions for leases with lease terms of 12 months or less.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	OFFICE BUILDINGS $'000	TRANSMISSION SITES $'000	TOTAL $'000
Cost			
As at 30 June 2019	**-**	**-**	**-**
AASB 16 transition adjustment	4,472	784	5,256
As at 1 July 2019	4,472	784	5,256
Additions	1,064	8	1,072
Disposals	-	-	-
Depreciation	(1,455)	(184)	(1,639)
As at 30 June 2020	**4,081**	**608**	**4,689**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

At 30 June 2019	**-**	**-**	-
AASB 16 transition adjustment	4,572	822	5,394
As at 1 July 2019	4,572	822	5,394
Additions	1,061	8	1,069
Accretion of interest	130	22	152
Payments	(1,519)	(195)	(1,714)
At 30 June 2020	**4,244**	**657**	**4,901**
Total Current	1,426	180	1,606
Total Non-Current	2,818	477	3,295

The following are amounts recognised in profit or loss:	TOTAL $'000
Depreciation expense of right-of-use assets	1,639
Interest expense on lease liabilities	152
Expense relating to short-term leases (included in broadcasting and transmission expenses)	299
Total amount recognised in profit or loss	**2,090**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (refer to Note 31).

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

The following are amounts recognised in profit or loss:

	WITHIN FIVE YEARS	MORE THAN FIVE YEARS	TOTAL $'000
Extension options expected not to be exercised	2,235	1,009	3,244
Termination options expected to be exercised	-	-	-
	2,235	**1,009**	**3,244**

12. TRADE AND OTHER PAYABLES

	2020 $'000	2019 $'000
Current		
Trade payables	**1,151**	380
Accrued expenses	**5,459**	4,550
Accrued employee entitlements	**1,156**	2,604
Deferred income	**2,098**	2,364
	9,864	9,898
Non-current		
Deferred income	**792**	930
	792	930

ACCOUNTING POLICY

Trade Payables and Other Accrued Expenses

Liabilities for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received. Trade payables are non-interest bearing and are normally settled on 30 day terms.

Due to the short-term nature of these payables, their carrying value is considered to approximate their fair value.

Accrued employee entitlements

Liabilities for wages and salaries, including non-monetary benefits are measured at the amounts expected to be paid when the liabilities are settled.

13. PROVISIONS

	2020 $'000	2019 $'000
Current		
Annual leave	**2,413**	1,998
Long service leave	**2,785**	2,603
Advertising make good provision	**733**	-
	5,931	4,601
Non-current		
Long service leave	**463**	600
	463	600

ACCOUNTING POLICY

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

14. PROPERTY, PLANT AND EQUIPMENT

Cost or valuation	Land and buildings[1] $'000	Leasehold improvements $'000	Plant and equipment $'000	TOTAL $'000
At 1 July 2018	**11,857**	**1,932**	**86,367**	**100,156**
Additions	46	15	1,974	2,035
Disposals	(1)	-	(1,912)	(1,913)
Classification transfer	3	-	(3)	-
At 30 June 2019	**11,905**	**1,947**	**86,426**	**100,278**
Additions	-	12	834	846
Disposals	-	-	(756)	(756)
Reclassification from available for sale assets	885	-	1,873	2,758
At 30 June 2020	**12,790**	**1,959**	**88,377**	**103,126**
Depreciation and amortisation				
At 1 July 2018	**(5,058)**	**(1,213)**	**(68,584)**	**(74,855)**
Depreciation charges	(286)	(160)	(4,529)	(4,975)
Disposals	-	-	1,910	1,910
At 30 June 2019	**(5,344)**	**(1,373)**	**(71,203)**	**(77,920)**
Depreciation charges	(350)	(143)	(4,095)	(4,588)
Disposals	-	-	723	723
Reclassification from available for sale assets	(329)	-	(1,784)	(2,113)
Impairment[2]	(492)	-	(40)	(532)
At 30 June 2020	**(6,515)**	**(1,516)**	**(76,399)**	**(84,430)**
Net Book Value				
At 30 June 2020	**6,275**	**443**	**11,978**	**18,696**
At 30 June 2019	6,561	574	15,223	22,358

[1] Includes land located in the Australian Capital Territory, under the ACT legislation, the land has a 99-year lease period, and also includes Leasehold Strata Units located in Sydney, which are held under a 99 year lease.
[2] Refer to Note 21.

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ACCOUNTING POLICY

Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Land and buildings are measured at cost less accumulated depreciation on buildings and accumulated impairment losses.

Depreciation is calculated on a straight-line basis on all property, plant and equipment, other than freehold and leasehold land, over the estimated useful life of the assets as follows:

Major depreciation periods are:

- Land:	Not depreciated
- Freehold buildings:	40 years
- Leasehold improvements:	The shorter of useful life and lease term
- Plant and equipment:	3 to 15 years
- Motor vehicles:	6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale within one year from the date of classification.

Property, plant and equipment is not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

15. INTEREST BEARING LOANS AND BORROWINGS

	Maturity	2020 $'000	2019 $'000
Non-current			
$20 million secured bank loan facility (2019: $30 million)	2023	-	16,000
		-	16,000

ACCOUNTING POLICY

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Subsequent Measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

TERMS AND CONDITIONS

Secured Bank Loan Facility

At the reporting date, the Company had access to an undrawn $20 million bank loan facility with the ANZ Bank. The facility limit reduced from $30 million to $20 million during the period in line with the terms of the Amendment and Restatement Deed executed in the prior year. The facility is secured by a charge over the assets of the borrower group comprising all wholly owned entities, but excluding Broadcast Production Services Pty Limited and its subsidiaries.

FAIR VALUES

The carrying amount of the Group's current and non-current borrowings approximates their fair value.

15. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

The parent entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in Note 25. However the directors do not expect those potential financial liabilities to crystallise into obligations. No material losses are expected and as such, the fair values disclosed are the directors' estimate of amounts that will be payable by the Group.

Details regarding interest rate risk are disclosed in Note 16.

DEFAULTS AND BREACHES

During the current and prior years, there were no defaults or breaches on any of the loans.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables and lease commitments. The Group also has access to a secured bank loan facility which was undrawn at the reporting date. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and short-term deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversee the management of these risks. The Board of directors reviews risks in accordance with its approach to risk management as set out in the Directors' Report and the Group's Corporate Governance Statements which are displayed on the Company's website www.primemedia.com.au/investors.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market interest rates is negligible while the debt facility with the ANZ remains undrawn.

At balance date, the Group had the following mix of financial assets and liabilities exposed to interest rate risk:

	2020 $'000	2019 $'000
Financial Assets		
Cash and short-term deposits	**17,148**	6,443
	17,148	6,443
Financial Liabilities		
Lease Liabilities	**(4,901)**	-
Secured bank loan facility	**-**	(16,000)
	(4,901)	(16,000)
Net exposure	**12,247**	(9,557)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. At 30 June 2020, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows**:**

Judgements of reasonably possible movements:	**POST TAX PROFIT** Higher/ (Lower)		**EQUITY** Higher/ (Lower)	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Consolidated				
+0.25% (25 basis points)	**30**	(17)	**-**	-
-0.25% (25 basis points)	**(30)**	17	**-**	-

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily for trade receivables and from its financing activities, including deposits with banks and financial institutions.

It is the Group's policy that all customers who trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer and are regularly monitored and receivable balances are monitored on an ongoing basis. While the Group’s exposure to bad debts is not significant at this time, the risk of non-payment from trade receivables is heightened as the impact of the COVID-19 pandemic and the forecast prolonged deterioration in general economic conditions may impair the earnings capacity of national and regional advertisers.

An impairment analysis is performed at each reporting date using a provision matrix to measure lifetime expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Group does not hold collateral as security.

A small number of media buying agencies account for approximately 53.1% of Group’s total revenue.

Three media buying agencies individually contribute more than 10% of the Group’s revenue and collectively account for $52,529,000 or 32.1% of the Group’s total revenue and are in compliance with agreed payment terms. Agency clients operate with strict credit terms of 45 days and are required to provide detailed financial information as part of their credit approval process. Late payments are closely monitored and followed up if the 45 day terms are not met.

The main offices for the Australian operations of these agencies are located in Sydney and Melbourne and these agencies represent national advertisers. These agencies have maintained operations throughout the COVID-19 pandemic and payment for advertising campaigns has remained within terms.

Set out below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

	Trade Receivables					
	Days past due					
	Current	< 30 Days	30-60 Days	61-90 Days	> 91 Days	Total
Year Ended 30 June 2020	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Expected credit loss rate	**1.6%**	**1.4%**	**6.5%**	**26.5%**	**49.1%**	
Estimated total gross carrying amount at default	16,582	8,880	1,946	199	429	**28,036**
Expected credit loss	262	128	126	53	211	**780**

	Trade Receivables					
	Days past due					
	Current	< 30 Days	30-60 Days	61-90 Days	> 91 Days	Total
Year Ended 30 June 2019	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Expected credit loss rate	**0.74%**	**0.95%**	**26.7%**	**46.8%**	**56.2%**	
Estimated total gross carrying amount at default	21,955	15,000	439	268	477	**38,139**
Expected credit loss	162	143	117	129	265	**816**

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

LIQUIDITY RISK

The Group manages its liquidity risk by monitoring the total cash inflows and outflows expected on a daily or weekly basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loan facilities and other financial arrangements as required. The Group has access to a $20 million secured bank loan facility (2019: $30 million), which was undrawn at the reporting date. The facility matures in April 2023 and is subject to the Group complying with ongoing bank covenants. The contractual maturities of the Group's financial assets and liabilities are:

Year Ended 30 June 2020	≤ 6 Months $'000	6 – 12 Months $'000	1 – 5 Years $'000	> 5 Years $'000	Total $'000
Financial assets					
Cash and cash equivalents	17,148	-	-	-	**17,148**
Trade and other receivables	27,256	-	-	-	**27,256**
	44,404	**-**	**-**	**-**	**44,404**
Financial liabilities					
Trade and other payables	(11,560)	-	-	-	**(11,560)**
Lease liabilities	(921)	(921)	(3,279)	(165)	**(5,286)**
Interest bearing loans (refer Note 15)	-	-	-	-	**-**
Interest bearing loans – finance charges	(91)	(67)	(245)	-	**(403)**
	(12,572)	**(988)**	**(3,524)**	**(165)**	**(17,249)**
Net inflow/(outflow)	**31,832**	**(988)**	**(3,524)**	**(165)**	**27,155**

Year Ended 30 June 2019	≤ 6 Months $'000	6 – 12 Months $'000	1 – 5 Years $'000	> 5 Years $'000	Total $'000
Financial assets					
Cash and cash equivalents	6,443	-	-	-	**6,443**
Trade and other receivables	37,323	-	-	-	**37,323**
	43,766	**-**	**-**	**-**	**43,766**
Financial liabilities					
Trade and other payables	(10,828)	-	-	-	**(10,828)**
Interest bearing loans (refer Note 15)	-	-	(16,000)		**(16,000)**
Interest bearing loans – finance charges	(110)	-	-	-	**(110)**
	(10,938)	**-**	**(16,000)**	**-**	**(26,938)**
Net inflow/(outflow)	**32,828**	**-**	**(16,000)**	**-**	**16,828**

FAIR VALUES

The carrying amount of the Group's current and non-current financial assets approximates their fair value.

17. CONTRIBUTED EQUITY

ISSUED AND PAID UP CAPITAL

	2020 $'000	2019 $'000
Ordinary shares fully paid shares (2019: 366,330,303 shares)	**310,262**	310,262

ACCOUNTING POLICY

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or performance rights are shown in equity as a deduction, net of tax, from the proceeds.

MOVEMENTS IN SHARES ON ISSUE

	2020		2019	
Ordinary	**Number of shares**	**$'000**	Number of shares	$'000
Beginning of the financial year	**366,330,303**	**310,262**	366,330,303	310,262
End of the financial year	**366,330,303**	**310,262**	366,330,303	310,262

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary shares

Holders of ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

18. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains its credit rating and capital ratios to support its business and maximise shareholder value.

The Group manages its capital structure and has regard for changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares or sell assets.

The Company suspended its dividend payments in December 2017.

The Board and management monitor capital requirements with regard to its banking covenant requirements as well as comparative guidance to companies of similar size and nature of operations. The key capital management measures that the Company reviews on an ongoing basis are:

	Target	**At Balance Date**
Total Debt to EBITDA	**< 1.5 times**	-
Interest Cover to EBITDA	**> 3.0 times**	44.5

19. RETAINED EARNINGS AND RESERVES

	2020 $'000	2019 $'000
Employee benefits equity reserve	**3,722**	3,722
Profits reserve	**23,458**	17,063
Accumulated losses	**(276,090)**	(276,263)

EMPLOYEE BENEFITS EQUITY RESERVE

Movements in reserve		
Balance at beginning of year	**3,722**	4,091
Exercise of performance rights	**-**	(195)
Share based payment release	**-**	(174)
Balance at end of year	**3,722**	3,722

PROFITS RESERVE

Movements in reserve		
Balance at beginning of year	**17,063**	14,265
Profits reserved	**6,395**	2,798
Balance at end of year	**23,458**	17,063

ACCUMULATED LOSSES

Balance at the beginning of year	**(276,263)**	(280,813)
Effect of adoption of new accounting standards (refer Note 1)	**(43)**	-
Balance at the beginning of year (restated)	**(276,306)**	(280,813)
Net profit attributable to members of Prime Media Group Limited	**6,611**	7,348
Total accumulated losses	**(269,695)**	(273,465)
Profits reserved	**(6,395)**	(2,798)
Dividends provided for or paid	**-**	-
Balance at end of year	**(276,090)**	(276,263)

ACCOUNTING POLICY

Employee Benefits Reserve
The employee benefits reserve was used to record the value of benefits provided to executive directors and KMP as part of their remuneration under the Prime Media Group Limited Performance Rights Plan. This plan ended in the 2019 financial year.

Profits Reserve
Current year profits have been reserved for future distributions to shareholders, as and when approved by the board.

20. DIVIDENDS PAID AND PROPOSED

RECOGNISED AMOUNTS

Declared and paid during the year

	2020 $'000	2019 $'000
Current year interim franked dividends - Nil cents per share (2019: Nil)	-	-
Previous year final franked dividends Nil cents per share (2019: Nil)	-	-
	-	-

FRANKING CREDIT BALANCE

	THE GROUP	
	2020 $'000	2019 $'000
Franking account balance as at the end of the financial year at 30% (2019: 30%)	68,977	67,072
Franking credits that will arise from the payment of income tax (refundable)/payable as at the end of the financial year	31	(1,594)
	69,008	65,478

TAX RATES

The tax rate at which paid dividends have been franked is 30% (2019: 30%).

21. ASSETS HELD FOR SALE

	2020 $'000	2019 $'000
Total current assets held for sale	**-**	-
Property, plant and equipment	-	645
Total non-current assets held for sale	**-**	645
Assets classified as held for sale	**-**	645

Property, plant and equipment located in Bunbury, Western Australia, is considered surplus to requirements. The property was available for sale during the 2020 financial year, but was removed from sale due to the COVID-19 pandemic. The Board proposes to relist the property at a future point when the prospects for sale have improved. As a result the property has been reclassified to property, plant and equipment and catch up depreciation of $113,000 has been recognised. The balance has been impaired and a loss of $532,000 recognised (refer to Note 14).

ACCOUNTING POLICY

Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale within one year from the date of classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

22. INVESTMENTS IN ASSOCIATES

	2020	2019
Unlisted	$'000	$'000
Mildura Digital Television Pty Limited	-	-
West Digital Television Pty Limited	121	377
West Digital Television No2 Pty Limited	-	-
West Digital Television No3 Pty Limited	-	-
West Digital Television No4 Pty Limited	-	-
WA SatCo Pty Limited	-	-
Broadcast Transmission Services Pty Limited	-	-
Total Investment in Associates	121	377

ACCOUNTING POLICY

Investments in Associates

The Group's investments in its associates are accounted for using the equity method. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of associate losses" in the statement of profit or loss.

22. INVESTMENTS IN ASSOCIATES (CONTINUED)

THE CONSOLIDATED ENTITY HAS A MATERIAL INTEREST IN THE FOLLOWING ENTITIES

	Ownership interest		Contribution to net profit/(loss)	
Unlisted	**2020 %**	2019 %	**2020 $'000**	2019 $'000
Mildura Digital Television Pty Limited	**50%**	50%	**(300)**	(150)
West Digital Television Pty Limited	**50%**	50%	**494**	306
West Digital Television No2 Pty Limited	**50%**	50%	**-**	-
West Digital Television No3 Pty Limited	**50%**	50%	**-**	-
West Digital Television No4 Pty Limited	**50%**	50%	**-**	-
WA SatCo Pty Limited	**50%**	50%	**-**	-
Broadcast Transmission Services Pty Limited	**33%**	33%	**-**	-
			194	156

MOVEMENTS IN THE CARRYING AMOUNT OF THE GROUP'S INVESTMENT IN ASSOCIATES

	2020 $'000	2019 $'000
At July 1	**377**	1,071
Loan contributions paid	**300**	150
Loan repayment received	**(750)**	(1,000)
Share of (losses)/profits after income tax (excl. impairment and reversals)	**(82)**	594
Decrease/(increase) in provision for impairment of investment	**276**	(438)
At June 30	**121**	377

Contributions paid reflect loan funds advanced to associates under short-term loan arrangement or in accordance with requirements of shareholder agreements. These payments are deemed to be part of the Investment in Associates for the purposes of equity accounting.

23. INVESTMENTS IN SUBSIDIARIES

CLOSED GROUP CLASS ORDER DISCLOSURES

Entities subject to class order relief

Pursuant to by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (previously Class Order 98/1418), relief has been granted to Prime Television (Holdings) Pty Limited, Prime Television (Southern) Pty Limited, Prime Television (Victoria) Pty Limited, Prime Television (Northern) Pty Limited, Golden West Network Pty Limited, and Prime Television Investments Pty Limited from the *Corporations Act 2001* requirements for preparation, audit and lodgement of their financial reports.

As a condition of the Class Order, Prime Media Group Limited and its 100% owned Australian resident subsidiaries entered into a Deed of Cross Guarantee on 17 October 2006 (the "Closed Group") as amended from time to time by assumption deed for the addition and removal of controlled entities. The effect of the deed is that Prime Media Group Limited has guaranteed to pay any deficiency in the event of winding up of any of the controlled entities within the Closed Group. The controlled entities within the Closed Group, listed below, have also given a similar guarantee in the event that Prime Media Group Limited is wound up.

		Equity Interest	
		2020	2019
Name	Country of incorporation	**%**	%
Prime Television (Holdings) Pty Limited	Australia	100	100
Zamojill Pty Limited	Australia	100	100
Prime Television (Southern) Pty Limited	Australia	100	100
Prime Television (Northern) Pty Limited	Australia	100	100
Prime Television (Victoria) Pty Limited	Australia	100	100
Prime Properties (Albury) Pty Limited	Australia	100	100
Prime Television Investments Pty Limited	Australia	100	100
Golden West Network Pty Limited	Australia	100	100
Mining Television Network Pty Limited	Australia	100	100
Telepro Pty Limited	Australia	100	100
Golden West Satellite Communications Pty Limited	Australia	100	100
135 Nominees Pty Limited	Australia	100	100
Mid-Western Television Pty Limited	Australia	100	100
Seven Affiliate Sales Pty Limited	Australia	100	100
Prime Digitalworks Pty Limited	Australia	100	100
Prime Media Broadcasting Services Pty Limited	Australia	100	100
Prime Media Group Services Pty Limited	Australia	100	100
Prime New Media Investments Pty Limited	Australia	100	100
Geraldton Telecasters Pty Limited	Australia	100	100

23. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The consolidated statement of comprehensive income and statement of financial position of the entities which are members of the 'Closed Group' are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Closed Group	
	2020 $'000	2019 $'000
Operating profit before income tax	**9,210**	14,565
Income tax expense attributable to operating profit	**(1,739)**	(4,316)
Operating profit after tax	**7,471**	10,249
Accumulated losses at beginning of the financial year	**(275,360)**	(282,811)
Effect of adoption of new standards (Note 1)	**43**	-
Transfer to reserves	**(7,802)**	(2,798)
Dividends provided for or paid	**-**	-
Accumulated losses at end of the financial period	**(275,648)**	(275,360)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Closed Group	
	2020 $'000	2019 $'000
Assets		
Current assets	52,084	51,900
Non-current assets	31,161	41,440
Total assets	**83,245**	93,340
Liabilities		
Current liabilities	18,223	13,835
Non-current liabilities	3,759	25,668
Total liabilities	**21,982**	39,503
Equity	**61,263**	53,837

24. COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

	2020 $'000	2019 $'000
Estimated capital expenditure contracted for at reporting date, but not provided for payable not later than one year	**1,080**	250

The following commitments are commercially considered as leases, however did not meet the definition of a lease under AASB 16. Therefore, they have been disclosed based on their characteristics.

EXPENDITURE COMMITMENTS - PAYMENTS

Minimum payments		
– not later than one year	**3,705**	6,133
– later than one year and not later than five years	**7,391**	13,402
– later than five years	**1,709**	3,210
Aggregate expenditure contracted for at reporting date	**12,805**	22,745

Operating leases in the current year have an average lease term of 6-12 months for motor vehicles. Transmission site access agreements have average expenditure commitments up to 10 years. The comparative period includes building leases, which have an average lease term of 3 to 5 years. Motor Vehicle leases are fixed monthly rentals for the term of the lease. Building leases are generally fixed for the initial lease term, then subject to Consumer Price Index (CPI) adjustments if options are taken up. The majority of the transmission site leases are rentals that are subject to annual CPI adjustment. There are no restrictions placed upon the lessee by entering into these leases.

24. COMMITMENTS (CONTINUED)

EXPENDITURE COMMITMENTS - PAYMENTS RECEIVABLE

Certain assets with excess capacity have been sub-let to third parties. These non-cancellable contracts have remaining terms up to 10 years. All contracts include clauses to enable upward revision of the contract charges on an annual basis according to increases in the CPI.

	2020	2019
	$'000	$'000
Minimum payments receivable		
– not later than one year	**911**	**1,175**
– later than one year and not later than five years	**1,371**	**1,994**
– later than five years	**289**	**410**
Aggregate income contracted for at reporting date	**2,571**	**3,579**

OTHER COMMITMENTS COVERING THE USE OF TECHNICAL EQUIPMENT UNDER A LONG TERM AGREEMENT

Other commitments relate to technical communications equipment that is fundamental to the distribution of the television programming and data communications.

– not later than one year	**4,200**	4,200
– later than one year and not later than five years	**1,050**	5,250
– later than five years	**-**	-
	5,250	9,450

OTHER COMMITMENTS COVERING TRANSMISSION MAINTENANCE, SITE INSTALLATION AND MANAGEMENT SERVICES

The Company entered into a contract with Broadcast Transmission Services Pty Limited (refer to Note 26) for the provision of site maintenance services over a 5 year period at an annual cost of $1,200,000 per annum. The Company also entered into a contract with MediaHub Australia Pty Limited for the provision of playout services over a 5 year period.

	2020	2019
	$'000	$'000
– not later than one year	**4,678**	4,626
– later than one year and not later than five years	**3,606**	8,210
– later than five years	**-**	-
	8,284	12,836

ACCOUNTING POLICY

Group as a Lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

25. CONTINGENT LIABILITIES

The Group has provided a guarantee to an unrelated third party to pay the contractual commitment of WA SatCo Pty Limited, an associate company of the Group (refer Note 22). WA SatCo Pty Limited has entered into a non-cancellable contract for the purchase of satellite services in WA until 30 June 2021. In the event that WA SatCo Pty Limited defaults on any payments under this contract, the Group may be liable for $2,346,192 under the guarantee it has provided. WA SatCo Pty Limited has simultaneously entered into an agreement with the Commonwealth Government which provides for 100% funding of this satellite service to 30 June 2021. This agreement can be terminated without notice by the Commonwealth Government.

	2020	2019
	$'000	$'000
Maximum potential contingent commitment arising from the above mentioned guarantee:		
- not later than one year	**2,346**	2,346
- later than one year and not later than five years	**-**	-
Maximum contingent commitments	**2,346**	2,.346

As noted above the entire maximum potential contingent commitment is offset by government funding.

26. RELATED PARTY DISCLOSURES

(A) SUBSIDIARIES

The consolidated financial statements include the financial statements of Prime Media Group Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest 2020 %	Equity Interest 2019 %
Prime Television (Holdings) Pty Limited	Australia	100	100
Prime Media Group Services Pty Limited	Australia	100	100
Prime New Media Investments Pty Limited	Australia	100	100
Prime Television (Victoria) Pty Limited	Australia	100	100
Prime Properties (Albury) Pty Limited	Australia	100	100
Prime Television (Southern) Pty Limited	Australia	100	100
Prime Television (Northern) Pty Limited	Australia	100	100
Prime Television Investments Pty Limited	Australia	100	100
Golden West Network Pty Limited	Australia	100	100
Mining Television Network Pty Limited	Australia	100	100
Telepro Pty Limited	Australia	100	100
135 Nominees Pty Limited	Australia	100	100
Golden West Satellite Communications Pty Limited	Australia	100	100
Mid-Western Television Pty Limited	Australia	100	100
Geraldton Telecasters Pty Limited	Australia	100	100
Zamojill Pty Limited	Australia	100	100
Seven Affiliate Sales Pty Limited	Australia	100	100
Prime Media Broadcasting Services Pty Limited	Australia	100	100
Prime Digitalworks Pty Limited	Australia	100	100
Broadcast Production Services Pty Limited	Australia	100	100
Screenworld Pty Limited	Australia	100	100

(B) ULTIMATE PARENT

Prime Media Group Limited is the ultimate Australian entity and the ultimate parent entity of the Group.

(C) KEY MANAGEMENT PERSONNEL (KMP)

	CONSOLIDATED 2020 $'000	CONSOLIDATED 2019 $'000
Short-term employee benefits	**2,218**	2,767
Post-employment benefits	**89**	89
Long-term benefits	**119**	126
Share based expense – Discontinued Performance Rights Plan	**-**	58
Cash settled (benefit)/expense – Current Performance Plan	**(89)**	280
TOTAL	**2,337**	3,320

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period that related to KMP. Details of remuneration amounts paid to individual KMP are disclosed in tables 1 and 2 of section 4 of the Remuneration Report.

(D) TRANSACTIONS WITH RELATED PARTIES

Wholly owned group transactions

Sales and purchases are made within the wholly owned group in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settled through intercompany accounts.

RBA Holdings Pty Limited

This company is owned by regional television operators. This company operates as a provider of transmission facilities under the Digital Black Spots Infill licence. The Company has entered into agreements under normal commercial terms and conditions with this company to use these transmission facilities for periods up to 10 years. The cost of these services in the current financial year was $331,000 (2019: $621,000). These agreements do not constitute a lease under AASB 16 and no right-of-use assets have been recognised.

Regional TAM Pty Limited

This company is owned by regional television operators to facilitate and manage the audience metering services for the regional television markets. The Company is party to a commercial agreement in which it purchases ratings services from Regional TAM Pty Limited at an annualised cost of $1,735,000 (2019: $1,700,000). This agreement is under normal commercial terms and conditions.

WA SatCo Pty Limited

WA SatCo Pty Limited is owned by the Company and WIN Television Pty Limited and has been engaged by the Commonwealth Government to provide the WA Vast Service until 30 June 2021. The shareholders of the company provide services to WA SatCo to enable its operations. In the current financial year services of $528,000 (2019: $673,000) were recovered from WA SatCo Pty Limited on a cost recovery basis.

Broadcast Transmission Services Pty Limited (BTS)

The Company has a 33% shareholding in BTS. BTS provides transmission maintenance, site installation and management services to regional broadcasters and other third party customers. The Company entered into a contract with BTS for the provision of site maintenance services for the period to 2023 at an annualised cost of up to $1,200,000 per annum.

Mildura Digital Television Pty Limited (MDT)

The Company has a 50% shareholding in MDT. MDT holds the television broadcast licence to broadcast Nine Entertainment programming in Mildura, Victoria.

West Digital Television Pty Limited (WDT)

The Company has a 50% shareholding in WDT. WDT holds the television broadcast licence to broadcast Nine Entertainment programming in regional Western Australia.

27. PARENT ENTITY INFORMATION

	PRIME MEDIA GROUP LIMITED	
	2020	2019
	$'000	$'000
Current assets	**105**	1,705
Total assets	**60,324**	157,233
Current liabilities	**98**	80
Total liabilities	**99**	103,404
Issued capital	**310,262**	310,262
Employee benefits reserve	**3,722**	3,722
Accumulated losses	**(277,217)**	(277,218)
Retained profits reserve	**23,458**	17,063
Total shareholders' equity	**60,225**	53,829
Profit of the parent entity	**6,395**	2,798
Total comprehensive profit of the parent entity	**6,395**	2,798

GUARANTEES ENTERED INTO BY PRIME MEDIA GROUP LIMITED IN RELATION TO THE DEBTS OF ITS SUBSIDIARIES

As a condition of the Class Order, Prime Media Group Limited and its 100% owned Australian resident subsidiaries (the "Closed Group") entered into a Deed of Cross Guarantee on 17 October 2006 as amended from time to time by assumption deed for the addition and removal of controlled entities. The effect of the deed is that Prime Media Group Limited has guaranteed to pay any deficiency in the event that a controlled entity within the Closed Group is wound up. The controlled entities within the Closed Group have also given a similar guarantee in the event that Prime Media Group Limited is wound up (refer Note 23).

CONTINGENT LIABILITIES OF PRIME MEDIA GROUP LIMITED

By virtue of being a member of the Deed of Cross Guarantee mentioned above, the Company has guaranteed to pay any deficiency in the event of winding up Golden West Network Pty Limited (GWN), a wholly owned subsidiary and party to the Deed of Cross Guarantee. GWN has guaranteed an unrelated third party the payment of a contractual commitment on behalf of WA SatCo Pty Limited, an associate company in which GWN holds 50% of the share capital. WA SatCo Pty Limited has entered into a non-cancellable contract for the purchase of satellite services in WA until 30 June 2021. In the event that WA SatCo Pty Limited defaults on any payments under this contract, GWN may be liable for $2,346,192 under the guarantee it has provided. WA SatCo Pty Limited has simultaneously entered into an agreement with the Commonwealth Government which provides for 100% funding of this satellite service to 30 June 2021. This agreement can be terminated without notice by the Commonwealth Government.

28. SUBSEQUENT EVENTS

On 30 June 2020 the Minister for Communications, Cyber Safety and the Arts announced that the Company was eligible under the Public Interest News Gathering Program (PING) for grant funding totaling $4,703,000. On 14 August 2020 the Company executed a PING funding agreement with the Commonwealth Government. The Company expects the grant funding to be available and grant obligations to apply over the 12 month period from the date of agreement.

29. AUDITOR'S REMUNERATION

	CONSOLIDATED	
	2020	2019
	$	$
Fees to Ernst & Young (Australia)		
– Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**379,280**	392,764
– Fees for assurance services that are required by legislation to be provided by the auditor	**-**	-
– Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	**222,860**	9,880
– Fees for other services:		
Tax compliance	**29,757**	34,607
Total fees to Ernst & Young (Australia)	**631,897**	437,251
Fees to other overseas member firms of Ernst & Young (Australia)		
– Fees for auditing the financial report of any controlled entities	**-**	-
– Fees for assurance services that are required by legislation to be provided by the auditor	**-**	-
– Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	**-**	-
– Fees for other services:		
Tax compliance	**-**	-
Total fees to overseas member firms of Ernst & Young (Australia)	**-**	-
Total auditor's remuneration	**631,897**	437,251

30. OTHER ACCOUNTING POLICIES

(a) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Prime Media Group Limited and its subsidiaries (as outlined in Note 26) as at and for the year ended 30 June 2020. Interests in associates are equity accounted and are not part of the consolidated Group (see Note 22).

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the trustee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and any other component of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current and non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

31. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Expenditure commitments – Payments

The Group has entered into operating leases that have an average lease term of up to 10 years for transmission site access agreements. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that these agreements do not qualify as leases under AASB 16 and accounts for the contracts as service agreements.

Expenditure commitments – Payments receivable

The Group has entered into site sharing agreements in relation to transmission sites and equipment it owns. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these sites and equipment and accounts for the contracts as operating leases.

Revenue from contracts with customers

The Group contracts with media buyers and media agencies for the sale of advertising airtime to third party advertisers. Under the five-step model, based on an evaluation of the terms and conditions of the contracts, the Group's relationship has been determined to be with media buyers and media agencies and accordingly advertising revenue is to be recognised net of agency commission since this is to be treated as a payment made to a customer.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds the recoverable value amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for next year, plus growth assumptions and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the assets performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the future cash inflows and the growth rate for extrapolation purposes.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The disruption to advertising markets and economic downturn resulting from the COVID-19 pandemic has created significant uncertainty when forecasting credit losses. The magnitude of future credit losses will be significantly influenced by the duration and extent of the COVID-19 pandemic in regional advertising markets and the steps taken by State and Federal governments to contain the pandemic. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

31. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

Impairment of investments in financial assets (including associates)

The Group assesses impairment of investments in financial assets including associates at each reporting date in accordance with the measurement rules established in the accounting standards.

For financial assets determined to be associates, the Group assesses at each balance date the circumstances and conditions specific to that associate. These include operating performance, market and environmental factors. If management believes that an impairment trigger exists then the recoverable value of the investment in the associate is determined.

Renewal of Broadcasting Licences

The Group's television broadcasting licences consist of the right to broadcast television services to specific market areas. These licences are issued by the relevant broadcasting authority for periods of 5 years. The ownership and renewal processes of these licences is such that in the absence of major breaches of licensing and broadcasting regulations, licence renewal is virtually guaranteed for the existing licence holders.

Classification of assets and liabilities as held for sale

The Group classifies assets and liabilities as held for sale when the carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Group must be committed to selling the asset either through entering into a contractual sale agreement or the activation and commitment to a program to locate a buyer and dispose of the assets and liabilities.

Taxes

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent management considers it is probable that future taxable profits will be available to utilise those temporary differences.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Directors' Declaration *– Year Ended 30 June 2020*

In accordance with a resolution of the directors of Prime Media Group Limited, I state that:

1. In the opinion of the directors:

   a. the financial statements and notes of Prime Media Group Limited for the financial year ended 30 June 2020 are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
      ii. complying with Accounting Standards and the *Corporations Regulations 2001*;

   b. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b);

   c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   d. as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 23 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2020.

On behalf of the Board

C. A. O'Connor
Director

Sydney, 27 August 2020

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Independent Auditor's Report to the Members of Prime Media Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Prime Media Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Revenue Recognition

Why significant	How our audit addressed the key audit matter
The Group has the following revenue and other income streams: ▸ Advertising revenue ▸ Site rental ▸ Sales representation income ▸ Government grants As outlined in Note 2 of the Financial Statements Advertising revenue is recognised when the commercial advertisement has been broadcast. Where the Company has committed to delivering a specific viewer metric for an advertising campaign, then revenue for this performance obligation will be recognised when the viewer metric has been achieved. Advertising revenue is recognised net of agency commission. Advertising revenue is a key audit matter due to the manual process for determining whether the advertisement has been broadcast and viewer metrics have been achieved and due to the potential risk of manual override of controls by management to manipulate revenue.	Our audit procedures included the following: ▸ Confirmed our understanding of the processes and tested the controls over advertising revenue, including examination of campaign contracts and approvals. ▸ Compared revenue recognised to evidence of broadcast. ▸ Used data analysis techniques to analyse the relationship between revenue, accounts receivable and cash collections for advertising revenue. This included testing revenue recognised post broadcast by agreeing a sample to transmission and subsequent cash receipt. ▸ Tested manual journal entries for revenue recorded at period end. ▸ Challenged the completeness of deferred revenue where viewer metrics have not been met. ▸ Assessed the adequacy of the financial report disclosures included in the financial statements

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

The directors are responsible for the other information. The other information comprises the information included in the Company's 2020 Annual Report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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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 on the other information obtained prior to the date of this auditor's report, 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 judgment 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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 23 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Prime Media Group Limited for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

M J Wright

Michael J Wright
Partner
Sydney
27 August 2020

ASX Additional Information *– Year Ended 30 June 2020*

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 25 August 2020.

A. Distribution of Equity Securities

Ordinary shares

As at 25 August 2020, total number of fully paid up shares on issue is 366,330,303.

The number of shareholders, by size of holding, in each class of share is:

			Number of holders
1	–	1,000	501
1,001	–	5,000	634
5,001	–	10,000	391
10,001	–	100,000	741
100,001	and	over	162
			2,429
The number of shareholders holding less than a marketable parcel of shares:			1,145

B. Twenty Largest Registered Shareholders

The names of the twenty largest registered holders of quoted shares at 25 August 2020are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	Seven Network (Operations) Limited	54,594,367	14.90
2	WA Chess Investments Pty Ltd	54,362,273	14.84
3	J P Morgan Nominees Australia Pty Limited	44,420,483	12.13
4	Buttonwood Nominees Pty Ltd	29,050,000	7.93
5	HSBC Custody Nominees (Australia) Limited	21,389,901	5.84
6	Brispot Nominees Pty Ltd	9,264,829	2.53
7	UBS Nominees Pty Ltd	7,500,000	2.05
8	BNP Paribas Nominees Pty Ltd	6,981,599	1.91
9	CS Fourth Nominees Pty Limited	6,721,824	1.83
10	HSBC Custody Nominees (Australia) Limited	6,511,527	1.78
11	Morgan Stanley Australia Securities (Nominee) Pty Limited	6,462,317	1.76
12	Jamplat Pty Ltd	5,700,000	1.56
13	Keybridge Capital Limited	5,421,585	1.48
14	Mr George Walter Mooratoff	5,000,000	1.36
15	Citicorp Nominees Pty Limited	4,908,894	1.34
16	Merrill Lynch (Australia) Nominees Pty Limited	4,545,552	1.24
17	Sojourn Services Pty Ltd	3,597,000	0.98
18	Neweconomy Com Au Nominees Pty Limited	2,990,537	0.82
19	Mr John Alex Rumble & Mrs Sonja Rumble	2,900,000	0.79
20	Warbont Nominees Pty Ltd	2,591,648	0.71
		284,914,336	77.78

C. Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of shares	Percentage of ordinary shares
Seven West Media Limited and its related interests including Seven Network (Operations) Limited Seven Group Holdings Limited and its related interest Australian Capital Equity Limited, Wroxby Pty Limited, North Aston Pty Limited, Ashblue Holdings Pty Limited, Tiberius Pty Limited, Tiberius (Seven investments) Pty Limited, Mr Kerry Matthew Stokes AC	54,594,367	14.90%
WA Chess Investments Pty Limited	53,362,273	14.57%
Bruce Gordon, Judith Gordon, Birketu Pty Ltd, WIN Corporation Pty Limited and associates of WIN	42,444,289	11.59%
Macquarie Group Limited	29,244,151	7.98%

On 28 November 2019 Birketu Pty Limited disclosed to the market that on 21 November 2019, Birketu Pty Limited entered into a cash settled equity swap transaction with Macquarie Bank Limited in relation to 29,050,000 PRT shares at a price of $0.200 per PRT share.

As a result of the transaction, WIN Group voting power in PRT remained at 11.59% and the aggregate economic interest of the WIN Group in PRT was 19.52%.

D. Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.