

United Christian Broadcasters Australia Limited

A Company Limited by Guarantee
ABN 15 051 984 402

Financial Report

For the year ended 31 December 2017

United Christian Broadcasters Australia Limited Directors' Report

In respect of the financial year ended 31 December 2017, the directors submit the following report made out in accordance with a resolution of the directors.

Directors

The names of the directors of the company in office at any time during the financial year and at the date of this report are:

Ian Worby
Terry Winter
Cameron Young
Peter Irvine
Paul Campey
Graham McLennan
Russell Huskisson
Phillip Edwards
Wendy Francis
Andrew L'Almont

Principal Activity

The Principal activity of the company is promoting the Christian faith through various media.

The short term objectives of the company are to be a trusted, consistent, unifying voice in the Australian community to challenge, encourage and affirm people in the Christian faith.

The long term objective of the company is to have a significant presence in the Australian media landscape so that every Australian has the opportunity to access to its products and services.

Results and Review of Operations

The net surplus/(deficit) for the year was \$42,672

The Company continued its normal activities during the period.

Information regarding Directors

Ian Forrest Worby	Ship captain, former tertiary education broadcast trainer and station manager
Terry William Winters	Ordained minister and former broadcast manager of Rhema FM Geelong
Cameron Young	Chartered Accountant
Peter Irvine	Founder of Gloria Jean's coffee franchise, Entrepreneur and Advertising executive
Paul Campey	Chartered Accountant
Graham McLennan	Dental Surgeon
Russell Huskisson	Production officer - Business Services
Phillip John Edwards	CEO, broadcaster, Programme Director
Wendy Francis	QLD director, Australian Christian Lobby
Andrew L'Almont	Former CEO, Compass - Finances God's Way

Company Structure

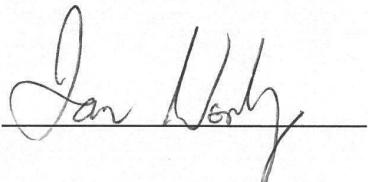
The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$90 (2016:\$90).

Auditors

The company's auditors follow the independence requirements of the Australian ethical pronouncements. An extract of the Declaration provided to the Directors is attached.

Dated 22 April 2018
in accordance with a resolution of the Directors.

Director



Director



United Christian Broadcasters Australia Limited
ABN 15 051 984 402

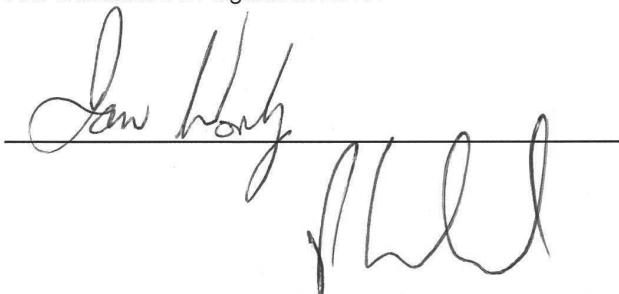
Directors' Declaration

The directors of the entity declare that:

- 1 The financial statements and notes satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 including:
 - a. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting interpretations) and the requirements of Australian Charities and Not for Profits Commission Regulation 2013; and
 - b. giving a true and fair view of the financial position as at 31 December 2017 and of the performance and cashflows for the year ended on that date of the entity.
- 2 In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with the requirements of subsection 60.15(2) of the Australian Charities and not for Profits Commission Regulation 2013.

Director



Director

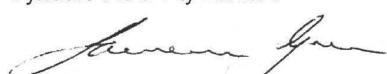
Dated 22 April 2018

Auditors Independence Declaration

To the Directors

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2017 there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Tyndale KSG Pty Limited



Lawrence R Green FCA
Director

Dated 22 April 2018
Suite 28, 19-21 Central Road, Miranda NSW 2228

INDEPENDENT AUDIT REPORT

To: The Members of United Christian Broadcasters Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of United Christian Broadcasters Australia Limited, which comprises the Balance Sheet as at 31 December 2017, and the Statement of Income and Comprehensive Income, Statement of Changes in Equity Accumulated Funds and Reserves and the Statement of CashFlows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration of the entity.

In our opinion the financial report of United Christian Broadcasters Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted the 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 registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the registered entity'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 responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

The audit 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 the financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the audit opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Tyndale KSG Pty Limited
Authorised Audit Company

Dated: 22 April 2018
Sydney



Lawrence R Green FCA, Director

United Christian Broadcasters Australia Limited
Balance Sheet
As at 31 December 2017

	Note	2017	2016
		\$	\$
Current Assets			
Cash and cash equivalents	2	1,708,239	1,410,701
Inventories		134,094	99,599
Accounts Receivable	3	224,133	268,109
Total Current Assets		2,066,465	1,778,409
Non-Current Assets			
Property Plant and Equipment	4	1,589,475	1,674,884
Other	5	241,220	338,814
Total Non-Current Assets		1,830,694	2,013,698
Total Assets		3,897,160	3,792,107
Current Liabilities			
Payables	6	253,284	243,587
Interest Bearing Liabilities	7	41,520	40,322
Provisions	8	481,750	409,081
Total Current Liabilities		776,554	692,990
Non- Current Liabilities			
Interest Bearing Liabilities	7	17,295	60,482
Provisions	8	120,128	98,123
Total Non-Current Liabilities		137,423	158,605
Total Liabilities		913,977	851,595
Net Assets		2,983,183	2,940,511
Accumulated Funds and Reserves			
Accumulated Funds		2,498,351	2,455,679
Reserves		484,832	484,832
Total Funds and Reserves		2,983,183	2,940,511

The above Statement should be read with the accompanying Notes

United Christian Broadcasters Australia Limited
Statement of Income and Comprehensive Income
For the year ended 31 December 2017

	Note	2017	2016
		\$	\$
Revenues from Ordinary Activities			
Vision Radio Network, Tour & Publications income		684,851	660,759
Donations and Development Income		5,820,102	5,420,071
Bequests		75,035	139,354
Interest Received - Other		8,403	7,805
Product Sales		871,307	623,167
Other Income		56,968	3,842
Surplus/(Deficit) on sale of non-current assets		227	12,419
Total Income	11	7,516,892	6,867,416
Expenses from Ordinary Activities			
Cost of Sales		410,823	269,542
Operational Costs		1,009,364	1,023,629
Finance		88,832	102,264
Marketing and Development		518,032	314,435
Content, Communication and Publications		1,624,702	1,415,698
Staffing		3,416,968	2,923,831
Auditors Remuneration		8,700	9,955
Other Costs		96,223	142,958
Depreciation and amortisation		300,576	307,156
Total Expenses	11	7,474,220	6,509,467
Operating Surplus/(Deficit) for the Year		42,672	357,949

The above Statement should be read with the accompanying Notes

United Christian Broadcasters Australia Limited
Statement of Changes Equity, Accumulated Funds and Reserves
For the year ended 31 December 2017

	Note	2017	2016
		\$	\$
<u>Accumulated Funds</u>			
Operating Surplus/(Deficit) for the Year		42,672	357,949
Balance at the Beginning of the Year		2,455,679	2,097,729
Other Comprehensive Income			
Transfer from/(to) Asset Revaluation Reserve		<u>-</u>	<u>-</u>
Balance at the End of the Year		2,498,351	2,455,679
<u>Reserves</u>			
Asset Revaluation Reserve			
Balance at the Beginning of the Year		484,832	484,832
Transfer from/(to) Accumulated Funds		<u>-</u>	<u>-</u>
Balance at the End of the Year		484,832	484,832
Total Funds and Reserves		2,983,183	2,940,511

The above Statement should be read with the accompanying Notes

United Christian Broadcasters Australia Limited
Statement of Cashflows
For the year ended 31 December 2017

	2017	2016
	\$	\$
Funds from Operations		
Vision Radio Network, Tour & Publications income	671,992	632,181
Donations and Development Income	5,820,102	5,420,071
Bequests	75,035	139,354
Interest Received - Other	8,403	7,805
Product Sales	918,400	492,586
Other Income	56,968	3,842
Other Payments to Staff and Suppliers	<u>(7,087,945)</u>	<u>(6,037,876)</u>
 Funds from/(used in) Operations (Note 13)	 <u>462,954</u>	 657,962
Funds from/(applied to) Investing Activities		
Payments for Property Plant and Equipment	(108,877)	(394,407)
Payments for Other Non-current assets	(8,468)	(70,242)
(Increase)/Decrease in other receivable	(3,117)	850
Net proceeds from disposal of plant & equipment	-	6,227
Net proceeds from sale of licences	-	9,772
Decrease/(Increase) in GST payable/recoverable	(3,573)	553
Prior year adjustments	0	0
Repayment of Other Payables	<u>609</u>	<u>(345)</u>
 Funds from/(used in) financing activities	 <u>(123,426)</u>	 (447,592)
Funds from/(applied to) Financing Activities		
Increase/(Decrease) in Deposits held	-	74,550
Net Proceeds/(repayments) from/(to) borrowings	<u>(41,989)</u>	<u>68,230</u>
 Funds from/(used in) financing activities	 <u>(41,989)</u>	 (6,320)
 (Decrease)/Increase in cash	 297,538	 204,050
Cash at the beginning of the year	(Note 2)	1,410,701
Cash at the end of the year	(Note 2)	1,708,239

The above Statement should be read with the accompanying Notes

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

Note 1 Summary of Significant Accounting Policies

UCB applies Australian Accounting Standards - Reduced Disclosure Requirements set out in AASB 1053:Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not for Profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The significant accounting policies that have been adopted in the preparation of the statements are as follows:

a) Revenues

UCB recognises donations and bequests when received. Donated goods in kind are recognised when legal title transfers to it at fair value or where the item is proposed to be resold then it is recognised at estimated sale value after sale costs. Revenue recognition with respect to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total services to be performed. Where the outcome cannot be estimated reliably then revenue is recognised only to the extent that related expenditure is recoverable.

b) Income Tax

No income tax is payable as UCB is a not for profit entity and recognised by the Australian Taxation Office as an Income Tax Exempt entity. UCB is registered with the ACNC as a Charity. A Deductible Gift Fund is operated - refer Note 17.

c) Property Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values are indicated, less, where applicable, accumulated depreciation and impairment losses. Property is carried at deemed cost.

Plant and equipment are measured on the cost basis less depreciation over the expected useful life of the item using the straight line method, and impairment losses. Rates applied are:

Office refurbishments 20% 33.33%

Vehicles 15%

Technical equipment and relays 15%

Studio etc 20%

Furniture and fittings 20%

Computers and equipment 20% 25% 33.33%

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

f) Impairment of Assets

Intangible Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its receivable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at call with banks, other short term highly liquid investments with maturities of three months or less and bank overdrafts. Bank overdrafts are shown within Interest Bearing Liabilities in current liabilities on the balance sheet.

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled. Current entitlements in excess of ten years service are reflected as current liabilities.

i) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overheads.

j) Broadcast Rights

Broadcast rights are carried at the lower of cost less amortisation and net recoverable amount. Cost comprises acquisition of broadcast rights. UCB amortisation policy amortises the costs of broadcast rights over the rights period of the contract or licence. Where the licence period is extended UCB reassesses the expected useful life of the rights and adjusts amortisation accordingly.

k) Adoption of New and Revised Accounting Standards

In the current year, the entity has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016, and therefore relevant for the current year end.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the

Reduced Disclosure Requirements (RDR) entities are not required to disclose Accounting Standards issued but not yet effective. Accordingly, none of the RDR-related amendments have been included in these Notes.

The group is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the group's preliminary assessment, the likely impact on the first-time adoption of the Standard for the year ending 31 December 2019 includes:

- there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet
- the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities
- Earnings in the statement of comprehensive income may be higher as the implicit interest in lease payments for former off-balance sheet leases will be presented in a different manner as part of finance costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease rental liabilities will be included in financing activities rather than operating activities. Interest can also be included within financing activities

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

	2017 \$	2016 \$
Note 2 Cash and cash equivalents - current		
Cash on Hand	325	207
Debit Card Accounts	4,605	3,981
Commercial Account	49,368	3,499
DGR Development Account	604,383	239,020
NZ Currency account	59	(39)
Station Trust account	320,776	531,566
Other Station interest bearing accounts	9,458	9,458
Station Maintenance account	38,946	28,848
Operating Accounts	69,572	102,702
Term Deposits	391,150	-
Other accounts and holding accounts	219,598	491,458
	<u>1,708,239</u>	<u>1,410,701</u>
Note 3 Receivables - Current		
Deposits held	81,150	81,150
Trade accounts - Bartercard etc	64,136	54,168
Other Receivable	3,417	300
Trade Debtors	75,430	132,491
	<u>224,133</u>	<u>268,109</u>
Note 4 Land and Buildings - cost	<u>1,021,575</u>	1,021,575
Leasehold Improvements - cost	6,745	6,745
	<u>1,028,320</u>	1,028,320
Office Refurbishment - cost	454,427	445,002
Less Accumulated Depreciation	(446,698)	(420,443)
	<u>7,729</u>	24,559
Plant Equipment and Vehicles		
Computers and Electronic Equipment - cost	596,835	528,149
Less Accumulated Depreciation	(382,991)	(316,817)
	<u>213,844</u>	211,332
Motor Vehicles - cost	123,632	123,632
Less Accumulated Depreciation	(50,392)	(33,047)
	<u>73,240</u>	90,585
Fixtures and Fittings - cost	50,087	50,087
Less Accumulated Depreciation	(48,809)	(48,243)
	<u>1,278</u>	1,845
Satellite and Relay Station Equipment - cost	1,159,442	1,128,677
Less Accumulated Depreciation	(894,379)	(810,435)
	<u>265,063</u>	318,243
Total Property Plant and Equipment	<u>1,589,475</u>	<u>1,674,884</u>
Note 5 Other non-current assets		
Cost		
Radio Frequency	1,322,074	1,313,866
Intellectual Property	12,631	12,631
Website Development	92,045	92,045
Less Accumulated Amortisation	(1,185,531)	(1,079,728)
	<u>241,220</u>	<u>338,814</u>

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

	2017	2016
	\$	\$
Note 6 Payables		
Current		
Trade Creditors	161,874	149,954
PAYG Withholdings	42,993	33,829
GST Payable/(Recoverable)	4,445	8,018
Superannuation	26,939	22,502
Income in Advance	15,359	28,218
Other Payables	1,674	1,065
	253,284	243,587

Note 7 Interest Bearing Liabilities		
Current		
Hire Purchase		
Loans - Vehicle IT & Phone system	41,520	40,322
	41,520	40,322
Non-Current		
Loan - Other - unsecured	-	-
Hire Purchase		
Loans - Vehicle IT & Phone system	17,295	60,482
	17,295	60,482

Note 8 Provisions		
Current		
Long Service Leave	214,008	150,026
Annual Leave Provision	267,742	259,055
	267,742	259,055
Non-Current		
Long Service Leave	120,128	98,123
	120,128	98,123

Note 9 Segment of Operations

The Company is a not for profit company limited by guarantee primarily operating in Australia. UCB is passionately committed to building communities of mature Christians through engaging media and resources.

That every Australian has the opportunity to access trusted Christian media and resources that connect faith to life.

Note 10 Financial Instruments and Risk

The Company has no exposures to currency risk other than small bank accounts detailed in Note 2 which vary from time to time but are generally not significant.

The Company has no exposure to market risks and has no investments in structured financial products. The Company's funds are held as follows:

Australian Banks	1,784,400	1,406,551
Foreign financial institutions	59	(39)

The Company maintains a bank overdraft facility of \$0.5m which is drawn upon at times during the year when short term funding needs so require. At balance date the amount of the overdraft was Nil.

Sensitivity:

If interest rates changed the following would be the resultant effect on income and accumulated funds:

Increase of 1% in interest rates	17,844	14,066
Decrease by 1% in interest rates	(17,844)	(14,066)

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

	2017 \$	2016 \$
Note 11 Operating Surplus/(Deficit) for the Year		
Income		
Deductible Gift Receipts	5,820,102	5,420,071
Bequests	75,035	139,354
Interest Received - Other	8,403	7,805
Expenses		
Depreciation and amortisation	300,576	307,156
Employee entitlement provisions	30,692	65,107
Remuneration of the Auditors		
Audit services	8,500	8,500

Note 12 Entity Details

The Registered Office and Principal Place of Business of the company is:
104 Compton Road Underwood Queensland

Note 13 Operating Surplus/(Deficit) for the period is reconciled to Funds from Operations as follows:

Operating Surplus/(Deficit)	42,672	357,949
Gain on disposal of Fixed Assets	(227)	(12,419)
Depreciation and amortisation	300,576	307,156
Decrease/(Increase in Receivables	47,093	(130,581)
Decrease/(Increase) in Inventories	(34,495)	(19,296)
Increase/(Decrease) in Trade Creditors	11,919	81,270
Increase/(Decrease) in Income in Advance	(12,859)	(28,579)
Increase/(Decrease) in Staff Entitlement Provisions	94,674	112,359
Increase/(Decrease) in PAYG and Superannuation	<u>13,600</u>	<u>(9,899)</u>
 Funds from/(used in) Operations	 <u>462,954</u>	 <u>657,962</u>

Note 14 Related Parties

The names of persons who were Directors at any time during the financial year were:

Ian Worby	Graham McLennan
Terry Winter	Russell Huskisson
Cameron Young	Phillip Edwards
Peter Irvine	Wendy Francis
Paul Campey	Andrew L'Almont

Paul Campey is a director of UCB. During the year Resolve Consulting, in which Mr Campey holds a financial interest, provided consulting services to UCB at an arms length fee of \$12,000 plus disbursements. With the above exception no Director received remuneration during the year.

Note 15 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered to be key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2017 \$	2016 \$
Key management personnel compensation	490,429	450,550

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2017

Note 16 Fundraising Ratios

The following ratios are published for information purposes. The entity is registered for Fundraising in its home State of Queensland and has applications in various stages of processing for other States as advice has now been received not to wait for the national fundraising registration scheme previously mooted by COAG.

	2017	2016		
	\$	%	\$	%
<u>Total Costs of Fundraising</u>	456,940	8%	492,304	9%
Gross Income from Fundraising	5,820,102		5,420,071	
<u>Net Surplus from Fundraising</u>	5,363,162	92%	4,927,767	91%
Gross Income from Fundraising	5,820,102		5,420,071	
<u>Total Cost of Services</u>	6,305,881	84%	5,440,465	84%
Total Expenditure	7,474,220		6,509,467	
<u>Total Cost of Services</u>	6,305,881	84%	5,440,465	79%
Total Income Received	7,516,892		6,867,416	

Note 17 Deductible Gift Fund

The company operates a deductible gift fund known as the "UCB Australia Development Fund" donations to which are tax deductible to the donor. The movement in the deductible gift account during the year was as follows:

Balance at beginning of the year	239,020	198,347
Donations received	5,820,102	5,225,988
Less expenditure from the fund	(5,454,739)	(5,185,315)
Balance at the end of the year	604,383	239,020