

United Christian Broadcasters Australia Limited

A Company Limited by Guarantee

ABN 15 051 984 402

Financial Statements

For the Year Ended 31 December 2023

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United Christian Broadcasters Australia Limited

ABN 15 051 984 402

Directors' Report

31 December 2023

The directors present their report on United Christian Broadcasters Australia Limited (the Company) for the financial year ended 31 December 2023.

General information

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	Cameron Young
Neville Cox	Graham McLennan
Russell Huskisson	Phillip Edwards
Wendy Francis	Rodney St Hill

Principal activities

The principal purpose of the Company is the promotion and development of radio, music, performing arts, literature and publications, visual arts, film, video, television, internet and digital media, and community arts, of which promotion and development shall be based upon our objectives and our core values. This is reflecting in the main programs of the Company which are: (1) radio broadcasting; (2) literature and publications; (3) internet and digital media; (4) news and public information, and; (5) affirmation and education regarding the Christian faith.

The short-term objective of the Company is to be a trusted, consistent and 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 be a leader in communicating the Gospel message in Australia by strategically using the most effective and appropriate media and technologies available.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results and review of operations for the year

The surplus of the Company for the financial year amounted to \$471,736 (2022: \$672,312).

Donation income for the year was above the previous year largely due to income from bequests. Donation income specifically related to the new Digital Audio Broadcasting (DAB+) digital radio stations in Brisbane, Sydney and Melbourne was recorded in the Statement of Financial Position as deferred income and will be recognised on the Statement of Profit or Loss and Other Comprehensive Income in line with related costs. The addition of the DAB+ digital radio stations provide a substantial increase to the overall potential reach of the Company's message to the Australian people. During the year, proceeds from bequests and the sale of a property held for sale were used to significantly pay down debt.

United Christian Broadcasters Australia Limited
ABN 15 051 984 402

Directors' Report

31 December 2023

Company structure

The Company was incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the Company 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 2023, the total amount that members of the Company are liable to contribute if the Company is wound up is \$80 (2022: \$90).

Significant changes in state affairs

There have been no significant changes to the state of affairs of the Company during the year.

Events subsequent to the end of the reporting period

During the financial year, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

United Christian Broadcasters Australia Limited

ABN 15 051 984 402

Directors' Report

31 December 2023

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of officer and auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Auditor's independence declaration

The auditor's independence declaration is included after this report.

Signed in accordance with a resolution of the board



Phillip John Edwards
Director

20th

May 2024

Auditor's Independence Declaration

As lead auditor for the audit of United Christian Broadcasters Australia Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

This declaration is in respect of United Christian Broadcasters Australia Limited during the period.



Victor Uson
Director
Vincents Assurance & Risk Advisory

Brisbane QLD
20 May 2024

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

		2023 \$	2022 \$
	Note		
Revenue			
Donations and development income		9,568,675	8,816,853
Product Sales		358,595	450,315
Radio network, tour and publications income		563,614	514,732
Gain/(Loss) on sale on disposal of non-current assets		(31,236)	69,188
Interest and other income		32,850	9,310
		10,492,498	9,860,398
Expenses			
Employee benefits expense	5	4,555,598	4,038,434
Media content and publications		2,110,798	1,908,784
Technology, broadcasting and general operations		1,692,099	1,423,121
Marketing and development		642,305	629,458
Depreciation and amortisation		510,088	438,022
Cost of sales		252,920	327,054
Finance costs		90,992	168,224
Auditors remuneration		14,751	16,000
Other costs		151,211	238,989
		10,020,762	9,188,086
Surplus for the year		471,736	672,312
Other comprehensive income for the year		-	-
Total comprehensive income for the year		471,736	672,312

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 31 December 2023

		2023 \$	2022 \$
	Note		
Assets			
Current assets			
Cash	6	2,671,075	2,235,773
Investments		117,185	116,362
Trade and other receivables	7	914,130	163,311
Inventories	8	63,565	141,241
Assets held for sale	9	-	541,042
Total current assets		3,765,955	3,197,729
Non-current assets			
Property, plant and equipment	10	6,629,896	6,837,149
Intangible assets	11	1,050,187	1,156,305
Total non-current assets		7,680,083	7,993,454
Total assets		11,446,038	11,191,183
Liabilities			
Current liabilities			
Trade and other payables	12	515,454	288,564
Interest bearing liabilities	13	347,844	295,748
Provisions	14	659,915	1,229,711
Deferred Income	15	890,341	-
Total current liabilities		2,413,554	1,814,023
Non-current liabilities			
Interest bearing liabilities	13	760,022	2,099,976
Provisions	14	115,132	197,644
Deferred Income	15	605,422	-
Total non-current liabilities		1,480,576	2,297,620
Total liabilities		3,894,130	4,111,643
Net Assets		7,551,908	7,079,540
Equity			
Accumulated surplus		7,551,908	6,799,661
Asset revaluation reserve		-	279,879
Total equity		7,551,908	7,079,540

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2023

	Note	Accumulated surplus \$	Asset revaluation reserve \$	Total \$
2023				
Balance at 1 January 2023		6,799,661	279,879	7,079,540
Adjustment related to prior period		632	-	632
Balance at 1 January 2023 (Restated)		6,800,293	279,879	7,080,172
Surplus for the year		471,736	-	471,736
Transfer to retained earnings	9	279,879	(279,879)	-
Other comprehensive income		-	-	-
Total comprehensive income		751,615	(279,879)	471,736
Balance at 31 December 2023		7,551,908	-	7,551,908
2022				
Balance at 1 January 2022		6,319,909	484,832	6,804,741
Adjustment for change in accounting policy		(397,513)	-	(397,513)
Balance at 1 January 2022 (Restated)		5,922,396	484,832	6,407,228
Surplus for the year		672,312	-	672,312
Transfer to retained earnings		204,953	(204,953)	-
Other comprehensive income		-	-	-
Total comprehensive income		877,265	(204,953)	672,312
Balance at 31 December 2022		6,799,661	279,879	7,079,540

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2023

	2023 \$	2022 \$
Note		
Cash flows from operating activities		
Receipts from donations and other income	11,780,026	9,870,094
Payments to suppliers and employees	(9,803,130)	(7,849,888)
Interest received	25,799	2,219
Net cash provided by operating activities	2,002,695	2,022,425
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	8,175	16,080
Payment for property, plant and equipment	10 (144,603)	(441,833)
Payment for acquisition of intangibles	11 (52,115)	(152,500)
Net cash used in investing activities	(188,543)	(578,253)
Cash flows from financing activities		
Repayment of principal for interest bearing liabilities	(1,287,858)	(1,870,252)
Finance costs	(90,992)	(168,224)
Net cash used in financing activities	(1,378,850)	(2,038,476)
Net increase/(decrease) in cash held	435,302	(594,304)
Cash held at the beginning of the financial year	2,235,773	2,830,077
Cash held at the end of the financial year	6 2,671,075	2,235,773

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2023

Corporate information

The financial statements for United Christian Broadcasters Australia Limited was authorised for issue by the directors on 20 May 2024. The Company is a not-for-profit entity and is a public company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of United Christian Broadcasters Australia Limited is Australian dollars.

1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of material accounting policies

(i) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. A Deductible Gift Fund is operated.

(ii) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/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 twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Notes to the Financial Statements
For the year ended 31 December 2023

2. Summary of material accounting policies (continued)

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 twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

3. Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates—impairment of property, plant and equipment and intangible assets

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates—provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates—receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates—useful lives of property, plant and equipment and intangibles

The Company reviews the estimated useful lives of property, plant and equipment and intangibles at the end of each annual reporting period.

4. Revenue and other income

Accounting policy

Revenue and other income

Revenue is recognised at allocated transaction prices as associated performance obligations are met by the Company. The following specific recognition criteria must also be met before revenue is recognised:

(i) Donations and development income

Revenue is recognised at fair value of the consideration received net of any charge for GST. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the amount of the revenue can be reliably measured.

Notes to the Financial Statements
For the year ended 31 December 2023

4. Revenue and other income (continued)

(ii) Product sales

Product revenue is recognised on a “point in time” basis when control of the goods transfers to the customer. Control of the goods transfers to the customer either at the point of sale or when the goods are delivered to, or collected by, the customer. Any fees charged to the customer for delivery are recognised as revenue when the delivery has been completed.

(iii) Radio advertising

Radio advertising is recognised over the time the advertisement is aired. Billings to clients and payments in advance of performance of services are recorded as deferred revenue until the services are performed. Payment for advertising services is typically due shortly after the Company has satisfied its performance obligation to broadcast the advertisement as specified in the contract.

5. Expenses

	2023 \$	2022 \$
Salaries and wages	4,083,751	3,646,539
Superannuation	471,847	391,895
	<u>4,555,598</u>	<u>4,038,434</u>

6. Cash

	2023 \$	2022 \$
Cash on hand	476	438
Cash at bank	297,144	452,256
Deposits held—non-bank financial institution	2,373,455	1,783,079
Balance as per statement of cash flows	<u>2,671,075</u>	<u>2,235,773</u>

Accounting policy

Cash comprises cash on hand and in banks and term deposits at call, which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

7. Trade and other receivables

	2023 \$	2022 \$
Prepayments	803,958	79,299
Trade receivables	73,033	64,202
Net GST receivable	37,139	19,810
	<u>914,130</u>	<u>163,311</u>

Accounting policy

Trade receivables are generally due for settlement within 30-60 days.

Prepayments

Prepayments in the current year include amounts paid in advance for access to DAB+ Digital Radio.

Notes to the Financial Statements
For the year ended 31 December 2023

8. Inventories

	2023 \$	2022 \$
Store inventory	140,034	176,657
Technical inventory	33,639	28,956
	<u>173,673</u>	<u>205,613</u>
Less Provision for stock obsolescence	<u>(110,108)</u>	<u>(64,372)</u>
	<u>63,565</u>	<u>141,241</u>

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Saleability of stock on hand is considered and a provision is made for slow moving, obsolete and damaged stock. The Company considers the recent and historical sales for each stock group when considering saleability of stock. Slow moving, obsolete and damaged stock is written down or to its estimated net realisable value. Stock that is unlikely to be saleable for value is written down to zero.

9. Assets held for sale

	2023 \$	2022 \$
Asset held for sale	-	541,042

Asset held for sale comprised of one commercial property located in Underwood, QLD, which was sold in July 2023. The settlement funds were paid towards the repayment of mortgage with the associated asset revaluation reserve balance transferred to retained earnings.

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale of transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the Financial Statements
For the year ended 31 December 2023

10. Property, plant and equipment

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

	Land and Buildings \$	Computers & Electronic Equipment \$	Fixtures & Fittings \$	Motor Vehicles \$	Relay Station Equipment \$	Total \$
2023						
Balance at the beginning of the year	6,138,793	83,811	766	114,054	499,725	6,837,149
Additions	2	61,336	-	-	83,265	144,603
Disposals	-	-	-	(23,586)	-	(23,586)
Depreciation on disposals	-	-	-	23,586	-	23,586
Depreciation	(176,169)	(36,952)	(766)	(44,578)	(93,391)	(351,856)
Balance at the end of the year	5,962,626	108,195	-	69,476	489,599	6,629,896
Gross	6,589,044	569,032	32,970	216,699	1,745,440	9,153,185
Accumulated depreciation	(626,418)	(460,837)	(32,970)	(147,223)	(1,255,841)	(2,523,289)
Carrying amount at the end of the year	5,962,626	108,195	-	69,476	489,599	6,629,896
2022						
Gross	6,589,042	507,696	32,970	240,285	1,662,175	9,032,168
Accumulated depreciation	(450,249)	(423,885)	(32,204)	(126,231)	(1,162,450)	(2,195,019)
Carrying amount at the end of the year	6,138,793	83,811	766	114,054	499,725	6,837,149

Notes to the Financial Statements
For the year ended 31 December 2023

Accounting policy

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Measurement

Assets are measured using the cost model and are therefore carried at cost less accumulated depreciation (except for land) and any accumulated impairment losses. In the event the carrying amount of asset is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.50%
Computers and electronic equipment	25.00%–33.33%
Fixtures and fittings	20.00%
Motor vehicles	15.00%–25.00%
Relay station equipment	10.00%–20.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Notes to the Financial Statements
For the year ended 31 December 2023

11. Intangibles

	Radio Frequency \$	Software \$	Trademarks \$	Total \$
2023				
Balance at the beginning of the year	1,093,939	62,366	-	1,156,305
Additions	52,115	-	-	52,115
Disposals	-	-	-	-
Depreciation expense	(111,678)	(46,555)	-	(158,233)
Balance at end of the year	1,034,376	15,811	-	1,050,187
Gross	2,524,900	139,664	12,631	2,677,195
Accumulated depreciation	(1,490,524)	(123,853)	(12,631)	(1,627,008)
Carrying amount at the end of the year	1,034,376	15,811	-	1,050,187
2022				
Gross	2,472,785	139,664	12,631	2,625,080
Accumulated depreciation	(1,378,846)	(77,298)	(12,631)	(1,468,775)
Carrying amount at the end of the year	1,093,939	62,366	-	1,156,305

Amortisation

The Company amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

Intangible asset	Useful life
Radio Frequency	5–20 years
Trademark	3 years

Accounting policy

Intangibles including broadcast rights are carried at the lower of cost less amortisation and net recoverable amount. Cost comprises acquisition of broadcast rights. Broadcast rights are amortised over the useful life of the contract or licence. Where the licence period is extended, the expected useful life of the asset and amortisation is adjusted accordingly.

Notes to the Financial Statements
For the year ended 31 December 2023

12. Trade and other payables

	2023 \$	2022 \$
Trade creditors	379,148	185,424
PAYG withholdings	78,993	51,758
Superannuation	41,359	34,811
Other payables	15,954	16,571
	<u>515,454</u>	<u>288,564</u>

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remained unpaid at the end of the reporting period.

13. Interest bearing liabilities

	2023 \$	2022 \$
Current	347,844	295,748
Non-current	760,022	2,099,976
	<u>1,107,866</u>	<u>2,395,724</u>

Mortgage

The Company has complied with the covenants of the loan facility which is secured by its Springwood property at the end of the year. Interest incurred related to the loan amounted to \$37,500 in 2023 and \$120,593 in 2022.

14. Provisions

	2023 \$	2022 \$
Current		
Annual leave provision	346,057	340,824
Long service leave provision	313,858	228,880
Provision for affiliation outreach fees	-	660,007
	<u>659,915</u>	<u>1,229,711</u>
Non-current		
Long service leave provision	115,132	197,644
	<u>115,132</u>	<u>197,644</u>
	<u>775,047</u>	<u>1,427,355</u>

Notes to the Financial Statements
For the year ended 31 December 2023

14. Provisions (continued)

Accounting policy

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provision for affiliation outreach fees

The Company has an affiliation outreach agreement with UCB International Ltd (UCBI), a New Zealand domiciled Company. This agreement provides the Company with certain rights and benefits from UCBI, including the rights to access devotional publications. In return for these rights and benefits, the Company has agreed to provide an amount of funding to UCBI which will mainly be used for the creation and development of similar media-focused Christian ministries across the Asia Pacific region, including Australia. This funding may be directly paid to UCBI or to a related party, UCB Asia Pacific Ltd, or to other mutually agreed media-focused ministries.

The maximum amount of the funding is based on a set percentage of donations. The timing of any payment to the potential recipients of this funding is not certain as it depends on their future cash flow requirements as they progress with their objectives. At the end of the year, UCBI kindly donated the closing balance of the provision for affiliation outreach fees specifically towards the new costs of acquiring and maintaining long-term access to DAB+ digital radio.

15. Deferred income

	2023 \$	2022 \$
Current		
Deferred income	890,341	-
	<u>890,341</u>	<u>-</u>
Non-current		
Deferred income	605,422	-
	<u>605,422</u>	<u>-</u>
	<u>1,495,763</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 December 2023

15. Deferred income (continued)

Accounting Policy

During the year, the Company raised funds from donations specifically towards the new costs of acquiring and maintaining long-term access to DAB+ digital radio in Brisbane, Sydney and Melbourne. A confidential long-term commercial agreement was made with an unrelated counterparty to provide this access. The specific donation monies raised for this explicit purpose are being treated as deferred income, held as a liability on the balance sheet, and will be matched to the costs of providing DAB+ radio in Brisbane, Sydney & Melbourne over the term of the agreement, or until fully expended.

16. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by, the auditors, its network firms and unrelated firms:

	2023	2022
	\$	\$
Audit of the financial statements	10,500	10,000
Other services:		
—Assistance in preparing financial statements	3,150	3,000
	13,650	13,000

17. Contingencies

In the opinion of the directors, the Company did not have any contingencies at 31 December 2023 (2022: Nil).

18. Financial assets and liabilities

	2023	2022
	\$	\$
Financial assets held at amortised cost		
Cash	2,671,075	2,235,773
Trade and other receivables	914,130	163,311
Investments	-	-
Total financial assets	3,585,205	2,399,084
Financial liabilities held at amortised cost		
Trade and other payables	515,454	288,564
Interest bearing liabilities	1,107,866	2,395,724
Total financial liabilities	1,623,320	2,684,288

Notes to the Financial Statements
For the year ended 31 December 2023

18. Financial assets and liabilities (continued)

Accounting policy

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of 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 transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

Impairment of financial assets are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements
For the year ended 31 December 2023

18. Financial assets and liabilities (continued)

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 Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

19. Key management personnel disclosures

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

The total of remuneration paid to key management personnel of the Company during the year amounted to \$643,347 (2022: \$632,385).

20. Related parties

During the financial year ended 31 December 2023, no directors fees were paid (2022: \$nil).

During the year, the Company directed \$666,753 (2022: \$388,405) of the affiliation fees otherwise due to UCB toward UCB Asia Pacific Ltd, according to terms agreed to between the parties, in order to assist that entity in carrying out its principal activities. All transactions are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

21. Events occurring after the reporting date

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

22. New accounting standard and interpretations issued but not yet effective

There are no standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

23. Statutory information

The registered office and principal place of business of the Company is:

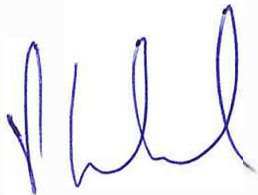
United Christian Broadcasters Australia Limited
3398-3402 Pacific Hwy
SPRINGWOOD QLD 4127

Directors' Declaration

In accordance with a resolution of the directors' of United Christian Broadcasters Australia Limited, the directors declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 1 to 20, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (a) complying with Australian Accounting Standards; and
 - (b) giving a true and fair view of the financial position as at 31 December 2023 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Phillip John Edwards
Director

Dated this 20th day of May 2024

Independent Auditor's Report

To the members of United Christian Broadcasters Australia Limited

Opinion

We have audited the financial report of United Christian Broadcasters Australia Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the members' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended;
- (ii) complying with the Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Statements* section of our report. We are independent of the Company in accordance with ethical requirements of the Accounting Professional & 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 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.

Other Information

The members are responsible for the other information. The other information comprises the information included in the Company's members' report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, we consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and for such internal control as the Company determines 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, directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company'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 Company 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 our audit.



Victor Uson
Director
Vincent's Assurance & Risk Advisory

Brisbane QLD
20 May 2024