

United Christian Broadcasters Australia Limited

A Company Limited by Guarantee
ABN 15 051 984 402

Financial Report

For the year ended 31 December 2015

United Christian Broadcasters Australia Limited
Directors' Report

In respect of the financial year ended 31 December 2015, 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

Principal Activity

The Principal activity of the company is promoting the Christian faith through broadcasting operations.

The short term objectives of the company are the building of communities of mature Christians through engaging media and resources.

The long term objective of the company is that every Australian has the opportunity to access trusted Christian media and resources that connect faith to life.

Results and Review of Operations

The net surplus/(deficit) for the year was \$266,863
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 |

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 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$70 (2014:\$70).

Auditors

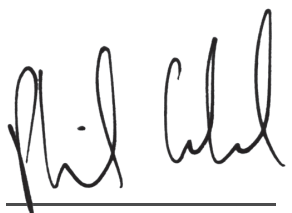
The company's auditors follow the independence requirements of the Australian ethical pronouncements. An extract of the Declaration provided to the Directors is attached.

Dated 13 May 2016
in accordance with a resolution of the Directors.

Director



Director



United Christian Broadcasters Australia Limited
ABN 15 051 984 402

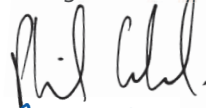
Directors' Declaration

The directors of the entity declare that:

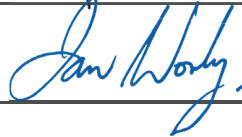
- 1 The financial statements and notes satisfy the requirements of the Australian Charities and Not for Profits Commission Act 2012 including:
 - a. complying with Australian Accounting Standards (including the Australian Accounting interpretations) and the Australian Charities and Not for Profits Commission Regulation 2013; and
 - b. giving a true and fair view of the financial position as at 31 December 2015 and of the performance 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 13 May 2016

Auditors Independence Declaration

To the Directors

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2015 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 13 May 2016
Suite 28, 19-21 Central Road, Miranda NSW 2228

United Christian Broadcasters Australia Limited
Balance Sheet
As at 31 December 2015

| | Note | 2015 \$ | 2014 \$ |
|---------------------------------------|------|------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | 2 | 1,206,651 | 865,071 |
| Inventories | | 80,303 | 89,629 |
| Accounts Receivable | 3 | 63,828 | 96,702 |
| Total Current Assets | | 1,350,782 | 1,051,403 |
| Non-Current Assets | | | |
| Property Plant and Equipment | 4 | 1,495,528 | 1,594,241 |
| Other | 5 | 364,256 | 355,750 |
| Total Non-Current Assets | | 1,859,784 | 1,949,992 |
| Total Assets | | 3,210,566 | 3,001,394 |
| Current Liabilities | | | |
| Payables | 6 | 200,586 | 247,310 |
| Interest Bearing Liabilities | 7 | 17,574 | 49,172 |
| Provisions | 8 | 311,466 | 307,482 |
| Total Current Liabilities | | 529,626 | 603,964 |
| Non- Current Liabilities | | | |
| Interest Bearing Liabilities | 7 | 15,000 | 36,962 |
| Provisions | 8 | 83,379 | 44,771 |
| Total Current Liabilities | | 98,379 | 81,733 |
| Total Liabilities | | 628,005 | 685,697 |
| Net Assets | | 2,582,561 | 2,315,698 |
| Accumulated Funds and Reserves | | | |
| Accumulated Funds | | 2,097,729 | 1,830,866 |
| Reserves | | 484,832 | 484,832 |
| Total Funds and Reserves | | 2,582,561 | 2,315,698 |

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 2015

| | | 12 months | 6 months |
|---|-----------|------------------|------------------|
| | | 2015 | 2014 |
| | Note | \$ | \$ |
| Revenues from Ordinary Activities | | | |
| Vision Radio Network & Publications income | | 457,324 | 371,293 |
| Donations and Development Income | | 5,033,915 | 2,012,752 |
| Interest Received - Other | | 9,420 | 7,564 |
| Product Sales | | 577,842 | 290,899 |
| Other Income | | 15,748 | 3,417 |
| Surplus/(Deficit) on sale of non-current assets | | 3,046 | - |
| Total Income | 11 | 6,097,296 | 2,685,924 |
| Expenses from Ordinary Activities | | | |
| Cost of Sales | | 241,896 | 106,280 |
| Operational Costs | | 866,944 | 459,272 |
| Finance | | 100,038 | 66,970 |
| Marketing and Development | | 292,891 | 180,317 |
| Communication and Publications | | 667,038 | 352,893 |
| Staffing | | 2,562,446 | 1,322,779 |
| Donations and Tithes | | 519,610 | 193,382 |
| Auditors Remuneration | | 6,525 | 8,300 |
| Other Costs | | 271,036 | 148,033 |
| Depreciation and amortisation | | 302,009 | 79,995 |
| Total Expenses | 11 | 5,830,432 | 2,918,221 |
| Operating Surplus/(Deficit) for the Year | | 266,863 | (232,297) |

Note: Some costs have been reallocated to cost centres under a new chart of accounts effective.
Comparative figures have been adjusted.

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 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|-------------------------|-------------------------|
| <u>Accumulated Funds</u> | | | |
| Operating Surplus/(Deficit) for the Year | | 266,863 | (232,297) |
| Balance at the Beginning of the Year | | 1,830,866 | 2,063,163 |
| Other Comprehensive Income | | | |
| Transfer from/(to) Asset Revaluation Reserve | | - | - |
| Balance at the End of the Year | | <u>2,097,729</u> | <u>1,830,866</u> |
| <u>Reserves</u> | | | |
| Asset Revaluation Reserve | | | |
| Balance at the Beginning of the Year | | 484,832 | 484,832 |
| Transfer from/(to) Accumulated Funds | | - | - |
| Balance at the End of the Year | | <u>484,832</u> | <u>484,832</u> |
| Total Funds and Reserves | | <u><u>2,582,561</u></u> | <u><u>2,315,698</u></u> |

The above Statement should be read with the accompanying Notes

United Christian Broadcasters Australia Limited
Statement of Cashflows
For the year ended 31 December 2015

| | 12 months | 6 months |
|---|--------------------|--------------------|
| | 2015 | 2014 |
| | \$ | \$ |
| Funds from Operations | | |
| Vision Radio Network & Publications income | 495,424 | 462,998 |
| Donations and Development Income | 5,033,915 | 2,012,752 |
| Interest Received - Other | 9,420 | 7,564 |
| Product Sales | 611,866 | 212,992 |
| Other Income | 15,748 | 3,417 |
| Other Payments to Staff and Suppliers | <u>(5,565,192)</u> | <u>(2,760,317)</u> |
| Funds from/(used in) Operations (Note 13) | <u>601,181</u> | <u>(60,594)</u> |
| Funds from/(applied to) Investing Activities | | |
| Payments for Property Plant and Equipment | (143,822) | (105,142) |
| Payments for Other Non-current assets | (87,544) | (27,099) |
| (Increase)/Decrease in other receivable | (1,150) | - |
| Net proceeds from disposal of plant & equipment | 10,909 | - |
| Net proceeds from sale of licences | 11,702 | - |
| Decrease/(Increase) in GST payable/recoverable | 5,128 | (3,322) |
| Repayment of Other Payables | <u>(2,778)</u> | <u>111</u> |
| Funds from/(used in) financing activities | <u>(207,555)</u> | <u>(135,453)</u> |
| Funds from/(applied to) Financing Activities | | |
| Net Proceeds/(repayments) from/(to) borrowings | <u>(52,047)</u> | <u>(23,780)</u> |
| Funds from/(used in) financing activities | <u>(52,047)</u> | <u>(23,780)</u> |
| (Decrease)/Increase in cash | 341,580 | (219,828) |
| Cash at the beginning of the year (Note 2) | <u>865,071</u> | <u>1,084,899</u> |
| Cash at the end of the year (Note 2) | <u>1,206,651</u> | <u>865,071</u> |

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 2015

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.

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.

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 have been contributed at no cost, or for nominal cost, are 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 2015

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 recoverable 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.

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. UBC amortisation policy amortises the costs of broadcast rights over the rights period of the contract or licence.

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2015

| | 2015 | 2014 |
|--|------------------|------------------|
| | \$ | \$ |
| Note 2 Cash | | |
| Cash on Hand | 478 | 641 |
| Debit Mastercards | 3,931 | 1,284 |
| Commercial Account | 67,242 | 13,718 |
| DGR Development Account | 198,347 | 17,884 |
| NZ Currency account | 793 | 852 |
| Station Trust account | 348,206 | 344,622 |
| Less internal drawings | (1,343) | (66,586) |
| Other Station interest bearing accounts | 16,240 | 22,534 |
| Station Maintenance account | 25,828 | 13,000 |
| Operating Accounts | 86,390 | 11,542 |
| Other accounts and holding accounts | 460,539 | 505,582 |
| | <u>1,206,651</u> | <u>865,071</u> |
| Note 3 Receivables - Current | | |
| Deposits held | 6,600 | 6,600 |
| Trade accounts | 9,020 | 25,650 |
| Other Receivable | 1,150 | - |
| Trade Debtors | 47,058 | 64,452 |
| | <u>63,828</u> | <u>96,702</u> |
| Note 4 Land and Buildings - cost | 1,021,575 | 1,021,575 |
| Leasehold Improvements - cost | 6,745 | 6,745 |
| | <u>1,028,320</u> | <u>1,028,320</u> |
| Office Refurbishment - cost | 445,002 | 445,002 |
| Less Accumulated Depreciation | (360,014) | (280,664) |
| | <u>84,988</u> | <u>164,338</u> |
| Plant Equipment and Vehicles | | |
| Computers and Electronic Equipment - cost | 322,000 | 310,348 |
| Less Accumulated Depreciation | (257,659) | (209,232) |
| | <u>64,341</u> | <u>101,115</u> |
| Motor Vehicles - cost | 137,201 | 144,673 |
| Less Accumulated Depreciation | (87,416) | (106,546) |
| | <u>49,786</u> | <u>38,127</u> |
| Fixtures and Fittings - cost | 50,087 | 47,255 |
| Less Accumulated Depreciation | (38,225) | (28,353) |
| | <u>11,862</u> | <u>18,902</u> |
| Satellite and Relay Station Equipment - cost | 1,000,144 | 909,295 |
| Less Accumulated Depreciation | (743,912) | (665,857) |
| | <u>256,232</u> | <u>243,439</u> |
| Total Property Plant and Equipment | <u>1,495,528</u> | <u>1,594,241</u> |
| Note 5 Other non-current assets | | |
| Cost | | |
| Radio Frequency | 1,298,291 | 1,270,105 |
| Intellectual Property | 12,513 | - |
| Website Development | 40,876 | 20,174 |
| Software | 9,483 | 9,483 |
| Less Accumulated Amortisation | (996,907) | (944,011) |
| | <u>364,256</u> | <u>355,750</u> |

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2015

| | | 2015 \$ | 2014 \$ |
|----------------|---|----------------|----------------|
| Note 6 | Payables | | |
| | Current | | |
| | Trade Creditors | 68,684 | 161,904 |
| | PAYG Withholdings | 41,907 | 38,906 |
| | GST Payable/(Recoverable) | 7,465 | 2,337 |
| | Superannuation | 24,323 | 22,791 |
| | Income in Advance | 56,797 | 18,697 |
| | Other Payables | 1,410 | 2,675 |
| | | <u>200,586</u> | <u>247,310</u> |
| Note 7 | Interest Bearing Liabilities | | |
| | Current | | |
| | Credit Card accounts | - | 1,513 |
| | Other | - | - |
| | | <u>-</u> | <u>1,513</u> |
| | <u>Hire Purchase</u> | | |
| | Loans - Vehicle IT & Phone system | 17,574 | 47,659 |
| | | <u>17,574</u> | <u>49,172</u> |
| | Non-Current | | |
| | Loan - Other - unsecured | 15,000 | 30,000 |
| | <u>Hire Purchase</u> | | |
| | Loans - Vehicle IT & Phone system | - | 6,962 |
| | | <u>15,000</u> | <u>36,962</u> |
| Note 8 | Provisions | | |
| | Current | | |
| | Long Service Leave | 102,774 | 99,864 |
| | Annual Leave Provision | 208,692 | 207,618 |
| | | <u>208,692</u> | <u>207,618</u> |
| | Non-Current | | |
| | Long Service Leave | 83,379 | 44,771 |
| | | <u>83,379</u> | <u>44,771</u> |
| Note 9 | Segment of Operations | | |
| | <p>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.</p> <p>That every Australian has the opportunity to access trusted Christian media and resources that connect faith to life.</p> | | |
| Note 10 | Financial Instruments and Risk | | |
| | <p>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.</p> <p>The Company has no exposure to market risks and has no investments in structured financial products. The Company's funds are held as follows:</p> | | |
| | Australian Banks | 1,202,792 | 928,882 |
| | Foreign financial institutions | 793 | 852 |
| | Sensitivity: | | |
| | <p>If interest rates changed the following would be the resultant effect on income and accumulated funds:</p> | | |
| | Increase of 1% in interest rates | 12,028 | 9,289 |
| | Decrease by 1% in interest rates | (12,028) | (9,289) |

United Christian Broadcasters Australia Limited
Notes to and Forming part of the Accounts
For the year ended 31 December 2015

| | 12 months | 6 months |
|---|-----------|-----------|
| | 2015 | 2014 |
| | \$ | \$ |
| Note 11 Operating Surplus/(Deficit) for the Year | | |
| Income | | |
| Deductible Gift Receipts | 5,033,915 | 2,053,324 |
| Interest Received - Other | 9,420 | 7,564 |
| Expenses | | |
| Depreciation and amortisation | 302,009 | 79,995 |
| Employee entitlement provisions | 39,682 | (80) |
| Remuneration of the Auditors | | |
| Audit services | 6,525 | 8,300 |

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) | 266,863 | (232,297) |
| Gain on disposal of Fixed Assets | (3,046) | - |
| Depreciation and amortisation | 302,009 | 79,995 |
| Decrease/(Increase in Receivables | 34,024 | (77,907) |
| Decrease/(Increase) in Inventories | 9,326 | 22,556 |
| Increase/(Decrease) in Trade Creditors | (93,220) | 19,850 |
| Increase/(Decrease) in Income in Advance | 38,100 | 91,706 |
| Increase/(Decrease) in Staff Entitlements | 42,592 | 11,923 |
| Increase/(Decrease) in PAYG and Superannuation | 4,533 | 23,580 |
| Funds from/(used in) Operations | 601,181 | (60,594) |

Note 14 Related Parties

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

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

Paul Campey is a director of UCB. During the year Resolve Consulting, in which Mr Campey holds a financial interest, provided consulting services at an arms length fee of \$12,543.

With the above exception no Director received remuneration during the year.

Note 13 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:

| | 12 months | 6 months |
|---------------------------------------|-----------|----------|
| | 2015 | 2014 |
| | \$ | \$ |
| Key management personnel compensation | 600,931 | 342,860 |

INDEPENDENT AUDIT REPORT

TO: The Members, United Christian Broadcasters Australia Limited

We have audited the accompanying financial report of United Christian Broadcasters Australia Limited, which comprises the Statement of Financial Position as at 31 December 2015, and the Statement of Income and Other Comprehensive Income , Statement of Changes in Equity Funds and Reserves and the Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration .

Directors' Responsibility 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 – Reduced Disclosure Requirements and that satisfies the requirements of the Australian Charities and Not for Profits Commission Act 2012 and its regulations and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

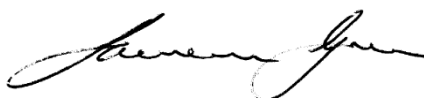
Independence

In conducting our audit, we have complied with professional independence requirements . We confirm that the independence declaration provided to the directors, would be in the same terms if provided to the directors as at the date of this auditor's report.

Audit Opinion

- (a) In our opinion, the financial report of United Christian Broadcasters Australia Limited satisfies the requirements of the Australian Charities and Not for Profits Commission Act 2012 and regulations, including:
 - (i) giving a true and fair view of the consolidated entities financial position as at 31st December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Corporations Commission Regulations 2013 .
- (b) Money (including any proceeds of a benefit) received, or for the purposes of the collection of charitable fundraising monies has been properly accounted for and applied in accordance with the Collections Act 1966;
- (c) The accounts and records for the collection of charitable fundraising monies have been properly kept; and
- (d) The accounts show a true and fair view of income and expenditure in relation to charitable fundraising.

Tyndale KSG Pty Limited
Authorised Audit Company



Dated: 13 May 2016
Sydney

Lawrence R Green FCA, Director