

United Christian Broadcasters Australia Limited

A Company Limited by Guarantee

15 051 984 402

Financial Statements

For the Year Ended 31 December 2021

United Christian Broadcasters Australia Limited

15 051 984 402

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For the Year Ended 31 December 2021

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United Christian Broadcasters Australia Limited

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Directors' Report

31 December 2021

The Directors' present their report on United Christian Broadcasters Australia Limited (the Company) for the financial year ended 31 December 2021.

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

Ian Forrest Worby	Ship captain, former tertiary education broadcast trainer and station manager
Cameron Young	Chartered Accountant
Peter Irvine	Founder of Gloria Jean's coffee franchise, Entrepreneur and Advertising executive
Graham McLennan	Retired Dental Surgeon
Russell Huskisson	Production Officer - Business Services
Phillip John Edwards	CEO, Broadcaster, Programme Director
Wendy Francis	QLD Director, Australian Christian Lobby
Neville Cox	Chair of Advertiles Corporation, Focus on the Family Australia, and the Sydney Prayer Breakfast. A trustee of Christian Super and a Director of Excelsia College
Jeannie Trudel	President of Christian Heritage College

Principal Activities

The Principal activity of the Company is promoting the Christian faith through media operations.

The short term objective of the Company is to be a trusted, consistent and unifying voice in the Australian Community to challenge, encourage & 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 \$1,738,440 (2020: \$947,919).

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 2021, the total amount that members of the company are liable to contribute if the company is wound up is \$90.00 (2020: \$90.00).

Subsequent Events

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.

Indemnification of Officer and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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.

Directors' Declaration

The directors' declaration is included after this report.

United Christian Broadcasters Australia Limited

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Auditor's Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2021* to the Directors' of United Christian Broadcasters Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, 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 2021* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Vincent's Assurance and Risk Advisory
Phillip Miller
Director

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$ (As restated)
REVENUE			
Donations and Development Income	5	9,385,693	7,783,717
Product Sales	5	573,242	741,374
Vision Radio Network, Tour and Publications Income	5	533,201	489,691
Gain on Sale on Disposal of Non-Current Assets		2,088	114,911
Government Covid Support - JobKeeper & Cashboost		-	100,000
Interest and other Income		8,035	10,051
		10,502,259	9,239,743
EXPENSES			
Staffing	6	3,708,608	3,753,119
Content, Communication and Publications	6	1,951,226	1,790,960
Operational Costs	6	1,412,296	1,312,408
Marketing and Development		598,778	374,083
Depreciation and Amortisation		371,856	302,178
Cost of Sales		361,392	366,148
Finance Costs		236,936	291,422
Auditors Remuneration		9,750	9,250
Other Costs		112,978	92,256
		8,763,819	8,291,823
SURPLUS FOR THE YEAR		1,738,440	947,920
Other Comprehensive Income for the Year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,738,440	947,920

The above Statement should be read with the accompanying Notes

Statement of Financial Position
As at 31 December 2021

		2021	2020 (As restated)
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	7	2,830,077	2,025,346
Short-Term Deposits		116,760	115,942
Trade and Other Receivables	8	190,800	193,598
Inventories	9	205,394	243,108
Assets Held for Sale	10	851,040	-
TOTAL CURRENT ASSETS		4,194,072	2,577,995
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	6,728,998	7,688,448
Intangible Assets	12	1,108,651	12,866
TOTAL NON-CURRENT ASSETS		7,837,649	7,701,314
TOTAL ASSETS		12,031,720	10,279,309
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	13	303,071	356,623
Interest Bearing Liabilities	14	717,098	-
Provisions	15	460,941	405,055
TOTAL CURRENT LIABILITIES		1,481,110	761,678
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	14	3,500,400	4,217,498
Provisions	15	245,469	233,831
TOTAL NON-CURRENT LIABILITIES		3,745,869	4,451,329
TOTAL LIABILITIES		5,226,979	5,213,007
NET ASSETS		6,804,741	5,066,301
EQUITY			
Retained Surplus		6,319,909	4,581,469
Asset Revaluation Reserve		484,832	484,832
TOTAL EQUITY		6,804,741	5,066,301

The above Statement should be read with the accompanying Notes

Statement of Changes in Equity
For the Year Ended 31 December 2021

	Note	Asset Revaluation Reserve \$	Retained Surplus \$	Total \$
<u>2021</u>				
Balance at 1 January 2021 (as restated)	23	484,832	4,581,469	5,066,301
Surplus for the Year		-	1,738,440	1,738,440
Balance at 31 December 2021		484,832	6,319,909	6,804,741
<u>2020</u>				
Balance at 1 January 2020 as previously presented		484,832	3,655,778	4,140,610
Prior year adjustment	23	-	(22,229)	(22,229)
Restated opening balance		484,832	3,633,549	4,118,381
Surplus for the Year	23	-	947,920	947,920
Balance at 31 December 2020		484,832	4,581,469	5,066,301

The above Statement should be read with the accompanying Notes

Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Donations and Other Income		10,547,607	9,245,758
Payments to Suppliers and Employees		(8,146,836)	(7,809,580)
Interest Received		944	2,960
Net Cash provided by Operating Activities	20	<u>2,401,715</u>	<u>1,439,138</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Finance Costs		(236,935)	(291,422)
Proceeds on Disposal of Property, Plant and Equipment		6,259	282,502
Payment for Property, Plant and Equipment		(215,588)	(809,332)
Payment for Acquisition of Intangibles		(1,150,725)	(3,000)
Payment for investment in short term deposits		-	(33,771)
Net Cash used in Investing Activities		<u>(1,596,989)</u>	<u>(855,023)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Interest Bearing Liabilities		-	(282,502)
Net Cash provided used in Financing Activities		<u>-</u>	<u>(282,502)</u>
Net Increase in Cash and Cash Equivalents Held		<u>804,725</u>	<u>301,613</u>
Cash and Cash Equivalents Held at the Beginning of the Financial Year		<u>2,025,352</u>	<u>1,723,739</u>
Cash and Cash Equivalents Held at the End of the Financial Year		<u>2,830,077</u>	<u>2,025,352</u>

The above Statement should be read with the accompanying Notes

United Christian Broadcasters Australia Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2021

Corporate Information

The financial statements for United Christian Broadcasters Australia Limited and was authorised for issue by the Directors on 3 May 2022. 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.

1.0 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards Reduced -Disclosure Requirements and the *Corporations Act 2001* (Cth).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable financial information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

2.0 Summary of Significant Accounting Policies

(i) Revenue and Other Income

Where the amounts billed to customers are based on the achievement of various milestones established in the contracts. Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

When the Company receives operating grant revenue, donations, bequests or contributions, it assesses whether there is a contract, the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant, donation, bequest or contribution;
- recognises a contract liability, if applicable, for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards; and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income or deficit when or as it satisfies its obligations under the contract.

Other income is recognised on an accruals basis when the Company is entitled to it.

All revenue is stated net of the amount of goods and services tax (GST).

(ii) 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.

Notes to the Financial Statements
For the Year Ended 31 December 2021

(iii) 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.

(iv) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(v) Property, Plant and Equipment

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.

Impairment

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Depreciation

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

<u>Fixed Asset Class</u>	<u>Depreciation Rate</u>
Buildings	2.50%
Computers and Electronic Equipment	25.00% - 33.33%
Fixtures and Fittings	20.00%
Motor Vehicles	15.00%
Satellite and Relay Station Equipment	15.00% - 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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(vi) Non-Current Assets Held for Sale

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 2021

(vii) 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.

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.

(viii) Financial Instruments

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.

Notes to the Financial Statements
For the Year Ended 31 December 2021

(viii) Financial Instruments (*Continued*)

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.

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

(x) Intangibles

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.

(xi) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(xii) Provisions

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Notes to the Financial Statements
For the Year Ended 31 December 2021

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.

As described at Note 1(v), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

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 - Inventories

Each item on inventory is reviewed on an annual basis to determine whether it is being carried at higher than its net realisable value. During the year, management have written down inventory based on best estimate of the net realisable value, although until the time that inventory is sold this is an estimate.

4 New Accounting Standards and Interpretations Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. None of these standards have been adopted in this financial period as they are not effective as yet.

Amendments to AASB 101: Classification of Liabilities as Current or Non-current

In January 2020, the AASB issued amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to AASB 116

In May 2020, the AASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Notes to the Financial Statements
For the Year Ended 31 December 2021

4 New Accounting Standards and Interpretations Issued but not yet Effective (*Continued*)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to AASB 137

In May 2020, the AASB issued amendments to AASB 137 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

Changes to General Purpose Financial Statements - Simplified Disclosure – Addition of AASB 1060

In March 2020, the AASB issued AASB 1060 which sets out a new disclosure standard to be applied by all entities reporting under Tier 2 of the Differential Reporting Framework in AASB 1053. The new standard is a direct replacement of the current Reduced Disclosure Requirements (RDR) framework.

The standard is effective for annual reporting periods beginning on or after 1 July 2021.

5 Revenue and Other Income

	2021 \$	2020 \$
Donations and Development Income		
General Donations	6,220,066	5,964,158
Extra Mile Partnership	1,687,519	1,499,528
Other Donations	1,353,661	320,031
Donations - Non Deductible Gift Recipients	124,447	-
	9,385,693	7,783,717
Product Sales		
Manufactured Product Sales	343,586	414,192
Purchased Product Sales	205,477	300,217
Freight Collected Income	24,179	26,965
	573,242	741,374
Vision Radio Network, Tour and Publications Income		
Radio Advertising	265,514	209,739
Vision News	215,222	228,099
Other Vision Radio Network, Tour and Publications Income	29,015	38,878
Publications and Web Advertising	23,450	12,975
	533,201	489,691

6 Expenses

	2021 \$	2020 \$
Content, Communication and Publications Expenses		
Affiliation Fees	878,965	783,553
Postage/Freight	567,798	513,673
Printing	271,217	255,905
Other Content, Communication and Publication Expenses	107,595	112,291
Subscriptions	68,481	70,245
Broadcast Music Licensing	57,170	55,293
	1,951,226	1,790,960

Notes to the Financial Statements
For the Year Ended 31 December 2021

6 Expenses (Continued)

	2021	2020
	\$	\$
Operational Cost Expenses		
RSM Expenses	548,231	402,309
IT Expenses	271,286	215,973
Other Operating Expenses	187,283	269,744
Insurance	70,880	83,465
Internet & Phone Expenses	129,687	102,916
Cleaning	46,324	40,316
Rates	41,644	49,527
Utilities	60,450	88,097
Motor Vehicle Expense	37,011	23,274
Rent	19,500	36,827
	1,412,296	1,312,448
Staffing Expenses		
Annual Leave and Long Service Leave Expense	67,525	86,119
Salaries and Wages	3,306,381	3,341,290
Superannuation	334,702	325,709
	3,708,608	3,753,119

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on Hand	330	486
Cash at Bank	569,747	1,214,860
Deposits Held - Non-Bank Financial Institution	2,260,000	810,000
Total Cash and Cash Equivalents	2,830,077	2,025,346

8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Prepayments	49,125	42,724
Trade Accounts (Inc Bartercard, Etc)	37,738	70,424
Trade Debtors	76,639	58,930
Net GST receivable	27,299	21,520
Total Trade and Other Receivables	190,800	193,598

United Christian Broadcasters Australia Limited

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Notes to the Financial Statements
For the Year Ended 31 December 2021
9 Inventories

	Note	2021	2020
		\$	\$
Store Inventory		179,480	201,499
Technical Inventory		25,914	41,609
Total Inventories		205,394	243,108

10 Assets Held for Sale
851,040 -

Asset held for sale comprises two commercial properties located in Underwood, QLD. One was sold in January 2022 and the other one is expected to be sold during the 2022 financial year.

11 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 Equip.	Fixtures & Fittings	Motor Vehicle	Satellite & Relay Equip.	Total
Year Ended 31 December 2021	\$	\$	\$	\$	\$	\$
Balance at the Beginning	7,327,993	88,511	10,337	79,598	182,010	7,688,449
Additions	10,671	37,470	-	30,998	136,682	215,822
Disposals	-	-	-	(5,476)	(1,841)	(7,317)
Reclassified to assets held for sale	(851,040)	-	-	-	-	(851,040)
Depreciation Expense	(175,267)	(50,402)	(4,977)	(26,104)	(60,165)	(316,915)
Net Carrying Amount	6,312,357	75,579	5,360	79,016	256,686	6,728,998

	Land and Buildings	Computers & Electronic Equip.	Fixtures & Fittings	Motor Vehicle	Satellite & Relay Equip.	Total
Year Ended 31 December 2020	\$	\$	\$	\$	\$	\$
Balance at the Beginning of the Year	6,961,598	121,913	15,444	31,908	181,234	7,312,097
Additions	644,161	43,706	-	70,794	60,357	819,017
Disposals	(178,870)	(10,880)	(513)	(7,320)	19,612	(177,277)
Depreciation Expense	(32,208)	(66,227)	(4,594)	(15,784)	(79,194)	(198,701)
Refer Note 23	(66,688)	-	-	-	-	(66,688)
Net Carrying Amount	7,327,993	88,511	10,337	79,598	182,009	7,688,448

Summary at 31 December 2021

	\$	\$	\$	\$	\$	\$
Cost	6,586,521	465,875	32,970	164,944	1,340,260	8,590,570
Accumulated Depreciation	(274,164)	(390,296)	(27,610)	(85,928)	(1,083,574)	(1,861,572)
Net Carrying Amount	6,312,357	75,579	5,360	79,016	256,686	6,728,998

Summary at 31 December 2020

	\$	\$	\$	\$	\$	\$
Cost	7,426,889	590,377	32,970	159,765	1,208,502	9,418,503
Accumulated Depreciation	(98,897)	(501,865)	(22,634)	(80,167)	(1,026,492)	(1,730,055)
Net Carrying Amount	7,327,992	88,512	10,336	79,598	182,010	7,688,448

Notes to the Financial Statements
For the Year Ended 31 December 2021

12 Intangibles

	2021	2020
	\$	\$
Radio Licenses- At Cost	2,320,556	1,366,195
Accumulated Amortisation	(1,320,826)	(1,360,773)
Radio Frequency - Net Carrying Amount	999,730	5,422
Software - At Cost	139,664	38,507
Accumulated Amortisation	(30,743)	(34,736)
Software - Net Carrying Amount	108,921	3,771
Trademarks - At Cost	12,631	12,631
Accumulated Amortisation	(12,631)	(12,631)
Trademarks - Net Carrying Amount	-	-
Website Development - At Cost	-	90,511
Accumulated Amortisation	-	(86,838)
Website Development - Net Carrying Amount	-	3,673
Intangible Assets - Net Carrying Amount	1,108,651	12,866

13 Trade and Other Payables

	2021	2020
	\$	\$
Trade Creditors	207,328	247,930
PAYG Withholdings	43,352	52,704
Superannuation	30,382	33,790
Income in Advance	21,389	18,982
Other Payables	620	3,217
Total Trade and Other Payables	303,071	356,623

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.

14 Interest Bearing Liabilities

	2021	2020
	\$	\$
CURRENT		
Interest Bearing Liabilities	717,098	-
Total Current	717,098	-
NON-CURRENT		
Interest Bearing Liabilities	3,500,400	4,217,498
Total Non-Current Borrowings	3,500,400	4,217,498

Mortgage

The Company has complied with the covenants of the loan facility which is secured by its Springwood and Underwood properties amounting to \$6,312,357. Interest incurred related to the loan amounted to \$236,936 in 2021 and \$291,422 in 2020.

Notes to the Financial Statements
For the Year Ended 31 December 2021

15 Provisions

	2021	2020
	\$	\$
CURRENT		
Annual Leave Provision	289,826	254,339
Long Service Leave Provision	171,115	150,716
Total Current Provisions	460,941	405,055
NON-CURRENT		
Long Service Leave Provision	245,469	233,831
Total Non-Current Provisions	245,469	233,831

16 Contingent Liabilities and Capital Commitments

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020:

17 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments and receivables, payables and borrowings. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
Financial Assets		
Cash and Cash Equivalents	570,077	1,215,346
Funds Held in Non-Bank Financial Institutions	2,260,000	810,000
Trade and Other Receivables	190,800	193,598
Total Financial Assets	3,020,877	2,218,944
Financial Liabilities		
Trade and Other Payables	303,071	356,623
Borrowings	4,217,498	4,217,498
Total Financial Assets	4,520,569	4,574,121

Sensitivity

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

Increase of 1% in Interest Rates	28,301	22,189
Decrease by 1% in interest rates	(28,301)	(22,189)

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.

Notes to the Financial Statements
For the Year Ended 31 December 2021

	2021 \$	2020 \$
18 Key Management Personnel Disclosures		
Any person(s) 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 totals of remuneration paid to key management personnel of the Company during the year are as follows:		
Key Management Personnel Compensation	669,631	568,088

19 Related Parties

The related parties of the Company are:
- Directors of the Company and their close family members and
- UCB Asia Pacific Ltd (through common directorship and key management personnel)
No directors fees were paid during the year (2020: \$nil)

During the year, the Company directed \$680,000 (2020: \$565,500) of the Affiliation fees otherwise due to UCB International 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

Balance receivable from /(payable to) related parties at balance date: \$nil (2020: \$nil)

20 Reconciliation of Result for the Year to Cash Flows from Operating Activities

Reconciliation of net income to net cash provided by operating activities:		
Operating Surplus	1,738,440	947,920
Add Depreciation and Amortisation	371,856	302,178
Loss/(gain) on disposal of plant and equipment	-	(114,911)
Add: Finance Costs	236,935	291,422
Decrease/(Increase) in Trade and Other Receivables	2,798	37,768
Decrease/(Increase) in Inventories	37,714	(23,733)
Increase/(Decrease) in Trade and Other Payables	(53,552)	(87,625)
Increase/(Decrease) in Provisions	67,524	86,119
Cash Flows from Operations	2,401,715	1,439,138

21 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 the Beginning of Year	719,779	749,130
Donations Received	9,305,693	7,783,716
Less Expenditure from the Fund	(9,801,396)	(7,813,067)
Balance at the End of Year	224,076	719,779

22 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.

23 Prior period adjustment

Buildings were not depreciated which resulted in an understatement of depreciation recognised for 2020 and 2019 and a corresponding overstatement in property, plant and equipment. This has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	31 December 2020			31 December 2019		
	As Previously Presented	Increase/(Decrease)	As Restated	As Previously Presented	Increase/(Decrease)	As Restated
Statement of Financial						
Property, Plant and	7,755,137	(66,688)	7,688,449	7,312,096	(22,229)	7,289,867
Total Assets	10,324,447	(66,688)	10,257,759 *	9,616,107	(22,229)	9,593,878
Retained Surplus	4,648,157	(66,688)	4,581,469	3,655,778	(22,229)	3,633,549
Total Equity	5,132,989	(66,688)	5,066,301	4,140,610	(22,229)	4,118,381
Statement of Profit or						
Depreciation and	257,719	44,459	302,178	300,363	22,229	322,592
Surplus for the Year	992,378	(44,459)	947,919	1,095,154	(22,229)	1,072,925

* The difference between the total assets balance above and the total assets as per the Statement of Financial Position is due to GST receivable for 31 December 2020 being reclassified from Note 13 to Note 8.

24 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

United Christian Broadcasters Australia Limited

15 051 984 402

Directors' Declaration

The Directors have determined that the company is a reporting entity that does not have public accountability as defined in AASB 1053: Application of Tiers of Australian Accounting Standards and that these general purpose financial statements should be prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements.

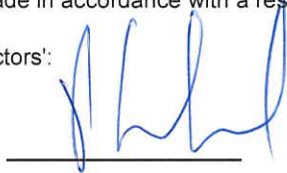
In accordance with a resolution of the Directors' of the United Christian Broadcasters Australia Limited, the Directors declare that:

- 1.0 The financial statements and notes, as set out on pages 1 to 19, are in accordance with the *Australian Charities and Not for Profits Commission Regulation 2013* and:
 - (i) comply with Australian Accounting Standards Reduced Disclosure Requirements; and
 - (ii) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the Company.
- 2.0 In the Directors' opinion, 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.

On behalf of the Directors':

Director

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

Dated 3 May 2022 in accordance with a resolution of the Directors.

INDEPENDENT AUDITOR'S 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 (the Company), which comprises the statement of financial position as at 31 December 2021, 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 a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying 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 Company's financial position as at 31 December 2021 and of its performance for the year ended on that date;
- b) complying with the accounting policies described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members and meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

The responsible entity's responsibility also includes such internal control as the responsible entity determines is necessary to enable to 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, those charged with governance 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 those charged with governance either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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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

Vincent's Assurance & Risk Advisory

Phillip Miller
Director

Dated: 3 May 2022