

# Annual Report

2016-2017



Feed Hearts



Engage Communities

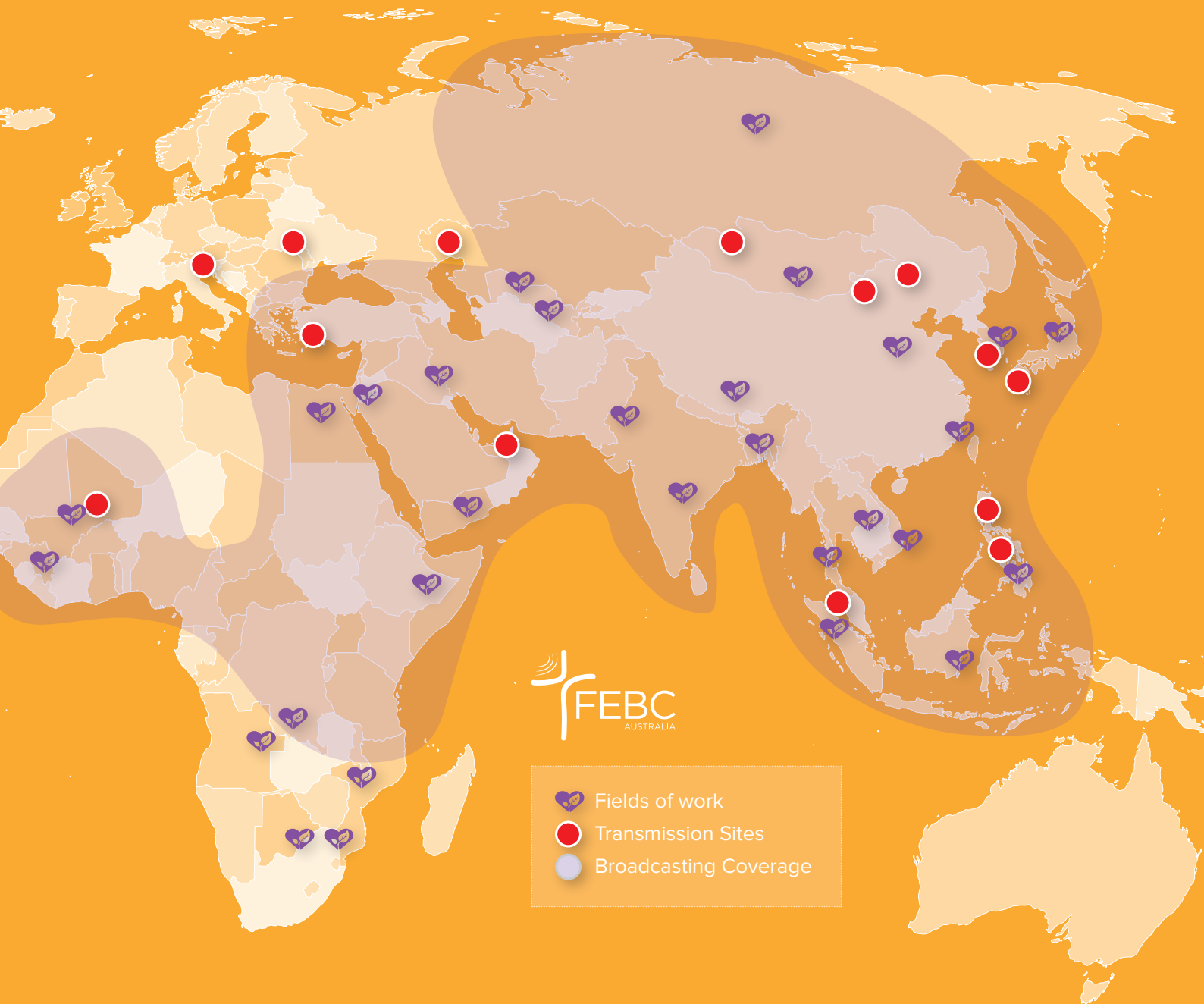


Bring Hope



Change Lives

# Our Reach





# About FEBC - Our Mission

**FEBC Australia is a member of FEBC International - an interdenominational radio network ministry, which brings the love of God to the world by broadcasting the gospel of Jesus Christ.**

FEBC Australia is a non-profit organisation publicising and promoting global Christian radio broadcasting. We began in Australia in 1965.

We are blessed in our strategic location close to Asia, the 10/40 window and the world's natural disaster hotspot. Radio-based communication is perfectly suited to this region.

We broadcast in more than 50 countries in 130 different languages for 2500+ hours daily, connecting Australian believers with people in the hardest-to-reach parts of the world.

FEBC Australia's mission work is made possible by the prayer and loyal partnership of many people across Australia, inspired by God's Holy Spirit. We seek to be financially responsible, accountable and able to withstand and respond to the dynamic nature of Christian work.

## Our vision

*“That the Good News be heard through every barrier, in every nation, tribe and tongue.”*

## Our Mission

We exist to communicate the Good News among the nations by media to inspire people to follow Jesus Christ.

- Feeding Hearts
  - Engaging Communities
  - Bringing Hope
  - Changing Lives
- + Increasing awareness of FEBC across Australia, adhering to Biblical principles for Stewardship and Fundraising, building mature givers to be strong followers of Christ and attaining standards of compliance and stronger trust in the community.
  - + Participating and sharing in Kingdom outcomes, being open and agile to possibilities, developing relationships and collaborating effectively with FEBC International.
  - + Maintaining a strong faith and theological foundation, a high standard of integrity and effective oversight of structures, policies and processes to ensure we meet our mission.
  - + Building and nurturing a Christ-centred and mission aligned team, attaining a team of godly, skilled, effective, intuitive, collaborative, mission-hearted people working together in a positive, collaborative, creative environment.



# Our Values

**Faithful Stewardship** – God is the owner, we administer on His behalf. He has graciously entrusted us with the care, development, and enjoyment of everything as His stewards, we are responsible to manage his holdings well, with integrity and striving for excellence, according to His desires and purposes.

This reflects in how we administer everything we are given, including:

- + our time
- + abilities
- + information
- + wisdom
- + relationships
- + donations

and how we glorify Him, serve and further His Kingdom

*...one day each one of us will be called to give an account for how we have managed what the Master has given us."*

**Delighting in God's Purpose** – FEBC Australia seeks to be a place of empowerment, joy and celebration. We have an attitude of optimism through all of God's seasons thanks to our faith and "the riches that he lavished upon us."

**Never forgetting our supporters** – under God, our supporters give lifeblood to FEBC's mission. Considering their perspective collectively is a first principle, whilst mindful of our responsibility to good stewardship in other areas.

**Kingdom Impact** – remembering always we are part of something bigger than ourselves, influencing change within the communities we serve, relating to the lives that FEBC impacts upon, and the transformation that takes place through Jesus.





# Chairman's Message

**It is a joy to reflect upon an encouraging, productive year. It brings to mind the opening verse of Psalm 98: O sing to the LORD a new song, for he has done marvelous things!**

This year the Board continued to make necessary course adjustments to help ensure FEBC Australia is well governed and positioned for the future.

FEBC Australia is one of the first Australian Christian charities to be accredited as having met all of the CMA Standards Council Principles and Standards of good governance, transparency and accountability. Much appreciation is extended to all involved. Our commitment is to continue to maintain and build upon enhanced standing.

As part of this, a Board Development Plan has been approved that draws together issues related to Strategy, Relationships, Structures, Policies and Procedures, Risk Management and Culture, as well as continuing to refine and strengthen our Strategic Plan to meet emerging needs.

The Board continues to hold itself accountable for professional growth, engaging this year in Financial Literacy training to develop skills in order to offer responsible and informed oversight of FEBC Australia's operations.

In other positioning for the future and growth, this year we finalised the FEBC Relief Fund PBI arrangements. A PBI - public benevolent institution - is a type of charitable institution whose main purpose is to relieve poverty or distress which allows it to apply for charity tax concessions. This will help ensure more funds are directed to FEBC fields, whereas prior we relied on a partner to administer our tax-deductible funds, for which we paid a fee.

This year we farewelled Larry and Barbara Podmore after 30 years of service. Jenny Porter also retired after almost 30 years of service in the FEBC-AU office. We are indebted to them for their faithful service and good stewardship.

I continue my weekly attendance at the FEBC team meeting to participate in prayer for the work of FEBC and to widen my knowledge of operational & mission issues, while also providing informal encouragement and support.



## Attendance at FEBC International Conference

At each international conference, organisers set aside a considerable amount of time to allow every FEBC family member to present a short talk about their particular field, its challenges, their planning priorities and prayer points. It is apparent that many of our FEBC family are dealing with government policies that are designed to inhibit the Gospel. These challenges are not widely reported in our media and we might be forgiven for having a naïve outlook. However, it was very inspiring to hear of their determination and courage to persist and faithful to God's call.

As part of FEBC - AU's presentation, National Director Kevin Keegan shared some of the background stories behind the donations we receive; ordinary people doing extraordinary things to support the work of FEBC. Many of the FEBC mission fields requested a copy of these stories to share at home. It is worth remembering that we do not simply bless our fields financially. It is of huge encouragement to those on 'the front line' to know that there are Australian supporters who pray unceasingly and also make financial sacrifices to support them.

Each sharing session at the conference was concluded with a prayer time in various formats to bring these circumstances to our Lord. I found this too, to be a very worthwhile, encouraging and instructive exercise.

I'd also like to commend the hardworking FEBC Australia ministry team for their faith, servanthood and obedience, wisdom, skills and dedication in effectively achieving the mission outcomes with our field partners across the world, while managing and deploying the resources so responsibly and efficiently. It is an increasingly challenging fundraising landscape, and we are blessed in the team who constantly strive to deliver engaging, best-practise so more Australians come to know and understand FEBC Australia's mission.

I am grateful for the Lord's bountiful providence through His generous and dedicated people yet again. All praise, thanks and glory be to God for His faithfulness in providing for His work despite the increasing challenges. His work never lacks the resources needed to accomplish His will and purpose. As Isaiah 46: 10-11 reminds us:

*I make known the end from the beginning, from ancient times, what is still to come. I say, 'My purpose will stand, and I will do all that I please.'*

A handwritten signature in black ink, appearing to read 'Rodney Tant', with a long horizontal line extending to the right.

**Rodney Tant**

*FEBC Australia Board Chair*

# National Director's Message

**In 2017, FEBC Australia built upon its refreshed brand, focused on placing our mission in front of additional Australian supporters, and explored innovative ways of connecting. This included our new Frequency Gifting Program that takes supporters to the field via webinar and also connecting with numerous Australian Christian radio stations via Reach Out with A Radio (ROAR) campaign.**



We are cognisant that in order to meet our mission in the world – to communicate the Good News among the nations by media to inspire people to follow Jesus Christ – we are dependent on God's providence. We are also dependent on our supporters – existing and new. Without new supporters, without growth, it becomes difficult to meet our mission. I know many of our long-term supporters give sacrificially, and – with our value of Good Stewardship – we are aware that new supporters need to be nurtured and raised up. It is a competitive giving marketplace nowadays and I am thankful to the FEBC Australia team for the creative ways they approach challenging fundraising tasks.

I am also thankful to you, who choose to give, to pray, to invite us to your churches to speak, and act as our ambassadors. Please know that the team are greatly encouraged by your feedback, particularly during a season of brand change. I think of a long-term supporter, Tony, who has supported FEBC for over 45 years:

*Tony phoned to thank us "for the lovely stuff" as he had recently received Skywaves and Praise & Prayer. He said it was good reporting with a high standard of information, an increased quality of life. He feels a lot of effort goes in to the writing. He shared how he often forwards copies to his friends and has a weekly mission spot at his church where he works in stories from FEBC.*

Here in Australia we must continue to engage more mission partners and continue to make the work known, so as to support the work overseas. Being accredited as having met all of the CMA Standards Council Principles and Standards of good governance, transparency and accountability delivers us profile and credibility in Australia, which in turn helps us overseas.

Similarly, finalising the new FEBC Relief Fund PBI arrangements means we can apply for further charity tax concessions so more funds can be directed to FEBC fields. This will mean additional tax-deductibility choices for you, our supporters. The only other change to expect will be updated wording on any tax-deductible receipts.

Please be encouraged by the stories and information contained in the Annual Report – these things are made possible by your prayers and giving. Please stand with us, and ambassador for us, as we seek to communicate in new ways to engage others in this great mission of FEBC.

A handwritten signature in black ink, reading "Kevin Keegan". The signature is stylized with a large, sweeping 'K' and a long, trailing flourish.

**Kevin Keegan**  
*National Director*

# FEBC Australia: How we work

## THE SUPPORT FLOW CHART

### God's People

Australian Christians supporting, giving, praying, staying informed and being involved.



### FEBC Australia

Small staff team manages financial support and provides regular information to Australian Christians from Listeners and workers aboard.



Passes on financial support and encouragement from Australia. Provides mentoring, partnership and prayer.

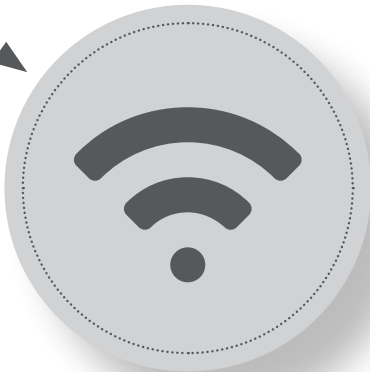
### Offices Overseas

Indigenous offices with local teams, knowledge of regional languages and specific conditions. Establishes and administers radio ministry, identifying new opportunities, communicating with FEBC Australia and other supporting fields.



### Ministries and Projects

Specific material, suitable for local conditions, and based on Christian message, transmitted via radio, Internet, speaker box etc.



### God's People






**9 MILLION PEOPLE EACH YEAR TELL US THEIR LIVES ARE CHANGED BY WHAT THEY HEAR AND SEE FROM FEBC.**



**FEBC GIVES A GIFT OF A RADIO TO A PERSON OVERSEAS ON YOUR BEHALF**



**UNREACHED, PERSECUTED AND SUFFERING PEOPLE HEAR ABOUT THE HOPE OF JESUS**



**THERE IS AN EXTENSIVE FOLLOW-UP MINISTRY ON THE GROUND: LISTENER GROUPS MEET TOGETHER**

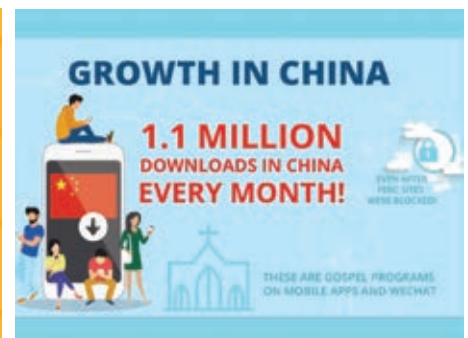
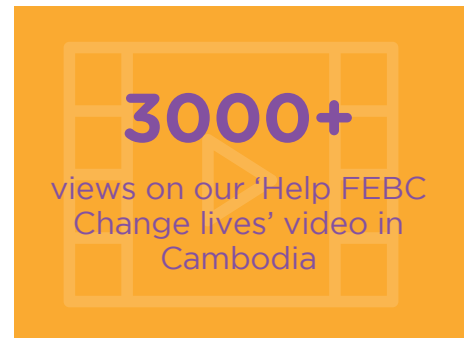


**FEBC'S RADIO PROGRAMS EDUCATE LISTENERS: SOCIAL ISSUES ARE ADDRESSED TO CHANGE LIVES.**



# FEBC Australia: Giving Thanks

As FEBC Australia continues to use new media to attract and engage with new supporters, we give thanks for:



# Supporting projects in these countries



A word cloud of countries supported by projects, with radio wave graphics in the background. The countries listed are: Russia, Indonesia, Cambodia, China, Yemen, India, Mongolia, Philippines, Shortwave Broadcasts, Pakistan, Central Asia, Iraq, Vietnam, Myanmar, Africa\*, and Thailand.

**Russia**

*Indonesia*

**Cambodia** **China**

**Yemen** **India** **Mongolia**

*Philippines*

**Shortwave Broadcasts**

**Pakistan** **Central Asia**

**Iraq** **Vietnam** **Myanmar**

**Africa\*** **Thailand**

\* in partnership with Feba UK

# Giving Thanks

1

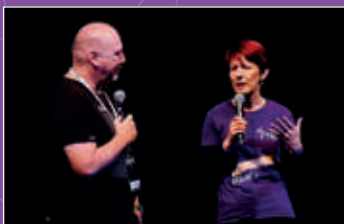
## Count down for tax-deductions

We distributed our May donor letter with a number of tax deductible choices and saw a small halo effect, with supporters choosing to give to a couple of projects rather than singular projects in previous years.

For the first time, we utilised email as a reminder of 'days to go' before the financial year closed. These worked especially well, praise God, with the campaign generating over \$38k from 69 donors in 14 days. Overall, the campaign was FEBC's largest June 30 since 2013; and the largest June 30 tax deductible campaign the organisation has recorded.

2

## FEBC at Connect 17: Reaching Out with A Radio



FEBC's operations manager, Philippa Lowe (right) on stage at Connect 17 explaining FEBC's work.

For the first time, FEBC sponsored the Christian Media and Arts Alliance (CMAA) Connect 17 national conference, with naming rights at its Heads of Radio dinner. Our objective: to forge relationships with Australian radio

stations seeking stories and content about the power of radio in order to help them build their own profile in their local community.

The objective: for Australian radio stations to join FEBC's ROAR incentive. For every one of their listeners who chose to support their local community radio station with a monthly commitment or one-off gift, we would place a radio in the hands of someone overseas in need of hope. For FEBC Australia, it offered publicity and profile in front of Australian Christian radio listeners who - at a next level engagement - would be pre-disposed to engaging with FEBC's mission, given they are already supporters of Christian radio in Australia and know its power to spread the Gospel.

FEBC would like to thank LimeFM (Mt Gambier), Riverland (Riverland and upper Mallee region of South Australia), Life FM (Bendigo), Radio Rhema (Central Coast NSW) and Ultra 106.5 FM (Hobart) for taking part. All offered us valuable airtime, social media sharing and support, with FEBC receiving equivalent airtime value of up to \$126,000 - an amount we certainly would not have been able to purchase - and added new supporters to our database as a result.

It was a great response for the campaign's inaugural year and we are delighted stations are already re-signing for 2018, and new, larger stations are ready to take part. Here's what Connect 17 attendees had to say:

*"I knew a reasonable amount about FEBC, but my perception was of an old and outdated organisation. I discovered this is certainly not the case. It is at the forefront of Gospel Communications through media in places that are impossible to penetrate otherwise. Attendees were inspired and it was great to see so many taking up the ROAR offer before the dinner was over."*

- Nathan Brown, Chair, Christian Media and Arts Alliance.

*"The FEBC showcase at the Heads of Radio dinner expanded and enhanced my knowledge of FEBC considerably. People with less knowledge would, I am quite certain, now firmly have FEBC in their sights. These are people who are highly motivated by stories of reaching people with radio. They already believe in the power of the radio medium for spreading the gospel, and to see and hear the stories of people being reached gets immediate recognition."*

- Stephen O'Doherty, Chair, Hope Media.





3

## FEBC Australia accredited with CMA Standards Council.

In 2017, FEBC Australia was announced as one of the first three accredited Foundation Partners from the CMA Standards Council, along with Anglican Aid and TEAR Australia. Part of the CMA's pilot program, FEBC Australia has met all of the CMA Standards Council Principles and Standards of good governance, transparency and accountability.

The Standards Council's Executive Director, Steve Kerr, said "We are delighted to be able to recognise FEBC Australia for their commitment to and practice of good governance. Accreditation independently verifies the building blocks for trustworthy Christian organisations. Our congratulations to them as leaders in the area of responsible governance."

FEBC Australia National Director, Kevin Keegan, said, "A trust relationship is just as vital to our supporters as it is to those we serve throughout the world. In times where there are a many needs in the world and many requests it is important to give to missions in good standing, with good leadership, governance, accountabilities and outcomes.

"We are delighted to be among the first Christian organisations in Australia to receive this high CMA Standards accreditation which should soon become a benchmark. This standing shows clearly that FEBC carries out tremendous work across the world, bringing hope, changing lives; with utmost integrity."



L-R: Joanna Betteridge, Tear Australia; Rev. Kevin Keegan, FEBC Australia; Rt. Rev Peter Tasker, Anglican Overseas Aid; Stephen Kerr, CMA Standards Council; Murray Baird, ACNC.

4



# Frequency

PARTNERS

**At FEBC, we've always been conscious that our Australian supporters hunger for more detail and a higher level of understanding about the ministries we uphold.**

It is why we started our new Frequency gifting program. In 2017, we were able to 'take' many of you to Russia, Ukraine, Mongolia, India and Malawi, blessed by the internet (even in some international locations that are a bit challenging for network access!)

Via webinar many of you met with Victor, Bat, Kenneth and Amos, the directors from those respective countries, and were able to ask questions directly.

Of course, Frequency has a mission-field benefit for us too. For any charity, gifting and donations rise and fall month-to-month. While we trust God's providence always, our Frequency gifting program (where we ask supporters to give a dollar a day in an ongoing commitment), allows us to predict and manage gifts, which in turn blesses those in the field with necessary consistency.

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## Hearing first-hand

FEBC Mongolia's Director Bat Tuvshintengel visited Australia in February 2017. Bat spoke at two public events, in Sydney and Brisbane, as well as at a selection of churches across NSW, ACT and Queensland, and mission spots at Morling College.

He shared how FEBC-Mongolia works with other Christian ministries and NGOs to improve the quality of life for the Mongolian people through radio programming, community outreach, radio distribution, and several other outreach projects. FEBC Mongolia also works with small, growing churches to disciple and grow them.

Bat was interviewed on various Christian radio stations, by the Centre of Public Christianity and also Eternity magazine, both online and print. Each audience was encouraged to hear how Christianity has grown from just six to 90,000 Christians in 11 years.

"Radio creates such an image in our minds that no other media can do; we can stimulate people's thoughts and desire for change. Radio is an essential media for our people in Mongolia. It is our passion and in our hearts to serve the Mongolian people and our communities for better lives, changes and transformation, using radio to reach out to a whole people in their own language," said Bat.

6

## Beautiful feet go to the unreached

Most Christians aren't aware that more than 2 billion people have never heard about Jesus. In 2016-17, FEBC focused on educating more people about this: only one percent of resources given to Christian causes goes to reaching the unreached. Only five percent of the missionaries serving in foreign fields are in places where the gospel has not yet been.

These are sobering statistics when there are hundreds of people groups worldwide where there is no Christian presence. Almost 1800 people groups still have no Scripture in their language. In just one people group, the Hmong, 9 million still remain unreached.



This is not a burden, but a gift of opportunity. Making disciples isn't only about going somewhere to share Christ. Nor is it limited to those who 'go'. It's about a Christian lifestyle that says, "Wherever we are, we will make disciples. Wherever we give, we will make disciples." Jesus offered us one of the greatest promises in

Scripture: "Surely, I am with you always to the very end of the age." As we go and share the Good News with those who have never heard, we are not going alone. He is with us.

The last two instructions Jesus gave on this planet had to do with reaching the unreached. That's how important they are to Him. That's how important they should be to us.

### Who are unreached?

- + People groups that occupy the inaccessible mountain regions of China, Vietnam, Laos, Myanmar & Thailand – that's why short-wave radio is still so important;
- + Some of the most religiously intolerant nations in the world, where the persecution of Christians is often severe – praise God for FEBC internet apps and church by radio;
- + Farmers who live in poverty and remain untouched by globalisation & technology;
- + The marginalised and forgotten: FEBC broadcasts into brothels to help women escape sex trafficking;
- + Those in poverty: FEBC broadcasts education and training to empower individuals to set up business for economic choice;
- + The illiterate, the blind, the deaf. FEBC develops innovative ways to reach them. In Vietnam, despite serving in a restrictive country, FEBC uses TV Boxes to train church leaders in Bible studies, with children eager to watch animated Christian programs and with the deaf. Three thousand have been distributed through churches and more are in production.



7

## Ethnic language programming: one of FEBC's highest funding commitments.

Recall the person who introduced you to Jesus, and think about how they shared the Good News. You had to be able to hear it, in a language you understood, to accept it in your heart. FEBC Australia remains committed to funding ethnic language programming. Below is a small sample of the impact of our ethnic language radio programs:

### Malawi

Rev. Amos Siyabu Phiri, leads the FEBC/FEBA ministry in Malawi. He translates and records the Bible in his small, home studio, ready to take to the hard-to-reach Yao Muslim people group in the north of the country via radio and speaker boxes. Almost weekly he is sharing stories with us about baptisms and church growth, like this one:

"At FEBA Malawi we are celebrating the seven Yao Muslims women and men who were baptised last Sunday at Lungwena listeners club (Lake Malawi). Please continue praying with us so that many Yao Muslims should come to Salvation through the use of media."



### India

India is home to the largest number of unreached people in the world: 2201 unreached people groups. 1,652 languages and dialects are spoken; Feba India is now reaching eight of these languages.

Being able to produce culturally-appropriate programs in more languages is vital to successful outreach in India, particularly when it comes to reaching the lost and forgotten: overcoming the numbers of women and children falling prey to sex trafficking, being forced into child marriage or female foeticide.

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## Give thanks for our FEBC Australia Team

In our 2016/17 financial year we farewelled Jenny Porter, office manager, who served FEBC faithfully for many years. We also said goodbye to writer Lea Carswell who relocated to the Central Coast. Esther Stewart also departed, having started with FEBC on an internship and then worked part-time with us afterwards as a marketing assistant whilst completing her marketing degree. Our thanks and God's

blessings to all of them for contributing so greatly to FEBC's mission.

We welcomed Leonie Smith as our new office manager, whom many of you may have spoken to by now on the phone. If you haven't, we encourage you to call in for a chat, Leonie loves catching up with you all.

Sarah Willetts also recently joined us as our marketing assistant replacement. Sarah was a Youth Ambassador for World Vision so we're excited to make use of her gifts.



(L-R) Back row: Sarah Willetts, marketing assistant; Andy Grayndler, database manager, Kevin Keegan, national director.  
(L-R) Front row: Philippa Lowe, operations manager; Mary Cartwright, office support & volunteer co-ordinator; Carolyn Zhang, accountant; Leonie Smith, office manager



# Looking Ahead

**Name acquisition remains a key focus of our fundraising and stewardship. After a strong 12 months of profile building in Australia, we are in a better position to invite people to learn more about us and engage with our stories. FEBC does not seek donors, we seek supporters – faithful Christian partners who engage with our mission with whom we can engage in our conversation about mature giving. To that end, Christians who have not yet heard about us in Australia need to hear our story. To like, know and trust us, and be inspired to be part of our mission to inspire all people to follow Christ through media.**

This year we continued to make necessary changes to help ensure FEBC Australia is well governed and positioned for the future, including strongly underpinning our strategic plan with God's word, focusing on our strategic plan and ensuring a resilient and robust model for board development and monitoring our activities for healthy reporting.

God has gone ahead. The seeds we have planted in the past couple of years are now showing growth and fruit. At the time of writing, FEBC Australia has been blessed with an enormously supportive response to its 2017 Christmas "Give A Gift of a Radio" Campaign.



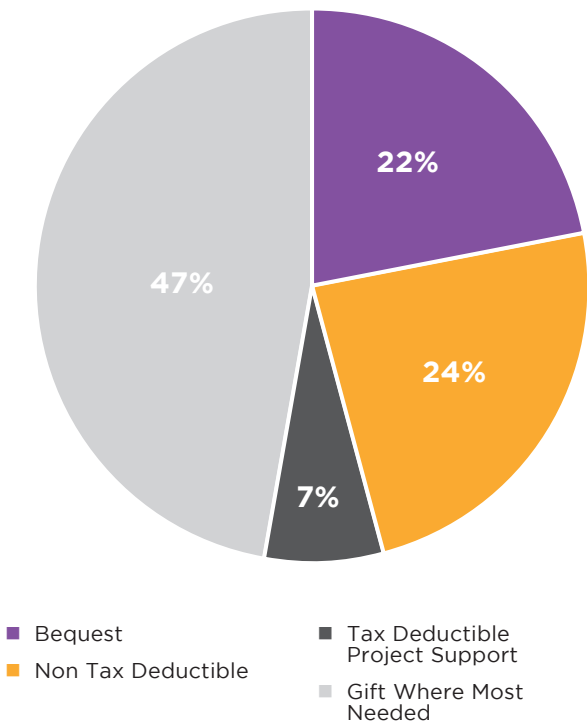
*Do not be afraid.  
I bring you good  
news that will  
cause great joy for  
all the people.  
– Luke 2:10*

**Our printed Christmas Gift Radio campaign was small, and looked a little bit different to FEBC's previous Christmas gift catalogue promotions - but people let us know how much they loved it.**

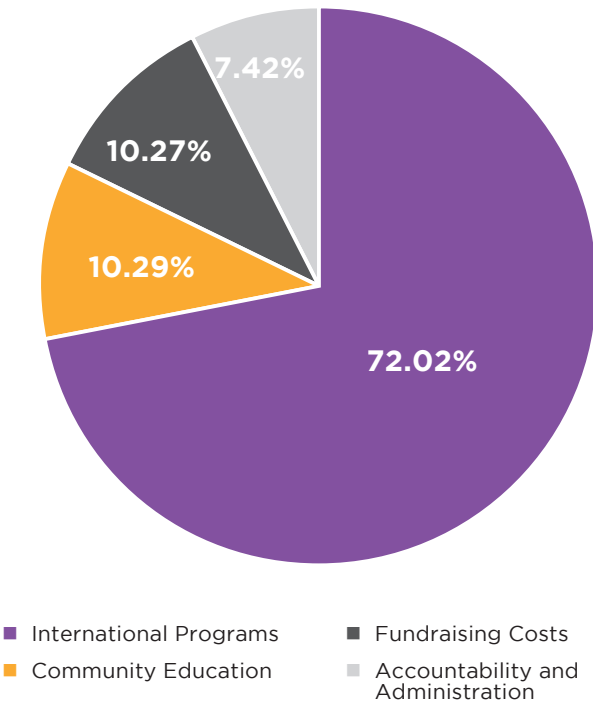
- + We were encouraged by 40 new supporters who came across their 'gift-wrapped' radio in-store at Koorong, or read about it in Eternity, and were sufficiently intrigued to learn more about our mission and, yes, give a radio. Praise God.
- + Give thanks also for the 107 supporters of FEBC who chose to give for the first time in the 2017 calendar year via our Christmas radio gift campaign.
- + We prayed we would reach our goal of impacting 50,000 lives before December 25th. At the end of the campaign we had raised funds to distribute 1880 radios, meaning 47,222 lives can be impacted with Jesus through radio. Thank you.

# How We Performed

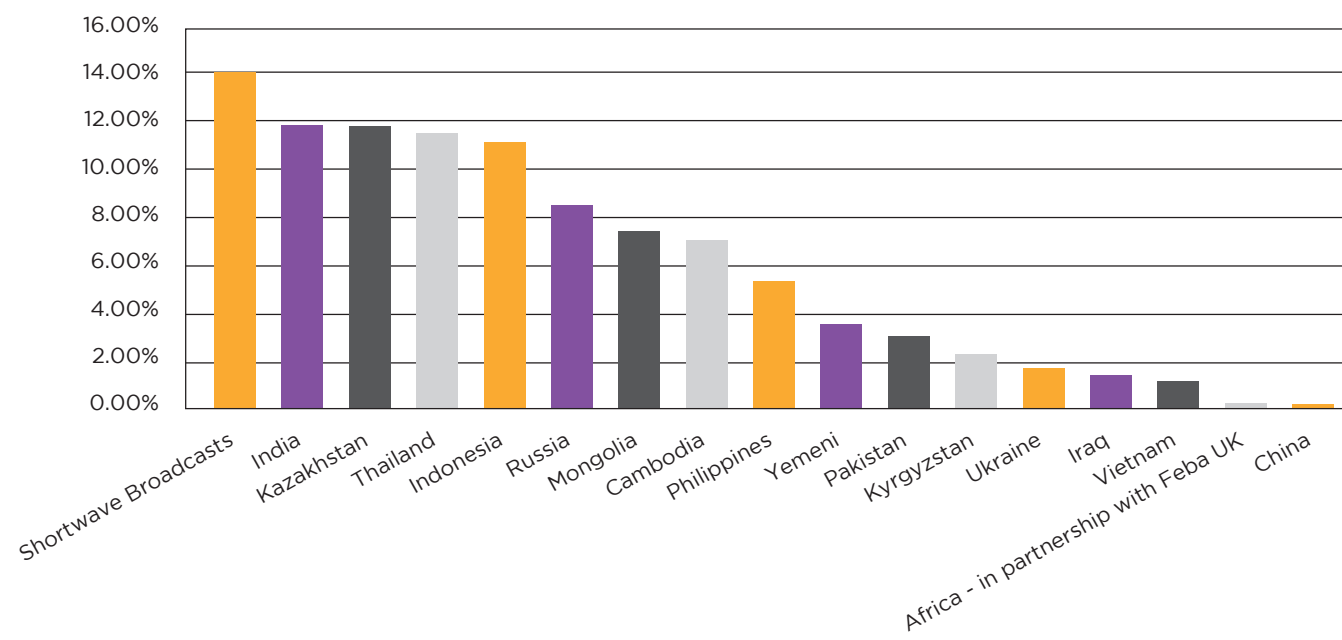
How Funds Were Received  
2016-2017



How Funds Were Deployed  
2016-2017



Disbursements To Projects And Field 2016-2017



# Sustainability

**In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) to work towards between now and 2030. Radio, as a central communication tool, can play a major part in addressing each of these goals. For this reason the United Nations recognises 13 February each year as World Radio Day.**

FEBC Australia is pleased to be part of a worldwide gospel radio ministry that seeks to address many of the SDGs through its governance, partnerships with other NGOs, employment and training, program writing, content development and presentation, interaction with listeners and connection with communities.

## Financial Position and Performance

This financial year direct and indirect costs have been allocated using an activity based absorption costing method as recommended by the Australian Council For International Development (ACFID). This includes, but is not limited to:

- + Showing details of FEBC Australia's international programs either by program or by country.
- + Program support cost eg: the direct cost of project management spent in Australia, including project design, monitoring and evaluation and project management, training and professional development of Australian based staff and volunteers involved in the effective management of international projects.
- + Community Education: includes all the costs related to informing and educating the Australian community of and inviting their active involvement in FEBC Australia's mission, including the cost of producing and distributing materials, the cost of conducting educational and public policy campaigns and the cost of personnel involved in these activities.







**Far East Broadcasting Co (Australia) and  
Controlled Entities**

ABN 68 000 509 517

**Financial Report**

**For the Year ended 30 September 2017**

## **Far East Broadcasting Co (Australia) and Controlled Entities**

ABN 68 000 509 517

### **Directors' Report**

In respect of the financial year ended 30 September 2017, the directors of FEBC (Australia) 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 the date of this report were:

Peter Elliott  
Kenneth J Kingwell

Vanessa Hall  
Rodney Tant

Kuet Qeun Ho

#### **Principal Activity**

The principal activities during the financial year were to carry on the business of the organisation of support for Christian mission work through Gospel radio broadcasting throughout the world. No significant changes in the nature of these activities occurred during the year.

#### **Operating Results**

The net deficit for the year was \$(2,345). (Last year surplus of \$4,974).

#### **Post-balance date events**

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

#### **Information regarding Directors**

Rodney Tant	M.Ed.(Admin.) B.Ed. Dip. Teach.	Board Chair; Finance, Compliance & Risk; Marketing & Fundraising Committee
Kuet Qeun Ho	BE(Civil)Hons, MSc, GradDip(Org Learning)	Company Secretary
Kenneth J Kingwell	BAppSc(Psych), GCertMgt, GDipPsych, DipEd	Chair Governance Committee
Peter Elliott	BEc LLB GradDipApp Corp Gov	Chair of Finance, Compliance & Risk Committee
Vanessa Hall	Grad AICD, GradDip Div, Cert NLP	Finance, Compliance & Risk; Marketing & Fundraising Committee

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Directors' Report (cont)**

**Directors Meetings**

The number of directors' meetings held in the period each director who hold office at the date of this report, and the number of meetings attended by each director are as follows:

Director	Number of Board Meetings Held	Number of Board Meetings Attended
K Kingwell	6	5
KQ Ho	6	6
P Elliott	6	4
R Tant	6	6
V Hall	6	3

**Company Structure**

The entity is a company limited by guarantee. Under the Constitution, in the event of a shortfall of funds upon a winding up the members guarantee the obligations of the Company to the extent of \$20 per member. At balance date as there were 47 members (last year 47), the amount so guaranteed in total amounted to \$940.

**Indemnification of Directors and Auditors**

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Accounts) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial interest.

During the year the Company had paid a premium in respect of a contract to insure any Director, Secretary, Officer or Office Bearer, occupying a duly recognised position in the organisation under a Directors and Officers Liability Insurance Cover for \$2 million, covering the period 30 November 2016 to 30 November 2017.

**Auditors Independence**

The Directors have received a written declaration from the Auditors confirming that to the best of their knowledge and belief there have been no contraventions of the auditors independence requirements or any applicable code of professional conduct.

30 November 2017

For and on behalf of the board

Director 



**Far East Broadcasting Co (Australia) and Controlled Entities**  
ABN 68 000 509 517  
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes satisfy the requirements of the Australian Charities and Not For Profits Commission Act 2012 including:

- (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements; and
- (b) giving a true and fair view of the financial position as at 30 September 2017 and financial performance and cashflows for the year ended on that date; and

2. The provisions of relevant charitable fundraising legislation have been complied with.

3. Internal Controls exercised by the Organisation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

4. 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.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-Profit Commission Regulation 2013.

Director



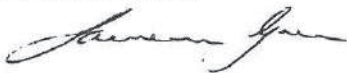
30 November 2017

**AUDITORS INDEPENDENCE DECLARATION**

To the Directors

We declare that, to the best of our knowledge and belief, during the year ended 30 September 2017 there have been no contraventions of any auditor independence requirements.

Shedden & Green Partners



Lawrence R Green FCA  
Partner

30 November 2017

Suite 28, 19-21 Central Road, Miranda NSW 2228

**Far East Broadcasting Co (Australia) and Controlled Entities**

**Statement of Income and Other Comprehensive Income  
For the Year ended 30 September 2017**

		2017 \$	2016 \$
	Notes		
Revenue from ordinary activities		1,584,156	1,587,752
Employee and Local Field Staff expense		(363,552)	(300,896)
Depreciation expense		(2,320)	(2,320)
Other expenses from ordinary activities		(1,220,629)	(1,279,562)
Operating Surplus/(Deficit)		<u>(2,345)</u>	<u>4,974</u>
Other Comprehensive Income		-	-
Net Comprehensive Income		<u><u>(2,345)</u></u>	<u><u>4,974</u></u>

Far East Broadcasting Co (Australia) and Controlled Entities  
Income Statement for ACFID purposes  
For the Year ended 30 September 2017

	2017	2016
<b>Revenue</b>		
<i>Donations and gifts</i>		
<i>Monetary</i>	\$1,545,785	\$1,474,986
<i>Non-monetary</i>	\$0	\$0
<i>Grants</i>	\$0	\$0
<i>Other Income</i>	\$38,371	\$112,766
Total Revenue	\$1,584,156	\$1,587,752
<b>Expenditure</b>		
<i>International Programs</i>	\$1,142,606	\$1,149,831
<i>Community Education</i>	\$163,219	\$153,355
<i>Fundraising Costs</i>	\$162,900	\$163,525
<i>Accountability and Administration</i>	\$117,776	\$116,067
<i>Non-monetary</i>	\$0	\$0
Total Expenses	\$1,586,501	\$1,582,778
Excess /(Shortfall) of Revenue over Expenditure	-\$2,345	\$4,974

Note: Direct and indirect costs have been allocated using an activity based absorption costing approach



**Far East Broadcasting Co (Australia) and Controlled Entities**

**Statement of Changes in Equity**  
**For the Year ended 30 September 2017**

	2017 \$	2016 \$
<b>Accumulated Funds</b>	Note 14	
Accumulated funds at the beginning of the year	1,655,918	1,650,944
Operating Surplus/(Deficit)	(2,345)	4,974
Accumulated funds at the end of the year	<u>1,653,572</u>	<u>1,655,918</u>

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Balance Sheet**  
**As at 30 September 2017**

	Notes	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	20,095	39,544
Receivables	5	-	-
Financial Assets	6	<u>518,704</u>	<u>500,901</u>
<b>Total Current Assets</b>		<u>538,798</u>	<u>540,445</u>
<b>Non-Current Assets</b>			
Financial Assets	7	1,202,038	1,187,256
Property, Furniture and Equipment	8	<u>27,848</u>	<u>30,168</u>
<b>Total Non-Current Assets</b>		<u>1,229,885</u>	<u>1,217,424</u>
<b>Total Assets</b>		<u><u>1,768,684</u></u>	<u><u>1,757,869</u></u>
<b>Current Liabilities</b>			
Payables	9	70,283	42,551
Interest Free Loans	10	-	-
Employment Benefit Provisions	11	<u>37,318</u>	<u>32,887</u>
<b>Total Current Liabilities</b>		<u>107,602</u>	<u>75,438</u>
<b>Non-Current Liabilities</b>			
Other Payables	12	100	100
Field Staff Provisions	13	<u>7,410</u>	<u>26,413</u>
<b>Total Non-Current Liabilities</b>		<u>7,510</u>	<u>26,513</u>
<b>Total Liabilities</b>		<u>115,112</u>	<u>101,950</u>
<b>Net Assets</b>		<u><u>1,653,572</u></u>	<u><u>1,655,918</u></u>
<b>Accumulated Funds</b>	14		
Balance brought forward		1,655,918	1,650,944
Transfers in		-	-
Surplus/(Deficit) for the year		<u>(2,345)</u>	<u>4,974</u>
Accumulated Funds carried forward		<u><u>1,653,572</u></u>	<u><u>1,655,918</u></u>

**Far East Broadcasting Co (Australia) and Controlled Entities**

**Statement of Cash Flows**

**For the Year ended 30 September 2017**

	Notes	2017 \$	2016 \$
<b>Cash Flows from/(used in) Operating Activities</b>			
Interest Received		35,617	47,204
Donations and Sundry Income		1,583,415	1,486,388
Less:			
Payments - wages, suppliers, projects and field workers support		<u>(1,586,501)</u>	<u>(1,582,779)</u>
Net cash flows from/(used in) operating activities		<u>48,012</u>	<u>(50,495)</u>
<b>Cash Flows from Investing Activities</b>			
Disposal/(Acquisition) of financial assets		<u>(67,461)</u>	<u>52,511</u>
Net cash flows from investing activities		<u>(67,461)</u>	<u>52,511</u>
Net increase (decrease) in cash held		<u>(19,449)</u>	<u>2,016</u>
Cash at the beginning of the financial year		<u>39,544</u>	<u>37,527</u>
Cash at the end of the financial year		<u><u>20,095</u></u>	<u><u>39,544</u></u>
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash at bank and on hand		<u><u>20,095</u></u>	<u><u>39,544</u></u>
<b>Reconciliation of net cash flows from/(used in) operating activities to operating surplus/(loss)</b>			
Net Surplus/(Deficit)		(2,345)	4,974
Non-cash items			
Depreciation		2,320	2,320
Change in Fair Value of Financial Assets		34,876	(54,160)
<u>Changes in assets and liabilities:</u>			
Increase/(decrease) in Creditors and Accruals		27,732	(3,699)
Increase/(decrease) in Staff Entitlement Provisions		4,429	(930)
Increase/(decrease) in Field Staff Provisions		(19,000)	1,000
Increase/(decrease) in Staff Loans and Receivables		<u>-</u>	<u>-</u>
Net cash flows from/(used in) operating activities		<u><u>48,012</u></u>	<u><u>(50,495)</u></u>

The accompanying notes form part of, and are to be read in conjunction with, this financial statement.



## Far East Broadcasting Co (Australia) and Controlled Entities

### Notes to the Financial Statements

For the Year ended 30 September 2017

#### 1 Significant Accounting Policies

The principal accounting policies adopted by FEBC are stated to assist in a general understanding of the accounts. The policies have been consistently applied.

The Financial Statements are general purpose statements that have been prepared in accordance with the requirements of the Australian Charities and Not for Profits Commission Act 2012 including Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable 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.

All amounts in this report are presented in Australian dollars.

#### Basis of Accounting

The financial statements have been prepared under the historical cost convention and except where stated do not take into account current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

#### Income

Income is brought to account when the Company's right to receive payments is established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

#### Expenses

Expenses and donations are taken up as they are incurred.

#### Income Tax

The company is exempt from income tax due to its non-profit charitable nature.

#### Property, Plant and Equipment

Property, plant and equipment are brought to account at cost valuation, less, where applicable, any accumulated depreciation or amortisation.

The carrying amount of property, 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 which will be received from the assets' employment and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

#### Depreciation

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the office of FEBC using, in all cases, the straight line method of depreciation. The capitalisation threshold for equipment is \$5,000.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Buildings and building modifications	2.5% (40 years) straight line
Plant and machinery	20% (5 years) straight line with nil residual value
Furniture and equipment	20% (5 years) straight line with nil residual value
Computer equipment and software	33% (3 years) straight line with nil residual value

#### Investments

Investments are brought to account at cost or at directors' valuation. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the investments' current market value of the underlying net assets in the particular entities.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.



#### Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### Cash Flows

For the purpose of the statement of cash flows, cash includes cash on hand, cash at bank, and financial instruments immediately convertible into cash.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expenses. Receivables and payables in the balance sheet are shown inclusive of GST.

#### 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

**Key Judgements** - financial assets at fair value

The company holds managed funds as shown in Note 7 the carrying value of which is based on market value as at balance date. The value fluctuates from time to time. The directors are of the view that no provision for impairment is required at this time.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

## 2 Reporting entity

The Financial Statements comprise the following group entities (refer Note 17):

Far East Broadcasting Company (Australia)	ABN 68 000 509 517
FEBC Overseas Aid Fund	ABN 74 901 814 246
FEBC Relief Limited (incorporated March 2017)	ABN 87 617 872 287

FEBC is a member of Missions Interlink and complies with the Financial Standards set out in the MI Standards Statement. It is also a member of the Fundraising Institute of Australia and seeks to uphold the highest ethical and professional standards for fundraising. For the purposes of the Charitable Fundraising Act NSW FEBC is a prescribed organisation under Section 7(1) (b) of the Act to which the Act (apart from Section 48 regarding Board remuneration) does not apply.

## 3 Members Guarantee

The Company is limited by Guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Company. At 30 September 2017 the number of members was 47 (at last year 47).

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Notes to the Financial Statements**  
**For the Year ended 30 September 2017**

	2017 \$	2016 \$
<b>4 Cash</b>		
Cash on hand	170	170
Cash at Bank	<u>19,925</u>	<u>39,374</u>
	<u>20,095</u>	<u>39,544</u>
<b>5 Receivables</b>		
Other Receivables	<u>-</u>	<u>-</u>
<b>6 Financial Assets - Current - Short Term Deposits</b>		
Westpac Bank Ltd	67,521	132,205
Rabo Direct	<u>451,183</u>	<u>368,696</u>
	<u>518,704</u>	<u>500,901</u>
<b>7 Financial Assets - Non-Current</b>		
At cost - Term Deposits		
Baptist Financial Services	300,000	-
Westpac Bank Ltd	263,656	262,273
Rabo Direct	-	251,434
At Fair Value		
Hunter Hall Value Trust	296,990	344,848
Australian Ethical Trust	<u>341,392</u>	<u>328,702</u>
	<u>1,202,038</u>	<u>1,187,256</u>
<b>8 Property, Furniture and Equipment</b>		
Freehold Property		
Suite 1, Crusade House, Caringbah	52,816	52,816
Suite 8, Crusade House, Caringbah	<u>40,000</u>	<u>40,000</u>
Total Cost	92,816	92,816
Less Accumulated Depreciation	<u>(64,968)</u>	<u>(62,648)</u>
	<u>27,848</u>	<u>30,168</u>
Furniture, Fittings and Office Equipment - at cost	52,872	52,872
Less Accumulated Depreciation	<u>(52,872)</u>	<u>(52,872)</u>
	<u>-</u>	<u>-</u>
Total Property Plant and Equipment	<u>27,848</u>	<u>30,168</u>
<b>9 Payables</b>		
Trade Creditors & Accruals	59,547	30,247
Superannuation and PAYG Withholding	<u>10,737</u>	<u>12,304</u>
	<u>70,283</u>	<u>42,551</u>
<b>10 Interest Free Loan Payable - Current</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>11 Employee Benefit Provisionss</b>		
Current		
Annual Leave	19,525	15,392
Long Service Leave	<u>17,793</u>	<u>17,495</u>
	37,318	32,887
Non Current		
Long Service Leave	7,410	7,413
	<u>7,410</u>	<u>7,413</u>
	<u>44,728</u>	<u>40,299</u>
<b>12 Other Payables</b>		
Other	100	100
<b>13 Field Staff Provisions</b>		
Field Staff Retirement & Resettlement	-	19,000
	<u>-</u>	<u>19,000</u>

These accruals represent entitlements allocated as at balance date.



**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Notes to the Financial Statements**  
**For the Year ended 30 September 2017**

	2017	2016
	\$	\$
<b>14 Accumulated Funds</b>		
Designated:		
Project Support	424,662	299,609
Project DGR Support		4,355
Field Staff Emergency		27,608
Field Staff Support		210,391
Non Designated	1,228,909	1,113,954
Total Funds	<u>1,653,571</u>	<u>1,655,917</u>

**15 Contingent Assets and Liabilities**

As at 30 September 2017, the company had no contingent assets or liabilities. (2016: nil)

**16 Commitments for Expenditure**

As at 30 September 2017, the company had no commitments for expenditure. (2016: nil)

**17 Related Parties**

***FEBC Custodian Limited***

This entity is controlled by the company and was established solely to act as trustee for the FEBC Overseas Aid Fund. The company has no material assets and no liabilities.

***FEBC Relief Limited***

The sole member of this entity is FEBC Australia. FEBC Relief, a DGR Item 1 entity, was established in March 2017 and is an ACNC registered charitable public benevolent institution able to provide benevolent services in Australia and overseas. Many of these services previously were provided through the overseas aid fund.

***FEBC Overseas Aid Fund***

This is a fund of FEBC, established under Rules set out by the Australian Taxation Office. It is an Item 2 DGR Fund into which tax deductible donations may be made for projects which fit within the objectives of FEBC and which are also eligible for tax deductibility. These donations are then forwarded to an item 1 Deductible Gift Recipient typically under a Memorandum of Understanding or Agreement as regards project expenditure and outcomes.

An overview of the movements of this fund and assets and liabilities of the fund is as follows:

Donations received	112,251	104,086
Project expenditure	(116,586)	(99,751)
Administration and fundraising	-	-
Net surplus/(deficit)	<u>(4,335)</u>	<u>4,335</u>
<b>Assets</b>		
Bank account	100	4,435
<b>Liabilities</b>	<u>-</u>	<u>-</u>
Net Assets	<u>100</u>	<u>4,435</u>
Balance of funds brought forward	4,435	100
Surplus/(deficit) for the year	(4,335)	4,335
Balance of funds carried forward	<u>100</u>	<u>4,435</u>

The balance of funds carried forward, if any, is fully committed to be expended on the projects for which funds were raised.

***Directors of FEBC***

The following persons held the office of directors at any time during the year:

Peter Elliott	Kenneth J Kingwell
Vanessa Hall	Rodney Tant
Kuet Qeun Ho	

No director received any remuneration.

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Notes to the Financial Statements**  
**For the Year ended 30 September 2017**

<b>2017</b>	<b>2016</b>
<b>\$</b>	<b>\$</b>

**18 Financial Instruments and Risk**

FEBC raises funds for overseas projects and regularly remits those funds to the field agencies with the result that generally no significant funds are held. The operating bank account and the current and non-current term deposits are held in Australian banks which have been subject to government guarantee.

There is no currency risk as funds are held in Australian currency and there are no foreign currency commitments.

Market risk is limited to financial assets at fair value set out in Note 7. A 1.0% fluctuation in market price would result in a change in administration income by:

<b>\$ 6,384</b>	<b>\$ 6,735</b>
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The exposure to interest rate risk (based on funds held at balance date) is:

For a change of 1.0% in interest rates		
administration income would change by:	<b>\$ 11,025</b>	<b>\$ 10,542</b>



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

## SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

### INDEPENDENT AUDIT REPORT

To: The Members of Far East Broadcasting Co (Australia) and Controlled Entities

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the special purpose financial report of Far East Broadcasting Co (Australia) and Controlled Entities, which comprises the Balance Sheet as at 30 September 2017, and the Income Statement, Income Statement in ACFID format, Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration.

In our opinion,

(1) the financial report of Far East Broadcasting Co (Australia) and Controlled Entities has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 September 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements to the extent required for special purpose financial reports, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

(2) The financial reports and associated records have been properly kept in accordance with the Charitable Fundraising Act and its regulations.

(3) Monies received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act and its regulations.

##### Basis for opinion

We conducted the audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that

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are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibility of Those Charged with Governance for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

We also:

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

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

A handwritten signature in black ink, appearing to read 'Lawrence R Green', with a stylized, flowing script.

Shedden & Green Partners  
Lawrence R Green FCA – Partner

30 November 2017