



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

ABN 68 000 509 517

**Financial Report**

**For the Year ended 30 September 2018**

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

ABN 68 000 509 517

### Directors' Report

In respect of the financial year ended 30 September 2018, 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	Vanessa Hall	Kuet Qeun Ho
Kenneth J Kingwell	Rodney Tant	David McDonald
Larry Podmore		

#### 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 surplus for the year was \$822,542. (Last year deficit of \$2,345). The major part of the 2018 surplus arose from generous bequests received during the year.

#### 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 Committee; Marketing & Fundraising Committee
Kuet Qeun Ho	B.E(Civil)Hons, M.Sc, Grad.Dip (Org Learning)	Company Secretary
Kenneth J Kingwell	B.AppSc(Psych), GCert.Mgt, GDip.Psych, Dip.Ed	Chair of Governance Committee
Peter Elliott	B.Ec LLB GradDip.App Corp Gov	Chair of Finance, Compliance & Risk Committee
Vanessa Hall	Grad AICD, GradDip.Div, Cert NLP	Finance, Compliance & Risk Committee; Chair of Marketing & Fundraising Committee
David McDonald	B.Ec, GradDip.Ec	Finance, Compliance & Risk Committee
Larry Podmore	B.Eng (Communications)	Director

**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:

<b>Director</b>	<b>Number of Board Meetings Held</b>	<b>Number of Board Meetings Attended</b>
K Kingwell	6	5
KQ Ho	6	6
P Elliott	6	4
R Tant	6	6
V Hall	6	3
D McDonald	4	4
L Podmore	4	4

**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.

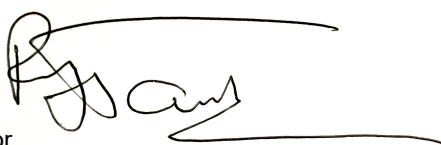
During the year the Company had paid a premium in respect of a contract to insure any Director, Secretary, Officer or Office Bearer, occupying a duly recognised position in the organisation under a Directors and Officers Liability Insurance Cover for \$2 million, covering the period 30 November 2017 to 30 November 2018.

**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 2018

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 2018 and financial performance and cashflows for the year ended on that date; and

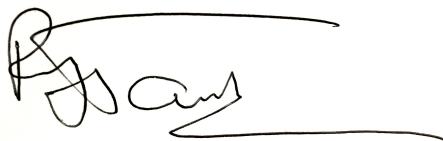
2. The provisions of relevant charitable fundraising legislation have been complied with.

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 2018

**AUDITORS INDEPENDENCE DECLARATION**

To the Directors

We declare that, to the best of our knowledge and belief, during the year ended 30 September 2018 there have been no contraventions of any auditor independence requirements.

Shedden & Green Partners



Lawrence R Green FCA  
Partner

30 November 2018

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

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

**Statement of Changes in Equity  
For the Year ended 30 September 2018**

		<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>Accumulated Funds</b>	Note 14		
Accumulated funds at the beginning of the year		<b>1,653,572</b>	1,655,917
Operating Surplus/(Deficit)		<b>822,542</b>	(2,345)
Accumulated funds at the end of the year		<u><b>2,476,114</b></u>	<u><b>1,653,572</b></u>

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Statement of Income and Other Comprehensive Income**  
**For the Year ended 30 September 2018**

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Donations and gifts		
Monetary	<b>1,319,185</b>	1,230,799
Non-monetary	<b>0</b>	0
Bequests and Legacies	<b>861,035</b>	349,862
Grants - Other Australian	<b>0</b>	0
Other Income	<b>44,053</b>	38,371
Total Revenue	<b><u>2,224,273</u></b>	<u>1,619,032</u>
<b>Expenditure</b>		
International Aid and Development Programs		
Funds to International Programs	<b>917,975</b>	982,679
Program Support Costs	<b>125,578</b>	159,927
Community Education	<b>241,937</b>	163,219
Fundraising Costs - Public	<b>137,067</b>	162,900
Accountability and Administration	<b>68,912</b>	117,776
Non-monetary Expenditure	<b>0</b>	0
Total Expenses	<b><u>1,491,468</u></b>	<u>1,586,501</u>
<b>Excess/(Shortfall) of Revenue over Expenditure</b>	<b>732,805</b>	32,531
<b>Other Comprehensive Income</b>		
Fair Value Adjustment to Financial Assets	<b>89,737</b>	(34,876)
<b>Total Comprehensive Income</b>	<b><u>822,542</u></b>	<u>(2,345)</u>

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

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Balance Sheet**  
**As at 30 September 2018**

	Notes	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	32,422	20,095
Prepayments		43,933	-
Receivables	5	7,536	13,656
Financial Assets	6	<u>472,763</u>	<u>518,704</u>
<b>Total Current Assets</b>		<u>556,654</u>	<u>552,454</u>
<b>Non-Current Assets</b>			
Financial Assets	7	2,028,119	1,188,382
Property, Furniture and Equipment	8	<u>25,527</u>	<u>27,848</u>
<b>Total Non-Current Assets</b>		<u>2,053,646</u>	<u>1,216,229</u>
<b>Total Assets</b>		<u><u>2,610,301</u></u>	<u><u>1,768,684</u></u>
<b>Current Liabilities</b>			
Payables	9	82,088	70,283
Employment Benefit Provisions	11	<u>44,341</u>	<u>37,318</u>
<b>Total Current Liabilities</b>		<u>126,430</u>	<u>107,602</u>
<b>Non-Current Liabilities</b>			
Other Payables	12	100	100
Employment Benefit Provisions	11	<u>7,657</u>	<u>7,410</u>
<b>Total Non-Current Liabilities</b>		<u>7,757</u>	<u>7,510</u>
<b>Total Liabilities</b>		<u>134,187</u>	<u>115,112</u>
<b>Net Assets</b>		<u><u>2,476,114</u></u>	<u><u>1,653,572</u></u>
<b>Accumulated Funds</b>			
	14		
Balance brought forward		1,653,572	1,655,917
Surplus/(Deficit) for the year		<u>822,542</u>	<u>(2,345)</u>
Accumulated Funds carried forward		<u><u>2,476,114</u></u>	<u><u>1,653,572</u></u>

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

**Statement of Cash Flows**

**For the Year ended 30 September 2018**

	Notes	2018 \$	2017 \$
<b>Cash Flows from/(used in) Operating Activities</b>			
Interest Received		37,200	35,617
Donations and Sundry Income		2,187,073	1,583,415
Less:			
Payments - wages, suppliers, projects and field workers support		<u>(1,513,758)</u>	<u>(1,586,501)</u>
Net cash flows from/(used in) operating activities		<u>710,514</u>	<u>48,012</u>
<b>Cash Flows from Investing Activities</b>			
(Increase)/Decrease in Other Receivables		6,120	
Disposal/(Acquisition) of financial assets		<u>(704,307)</u>	<u>(67,461)</u>
Net cash flows from investing activities		<u>(698,187)</u>	<u>(67,461)</u>
Net increase (decrease) in cash held		12,328	(19,449)
Cash at the beginning of the financial year		<u>20,095</u>	<u>39,544</u>
Cash at the end of the financial year		<u>32,422</u>	<u>20,095</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>32,422</u>	<u>20,095</u>
<b>Reconciliation of net cash flows from/(used in) operating activities to operating surplus/(loss)</b>			
Net Surplus/(Deficit)		822,542	(2,345)
Non-cash items			
Depreciation		2,320	2,320
Change in Fair Value of Financial Assets		(89,737)	34,876
<u>Changes in assets and liabilities:</u>			
(Increase)/Decrease in Prepayments		(43,933)	-
Increase/(decrease) in Creditors and Accruals		11,805	27,732
Increase/(decrease) in Staff Entitlement Provisions		7,517	4,429
Increase/(decrease) in Field Staff Provisions		<u>0</u>	<u>(19,000)</u>
Net cash flows from/(used in) operating activities		<u>710,514</u>	<u>48,012</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 2018

#### 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.

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Notes to and forming part of the Accounts**  
**For the Year ended 30 September 2018**

**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 Custodian Limited	ACN 161 928 105

FEBC is a member of Missions Interlink and complies with the Financial Standards set out in the MI Standards Statement. 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 2018 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 2018**

	2018 \$	2017 \$
<b>4 Cash</b>		
Cash on hand	170	170
Cash at Bank	<u>32,252</u>	<u>19,925</u>
	<u><b>32,422</b></u>	<u><b>20,095</b></u>
<b>5 Receivables</b>		
Other Receivables	<u>7,536</u>	<u>13,656</u>
<b>6 Financial Assets - Current - Short Term Deposits</b>		
Westpac Bank Ltd	100,045	67,521
FEBC Relief Westpac	120,825	-
BFS 31 days Notice Account	200,671	-
Rabo Direct	<u>51,222</u>	<u>451,183</u>
	<u><b>472,763</b></u>	<u><b>518,704</b></u>
<b>7 Financial Assets - Non-Current</b>		
At cost - Term Deposits		
Baptist Financial Services	300,000	300,000
Westpac Bank Ltd	-	250,000
Rabo Direct	<u>200,000</u>	<u>-</u>
At Fair Value		
Warakirri	418,889	-
Hunter Hall Value Trust	330,249	296,990
Australian Ethical Trust	<u>778,981</u>	<u>341,392</u>
	<u><b>2,028,119</b></u>	<u><b>1,188,382</b></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	<u>92,816</u>	<u>92,816</u>
Less Accumulated Depreciation	<u>(67,289)</u>	<u>(64,968)</u>
	<u><b>25,527</b></u>	<u><b>27,848</b></u>
Furniture, Fittings and Office Equipment - at cost	52,872	52,872
Less Accumulated Depreciation	<u>(52,872)</u>	<u>(52,872)</u>
	<u><b>-</b></u>	<u><b>-</b></u>
Total Property Plant and Equipment	<u><b>25,527</b></u>	<u><b>27,848</b></u>
<b>9 Payables</b>		
Trade Creditors & Accruals	72,525	59,547
Superannuation and PAYG Withholding	<u>9,564</u>	<u>10,737</u>
	<u><b>82,088</b></u>	<u><b>70,283</b></u>
<b>10 Interest Free Loan Payable - Current</b>	<u>-</u>	<u>-</u>
	<u><b>-</b></u>	<u><b>-</b></u>
<b>11 Employee Benefit Provisions</b>		
Current		
Annual Leave	24,206	19,525
Long Service Leave	<u>20,135</u>	<u>17,793</u>
	<u><b>44,341</b></u>	<u><b>37,318</b></u>
Non Current		
Long Service Leave	7,657	7,410
	<u><b>7,657</b></u>	<u><b>7,410</b></u>
	<u><b>51,998</b></u>	<u><b>44,728</b></u>
<b>12 Other Payables</b>		
Other	100	100
<b>13 Field Staff Provisions</b>		
Field Staff Retirement & Resettlement	<u>-</u>	<u>-</u>
	<u><b>-</b></u>	<u><b>-</b></u>

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Notes to the Financial Statements**  
**For the Year ended 30 September 2018**

	2018	2017
	\$	\$
<b>14 Accumulated Funds</b>		
Designated:		
Project Support	234,299	424,662
Project FEBC Relief	133,408	-
Non Designated	2,108,406	1,228,909
Total Funds	<u>2,476,113</u>	<u>1,653,571</u>

**15 Contingent Assets and Liabilities**

As at 30 September 2018, the company had no contingent assets or liabilities. (2017: nil)

**16 Commitments for Expenditure**

As at 30 September 2018, the company had no commitments for expenditure. (2017: 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	42,803	112,251
Project expenditure	(42,803)	(116,586)
Administration and fundraising	-	-
Net surplus/(deficit)	<u>-</u>	<u>(4,335)</u>
Assets		
Bank account	100	100
Liabilities	<u>-</u>	<u>-</u>
Net Assets	<u>100</u>	<u>100</u>
Balance of funds brought forward	100	4,435
Surplus/(deficit) for the year	<u>-</u>	<u>(4,335)</u>
Balance of funds carried forward	<u>100</u>	<u>100</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	Larry Podmore
Vanessa Hall	Rodney Tant	
Kuet Qeun Ho	David McDonald	

No director received any remuneration.

**Far East Broadcasting Co (Australia) and Controlled Entities**  
**Notes to the Financial Statements**  
**For the Year ended 30 September 2018**

	<b>2018</b>	<b>2017</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>\$ 11,092</b>	<b>\$ 6,384</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>\$ 10,052</b>	<b>\$ 10,888</b>



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

## SHEDDEN & GREEN PARTNERS

ABN 43 723 342 276

15 November 2018

The Board of Directors  
Far East Broadcasting Co (Australia)  
Level 1  
365 Kingsway  
CARINGBAH NSW 2229

### Independence of the Auditors

We confirm that for the audit of the financial report Far East Broadcasting Co (Australia) and its controlled entities for the year ended 30<sup>th</sup> September 2018, we have maintained our independence in accordance with requirements of Shedden & Green Partners, and with the provisions of Professional Statement F1.

In the spirit of this confirmation, we have prepared the following comments to facilitate discussion and enable you to have a clear understanding of the issue.

### Other services

We have not carried out any engagements for the Company and controlled entities that would impair our firm's professional independence as auditor.

Any services provided are subject to our own and the profession's strict rules and policies regarding auditor independence, as well as to certain statutory requirements. We enforce these rules and policies in order to maintain objectivity and to be free of conflicts of interest when discharging our professional responsibilities.

Our appointment as service provider for these engagements has been subject to the Company's corporate governance procedures encompassing the selection of service providers and the setting of their remuneration. Some of the safeguards we follow with regard to auditor independence in relation to the provision of these services include ensuring:

- the services have not involved partners or staff acting in a managerial or decision-making capacity, or being involved in the processing or originating of transactions;
- the services have only been provided where we are satisfied that the related function or process will not have a material bearing on our planned audit procedures and would not involve us auditing our own work;
- the partners and staff involved in the provision of non-audit services have not participated in the Company's associated approval or authorisation processes; and

Based on the above safeguards, we are satisfied that the provision of other services has not in any way compromised our independence as external auditor of the Company.

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Phone: (02) 9540 1944

Level 3 - Suite 28  
19-21 Central Road  
MIRANDA NSW 2228

PO Box 142  
MIRANDA 1490

*Email: [sheddenandgreen@bigpond.com](mailto:sheddenandgreen@bigpond.com)*

*Liability limited by a scheme approved under Professional Standards Legislation*

## **Seconded staff**

Professional staff members have not been seconded to the Company or any controlled entity. It is our policy that if such secondment did occur then seconded staff would not normally be members of the audit team except that where seconded staff were also members of the audit team, they would have not been directly involved in the audit of their own work papers, calculations or other relevant documents generated by them during the period of their secondment.

## **Unresolved disagreements**

We have not had any unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial report. Furthermore, management has not sought to influence our views on matters relevant to our opinion.

## **Financial interests**

As your auditors, direct and material indirect investment in the Company or any entities related to the entity or to its Board is prohibited to us, subject to certain grandfathering provisions for immaterial investments. In summary this prohibition extends to:

- all partners and professional staff, and superannuation fund and any entities controlled by them;
- the families of these partners and professional staff; and
- the firm's partner and staff superannuation funds.

We seek annual confirmation from our partners and staff that they have complied with this requirement and we actively monitor financial interests of our partners and staff. Based on the results of this we are not aware of any instances where partners or staff are not in compliance with this requirement in relation to this engagement.

## **Borrowings**

Neither the Company or its controlled entities are permitted to lend to the general public but in some situations there are still conceivably circumstances where a borrowing could have been made. Borrowing from the Company and from its controlled entities is generally prohibited for our partners as well as staff and their relatives and any associated entities. We seek annual confirmation from partners and staff that they do not have such borrowings from the company as are prohibited under the Corporations Act 2001 or by our policy. Based on the results of this confirmation, we are not aware of any instances where our partners or relevant staff are not in compliance with this policy.

## **Other relationships**

There are no situations where a spouse or close relative of a partner or staff members involved in the audit occupy a position as a director or executive of the Company or its controlled entities that is significant to the audit.

There are no situations where a partner or staff member has accepted a position of employment with the Company or any controlled or related entities in a senior executive or managerial capacity during or since the end of the financial year.

This report is intended solely for the use of the Board of Directors, management, and others within the Company and should not be used for any other purpose.

Yours faithfully





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 financial report of Far East Broadcasting Co (Australia) and Controlled Entities, which comprises the Balance Sheet as at 30 September 2018, and the Statement of Income and Other Comprehensive Income, 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*, and the ACFID Code of Conduct including:
  - (a) giving a true and fair view of the registered entity's financial position as at 30 September 2018 and of its financial performance for the year then ended; and
  - (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (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 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.

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## **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, ACFID 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.



Shedden & Green Partners  
Lawrence R Green FCA – Partner

30 November 2018