



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

ABN 68 000 509 517

**Financial Statements**

For the Year Ended 30 September 2021

# Far East Broadcasting Co (Australia) and Controlled Entities

ABN 68 000 509 517

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For the Year Ended 30 September 2021

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

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### Directors' Report 30 September 2021

The directors present their report on Far East Broadcasting Co (Australia) and its Controlled Entities ("the Company") for the financial year ended 30 September 2021.

#### Directors

The Directors in office at the date of this report and during the financial year, are:

Names	Experience / Qualifications	Duties
Ron Cameron	BSc, MSc, MBA, DPhil, FTSE	Director (Chair), Finance Committee member
Andrew Selim	BSc (Adv), LLB (Hons), LLM (Syd)	Director (Company Secretary)
Judith Houston	BBus (Fin/Ec), MDev, MA (Contemporary Christian Mission)	Director
David McDonald	B.Ec, GradDipEc	Director, Finance Committee chair
Rodney Tant	M.Ed. (Admin.) B.Ed. Dip Teach.	Director
Larry Podmore	B.Eng (Communications)	Director
Paul Benjamin	CFRE, MBA, BA (Hospitality), BA (Sociology), Dip (Sales & Mktg, HR & Finance)	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

There were a total of seven (7) Directors meetings held during the financial year. Attendance by each director is as follows:

Directors (in office since beginning of 2020 to the end of the year unless otherwise indicated below)	Directors' Meetings	
	No. Eligible to Attend	No. Attended
Ron Cameron (from 3 December 2020)	6	6
Andrew Selim (from 3 December 2020)	6	6
Judith Houston (from 19 November 2020)	7	7
David McDonald	7	6
Rodney Tant	7	7
Larry Podmore (to 14 December 2020)	2	2
Paul Benjamin (to 31 March 2021)	4	4

Since the beginning of the financial year, no Director of the Company has received, or has become entitled to receive, a benefit because of a contract that a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial interest has made with the company, or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when a Director received or became entitled to receive, the benefit.

#### Principal activities and significant changes in nature of activities

The principal activity of the Company, as a Christian Charity, is to raise funds for overseas FEBC International partners in order to achieve the objectives of the Company as stated below. There were no significant changes in the nature of the Company's principal activities during the financial year.

#### Short term objectives

The Company's objectives are:

To be a distinctively Christian organisation, communicating the love and knowledge of God for all people, which:

- makes known through communication technology, the Christian message of reconciliation and life with God through the Lord Jesus Christ across the world, encouraging people to follow and serve Him.
- cares for and supports the needs of people throughout the world, especially in developing countries, including their

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

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### Directors' Report

30 September 2021

spiritual, psychological, emotional, physical, and social needs, through community programs using communication technology and disaster response broadcasting.

- promotes and develops broadcast programs and activities to provide growth, relief and support for the education and advancement of people and their communities around the world. These broadcasts and activities are in areas such as:
  - clean water, healthy diet, basic hygiene, control of infections.
  - the process of community renewal through peaceful relations and the absence of conflict.
  - the health needs of women, safety for women and children and their need to be free from servitude and violence.
  - the provision of emergency relief in the form of mobile communication technologies to assist people and other development agencies to manage familial dislocation, impending health pandemics, famine relief, disaster warnings or impending conflict.
  - providing human and financial resources that support the Company's vision, mission, and objects.
  - assisting in the transformation of communities through communication technology to address the causes of poverty, poor health, violence, and loss of hope.
- establishes and maintains a public fund (the FEBC Overseas Fund) under this Constitution for such purposes as noted above with regards to growth, relief and support for the education and advancement of people; and which may also work with other Christian relief and development agencies to achieve the same outcomes;
- and to undertake and pursue all such other similar, related or compatible objects as may from time to time be considered appropriate by the Company.

To achieve the above objectives, through financially supporting our FEBC International partners, the Company has adopted the following strategies:

- Effective communication with supporters/donors
- Encouraging and deepening prayer support
- Increasing the number of people supporting the mission
- Promoting awareness of the impact of the mission's work in churches
- Resourcing, empowering, and mentoring overseas partners
- Effective, informative, and accountable reporting from overseas partners

Current strategic aims that are also in place to achieve the objectives:

- Faithful and godly approach to fundraising and stewardship: that involves maintaining high standards of compliance and builds strong community trust
- Building strong overseas partnerships: that involves building capacity and sustainability, strengthening relationships, and being open to possibilities
- Maintaining a strong homebased ministry team: that involves having the right people with the right skills on team who work to fulfil mission outcomes
- Strong healthy effective governance: that involves having the right Board skills along with the mission-heart, integrity and focus required.

#### Review of operations

Our accounts for the 2021 financial year show a surplus from operating activities of \$150,949 (2020: surplus \$271,610).

The Company is thankful for the generous support received given the tremendous challenges experienced throughout Australia this year from droughts, bushfires, and the more recent COVID-19 pandemic.

FEBC Australia responded to the overseas COVID-19 needs by providing additional funding, on top of commitments, of \$122,026 to six (6) partner countries – India, Indonesia, Mozambique, Pakistan, Thailand, and Ukraine. As a response to

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### Directors' Report

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further requests for special program funding - providing training, radios, speaker boxes, and equipment - FEBC Australia provided an additional \$225,593 to ten (10) countries – Indonesia, Philippines, Mongolia, India, Pakistan, Thailand, Russia, Ukraine, Kazakhstan, and Kyrgyzstan.

FEBC Australia was able to provide \$11,196,768 for funding and supporting overseas projects in fulfilment of its principal activity and to enable the accomplishment of objectives.

We are grateful that the financial health of the Company is sound with a strong Balance Sheet; including Financial Assets that enable FEBC Australia to make three-year commitments to our overseas partners (assisting their sustainability and development with forward planning).

The financial objectives in 2020-21 focus on sustaining the Company's capability to meet our partnership commitments and continue to navigate through the challenges posed by the COVID-19 pandemic. FEBC Australia will continue to closely monitor and control expenditure and work together with our faithful and generous supporters to ensure further tremendous outcomes through our supported work.

#### Reserves and financial sustainability

FEBC maintains a financially well-resourced balance sheet to manage short-term and long-term risks, to ensure that the ongoing support of projects previously approved by the Board of FEBC is not compromised, to enable new projects to be supported, and to ensure that the Company's operational resources continue to remain financially viable. These funds are shown in the financial statements as General Funds and were, at balance date, \$1,323,964 (2020: \$1,117,053).

Funds received for designated projects (including tax-deductible giving through FEBC Relief Limited) and funds set aside for commitments with overseas partners and allocated for future projects are recorded as Designated Funds until spent. At 30 September 2021 the balance of funds received for designated projects (to be spent in future financial years) was \$1,513,804 (2020: \$1,569,766).

#### Material impacts and risks of COVID-19 on operations

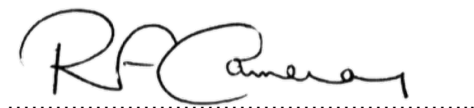
COVID-19 has not had material impact on the operations of the Company. Mitigation strategies or alternate approaches have been adopted to address all anticipated and realised risks.

#### Indemnification and insurance of officers and auditors

The Company paid a premium to insure all Directors' for liability, including costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against them in their capacity as Directors of the Company.

#### Auditor's independence declaration

WSC Group – Audit Pty Ltd was appointed as auditor of the Company during the year, on the retirement of the previous auditor Lawrence R Green of Shedden & Green Partners. A copy of the Auditor's independence declaration as required under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included in the financial report.



Ron Cameron

Date: 13 December, 2021

Chair

Sydney, Australia



## Auditor's Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Responsible Persons of Far East Broadcasting Co (Australia) and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2021, there have been:

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

**WSC GROUP - AUDIT PTY LTD**

A F Gilbert, CA  
**Director**

Sydney, Australia

Date: 13 December 2021

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

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2021

		2020
	2021	(Restated)
Note	\$	\$
<b>Revenue</b>		
Donations and Gifts		
Monetary	1,736,472	1,721,468
Non-Monetary	16 5,040	17,289
Bequests and Legacies	90,240	102,427
Government COVID-19 Support	2,886	20,204
Other income	4 31,691	49,815
<b>Total revenue</b>	<b>1,866,329</b>	<b>1,911,203</b>
<b>Expenditure</b>		
International Programs		
Funds to international programs	1,071,087	989,820
Program support costs	125,711	142,379
Community Education	248,062	243,072
Fundraising Costs - public	219,312	174,582
Accountability and Administration	46,168	72,451
Non-Monetary Expenditure	16 5,040	17,289
<b>Total expenditure</b>	<b>1,715,380</b>	<b>1,639,593</b>
<b>Surplus for the year</b>	<b>150,949</b>	<b>271,610</b>
<b>Other comprehensive income</b>	4 <b>1,172,106</b>	<b>90,441</b>
<b>Total comprehensive income for the year</b>	<b>1,323,055</b>	<b>362,051</b>

The accompanying notes form part of these financial statements.

# Far East Broadcasting Co (Australia) and Controlled Entities

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## Statement of Financial Position

As At 30 September 2021

		2020
	2021	(Restated)
Note	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	5 896,521	855,828
Trade and other receivables	6 5,895	10,235
<b>TOTAL CURRENT ASSETS</b>	<b>902,417</b>	<b>866,063</b>
NON-CURRENT ASSETS		
Financial assets	7 2,762,061	2,257,139
Property, plant and equipment	8 780,280	20,886
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,542,341</b>	<b>2,278,025</b>
<b>TOTAL ASSETS</b>	<b>4,444,758</b>	<b>3,144,088</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	9 31,220	44,018
Provisions	10 50,764	60,351
<b>TOTAL CURRENT LIABILITIES</b>	<b>81,984</b>	<b>104,369</b>
NON-CURRENT LIABILITIES		
Other payables	100	100
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>100</b>	<b>100</b>
<b>TOTAL LIABILITIES</b>	<b>82,084</b>	<b>104,469</b>
<b>NET ASSETS</b>	<b>4,362,674</b>	<b>3,039,619</b>
<b>EQUITY</b>		
Reserves	13 3,038,710	1,922,566
General funds	1,323,964	1,117,053
<b>TOTAL EQUITY</b>	<b>4,362,674</b>	<b>3,039,619</b>

The accompanying notes form part of these financial statements.



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

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### Statement of Changes in Equity

For the Year Ended 30 September 2021

2021

	Fair Value through OCI Reserve \$	Asset Revaluation Reserve \$	General Funds \$	Designated Funds \$	Total \$
<b>Balance at 1 October 2020</b>	352,800	-	1,117,053	1,569,766	3,039,619
Surplus/(Loss) for the year	-	-	96,347	54,602	150,949
Transfers to / (from) reserves	-	-	110,564	(110,564)	-
Fair value gain on financial assets	439,922	-	-	-	439,922
Revaluation increment / (decrement)	-	732,184	-	-	732,184
<b>Balance at 30 September 2021</b>	<b>792,722</b>	<b>732,184</b>	<b>1,323,964</b>	<b>1,513,804</b>	<b>4,362,674</b>

2020

	Fair Value through OCI Reserve (Restated) \$	Asset Revaluation Reserve \$	General Funds (Restated) \$	Designated Funds (Restated) \$	Total (Restated) \$
<b>Balance at 1 October 2019</b>	262,359	-	893,406	1,521,803	2,677,568
Surplus/(Loss) for the year	-	-	223,647	47,963	271,610
Fair value gain on financial assets	90,441	-	-	-	90,441
<b>Balance at 30 September 2020</b>	<b>352,800</b>	<b>-</b>	<b>1,117,053</b>	<b>1,569,766</b>	<b>3,039,619</b>

The accompanying notes form part of these financial statements.

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

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### Statement of Cash Flows

For the Year Ended 30 September 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts for donations and other income	1,826,712	2,059,366
Interest received	22,624	32,718
Payments to projects, suppliers and employees	<u>(1,713,007)</u>	<u>(1,638,470)</u>
Net cash provided by/(used in) operating activities	15 <u>136,329</u>	453,614
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	(30,636)	-
Payments for purchases of financial assets	<u>(65,000)</u>	<u>(463,527)</u>
Net cash provided by/(used in) investing activities	<u>(95,636)</u>	<u>(463,527)</u>
Net increase/(decrease) in cash and cash equivalents held	40,693	(9,913)
Cash and cash equivalents at beginning of year	<u>855,828</u>	<u>865,741</u>
Cash and cash equivalents at end of financial year	5 <u>896,521</u>	<u>855,828</u>

The accompanying notes form part of these financial statements.

# Far East Broadcasting Co (Australia) and Controlled Entities

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## Notes to the Financial Statements

For the Year Ended 30 September 2021

The financial report covers Far East Broadcasting Co (Australia) as an individual entity Far East Broadcasting Co (Australia) is a not-for-profit Company, registered and domiciled in Australia.

These financial statements are general purpose financial statements that have been prepared in Accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the *Australian Charities and Not-for-profits Commission Act 2012*.

The functional and presentation currency of the Company is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 BASIS OF PREPARATION

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Revenue and other income

##### Donations and fundraising

The Company recognises amounts donated or raised on behalf of the Company as income only when they are received by the Company.

##### Interest income

Interest is recognised when received/receivable.

#### (b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

#### (d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

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

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### Notes to the Financial Statements For the Year Ended 30 September 2021

#### Plant and equipment

Plant and equipment are measured using the cost model.

#### Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings & building modifications	2.5%
Motor vehicles	12.5%
Furniture, Fixtures and Fittings	20%
Computer Equipment and Software	33.3%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

#### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and

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

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### Notes to the Financial Statements

#### For the Year Ended 30 September 2021

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Financial assets through other comprehensive income*

All financial assets not classified as measured at amortised cost as described above are measured at FVTOCI.

#### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain parties, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

#### **(f) Cash and cash equivalents**

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

#### **(g) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

#### **(h) Reserves**

Reserves include donations given for designated purposes which will be acquitted in future years, and donations given to the Company's general fund which have not yet been acquitted.

#### **(i) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 September 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### **3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Those charged with governance make estimates and judgements during the preparation of these financial

# Far East Broadcasting Co (Australia) and Controlled Entities

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## Notes to the Financial Statements

For the Year Ended 30 September 2021

statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

### 4 INCOME

	2021	2020
	\$	\$
OTHER INCOME		
- Franking credits and dividends	8,510	-
- Interest received	22,624	32,718
- Other income	557	17,097
<b>Total other income</b>	<b>31,691</b>	<b>49,815</b>
OTHER COMPREHENSIVE INCOME		
Fair value gain on financial assets	439,922	90,441
Fair value gain on revaluation of property	732,184	-
<b>Total other comprehensive income</b>	<b>1,172,106</b>	<b>90,441</b>

### 5 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	326,052	265,013
Short-term deposits	570,469	590,815
	<b>896,521</b>	<b>855,828</b>

### 6 TRADE AND OTHER RECEIVABLES

Interest receivable	5,895	10,235
	<b>5,895</b>	<b>10,235</b>

### 7 FINANCIAL ASSETS

Medium-term fixed interest investments at amortised cost	500,000	780,000
Equity investments (managed funds) at fair value through Other Comprehensive Income	2,262,061	1,477,139
	<b>2,762,061</b>	<b>2,257,139</b>

### 8 PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS		
Suite 1 & 8, 365 Kingsway Caringbah NSW 2229		
At independent valuation	825,000	92,816
Less: accumulated depreciation	(74,250)	(71,930)
	<b>750,750</b>	<b>20,886</b>
MOTOR VEHICLES		
At cost	30,636	-
Less: accumulated depreciation	(1,106)	-
	<b>29,530</b>	<b>-</b>
FURNITURE, FITTINGS & OFFICE EQUIPMENT		
At cost	52,872	-
Less: accumulated depreciation	(52,872)	-
	<b>-</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>780,280</b>	<b>20,886</b>

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## Notes to the Financial Statements

For the Year Ended 30 September 2021

### 9 TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
CURRENT		
Trade and other payables	24,004	34,585
Superannuation payable	7,216	9,433
	<u>31,220</u>	<u>44,018</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 10 EMPLOYEE BENEFITS

CURRENT		
Provision for Long service leave	31,140	34,226
Provision for Annual leave	19,624	26,125
	<u>50,764</u>	<u>60,351</u>

### 11 KEY MANAGEMENT PERSONNEL

The total remuneration paid to key management personnel of the Company is \$188,192 (2020: 201,820).

The Key Management Personnel during the year were the Chief Executive Officer and Fundraising Manager.

### 12 AUDITORS' REMUNERATION

Remuneration of the auditor:		
- auditing the financial statements	3,500	3,400

### 13 RESERVES

OTHER RESERVES		
Asset revaluation reserve	732,184	-
Fair Value through Other Comprehensive Income Reserve	792,722	352,800
<b>Total other reserves</b>	<u>1,524,906</u>	<u>352,800</u>
DESIGNATED FUNDS, comprised of:		
Field Commitments Fund	694,800	728,300
Future Projects Fund	488,010	565,074
Restricted Funds	330,994	276,392
<b>Total designated funds</b>	<u>1,513,804</u>	<u>1,569,766</u>
<b>Total Reserves</b>	<u>3,038,710</u>	<u>1,922,566</u>

### 14 FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Company is exposed to are described below:

#### Specific risks

- Liquidity risk
- Market risk

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

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### Notes to the Financial Statements

For the Year Ended 30 September 2021

#### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Short-term investments
- Equity investments (managed funds)

		2021	2020
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	5	896,521	855,828
Trade and other receivables	6	5,895	10,235
Medium-term fixed interest investments	7	500,000	780,000
Managed funds	7	2,262,061	1,477,139
<b>Total financial assets</b>		<b>3,664,477</b>	<b>3,123,202</b>

#### Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by the ability to liquidate long-term financial assets. The Company manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (i) Interest rate risk

The Company is exposed to interest rate risk as funds are invested at mid-term to short-term rates. The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.25% and -0.25% (2020: +0.25%/-0.25%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports. The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021		2020	
	+0.25%	-0.25%	+0.25%	-0.25%
	\$	\$	\$	\$
Net results and Equity	3,491	(3,491)	4,789	(4,789)

##### (i) Market risk

The Company is exposed to market risk as funds are invested in managed funds and listed investments subject to market movements. Market risk is limited to financial assets at fair value.



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### Notes to the Financial Statements

#### For the Year Ended 30 September 2021

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2020: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports. The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021		2020	
	+1.00%	-1.00%	+1.00%	-1.00%
	\$	\$	\$	\$
Net results and Equity	22,621	(22,621)	14,771	(14,771)

#### 15 CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Total comprehensive income for the year	1,323,055	362,051
Non-cash flows in profit:		
- depreciation	3,426	2,320
- increase in the fair value of property	(732,184)	-
- increase in the fair value of financial assets through other comprehensive income	(439,922)	90,441
Changes in assets and liabilities:		
- (increase)/decrease in receivables	4,340	-
- increase/(decrease) in creditors and accruals	(12,797)	(11,835)
- increase/(decrease) in provisions	(9,589)	10,637
Cashflows from operations	<u>136,329</u>	<u>453,614</u>

#### 16 NON-MONETARY GIFTS AND DONATIONS

The work of Far East Broadcasting Co (Australia) is supported by a number of volunteers each year. The contributions from volunteers, through regular mail processing, project assistance, general administration etc. mean that the Company is able to deliver a great proportion of cash donations directly to field projects. The donated services of specific volunteers have been valued in accordance with AASB 1058 and are recognised in the financial report as "Donations and Gifts – non monetary".

During the year ended 30 September 2021, 114 volunteer hours were provided to the Company at a commercial value of \$5,040.

#### 17 FUNDRAISING INFORMATION

The following information is disclosed in relation to the Company's fundraising activities. Various fundraising activities were conducted during the year including appeals, regular giving and major gifts.

##### Results of fundraising appeals

Gross proceeds from fundraising appeals	1,736,472	1,721,468
Less: Fundraising costs – Public	(219,312)	(174,582)
Net surplus obtained from fundraising appeals	<u>1,517,160</u>	<u>1,546,886</u>
<i>Fundraising costs / gross fundraising income</i>	<i>13%</i>	<i>10%</i>
Total funds distributed to objectives of the Company (Project costs, program support)	1,444,860	1,375,271
Total expenditure	<u>1,710,340</u>	<u>1,622,304</u>
<i>% of all costs directly incurred in aiding projects and programmes</i>	<i>85%</i>	<i>85%</i>

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

ABN 68 000 509 517

### Notes to the Financial Statements For the Year Ended 30 September 2021

#### 18 COMMITMENTS FOR EXPENDITURE

As at 30 September 2021, the company had no commitments for capital expenditure (2020: nil).

The Company has entered into arrangements with international affiliates to support their endeavours over the next financial year. The initiatives have certain performance measures and delivery requirements included in the arrangements. At balance date, the total of these commitments over the following 12 months was \$694,800 (2020: \$728,000).

#### 19 RELATED PARTIES

The Company's main related parties are as follows:

##### (a) Group Members

The controlled entities of the Company, reporting as a consolidated entity are:

##### **FEBC Custodian Limited (ABN 98 161 928 105)**

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

##### **FEBC Relief Limited (ABN 87 617 872 287)**

The Company is the sole member of this entity. 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 (74 901 814 246)**

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. This company has no material assets and no liabilities.

##### (b) Directors

The names of individuals who have held office at any time during the year are:

Rodney Tant	Andrew Selim	Ron Cameron	Paul Benjamin
Judith Houston	David McDonald	Larry Podmore	

##### (c) Key Management personnel

Refer to Note 11.

#### 20 MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member, or any person who ceased to be a member within one year of the wind up, is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the entity. As at 30 September 2021, there were 45 members (2020: 44) and therefore the total amount that Members of the company are liable to contribute if the company is wound up is \$2,250 (2020: \$2,200).

#### 21 EVENTS AFTER THE REPORTING DATE

In the opinion of the Directors, no events have occurred after the end of the financial year that materially prejudice the ability of the Company to continue as a going concern nor significantly affect the state of affairs of the Company in future financial years.

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

ABN 68 000 509 517

### **Notes to the Financial Statements**

**For the Year Ended 30 September 2021**

#### **22 CONTINGENCIES**

In the opinion of those charged with governance, the Company did not have any contingencies at 30 September 2021 (30 September 2020: None).

#### **23 STATUTORY INFORMATION**

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

Far East Broadcasting Co (Australia)

Level 1, 365 Kingsway

CARINGBAH NSW 2229

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

ABN 68 000 509 517

### Responsible Persons' Declaration

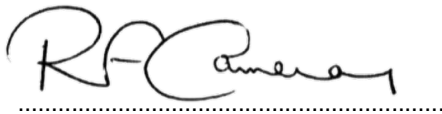
Declaration in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*:

The Responsible Persons declare that in the Responsible Persons' opinion:

- the financial statements and notes as set out on pages 4 to 17, for the year ended 30 September 2021 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and:
  - Comply with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*; and,
  - Give a true and fair view of the financial position as at 30 September 2021 and the performance for the year ended on that date of the Company.
- there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

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



.....  
Ron Cameron (Chair)

Date: 13 December, 2021



## 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 statement of financial position as at 30 September 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion 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:

- (i) giving a true and fair view of the Company's financial position as at 30 September 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



## Independent Audit Report to the members of Far East Broadcasting Co (Australia) and Controlled Entities

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

### WSC GROUP - AUDIT PTY LTD

A F Gilbert, CA

Director

Sydney, Australia

Dated this ..... 13th ..... day of ..... December ..... 2021



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