



chartered accountants

**ACC International Missions Ltd**

**ABN: 66 077 367 223**

Financial Statements  
For the Year Ended  
31 December 2017

# ACC International Missions Ltd

ABN: 66 077 367 223

For the Year Ended 31 December 2017

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# ACC International Missions Ltd

ABN: 66 077 367 223

For the Year Ended 31 December 2017

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# ACC International Missions Ltd

ABN: 66 077 367 223

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2017

		2017	2016
	Note	\$	\$
Revenue	2	3,035,325	3,167,547
Employee benefits expense and other associated costs		(415,202)	(403,627)
Depreciation expense		(12,315)	(11,713)
Promotions, travel and conference expense		(147,403)	(117,946)
Disbursements to missionaries and projects		(2,241,976)	(2,553,329)
Building and utility expense		(64,285)	(67,915)
Other expenses from operating activities		(119,987)	(106,387)
<b>Surplus/ (Deficit) for the year</b>		<b>34,157</b>	<b>(93,370)</b>
<b>Other comprehensive income:</b>			
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
<b>Total comprehensive income for the year</b>		<b>34,157</b>	<b>(93,370)</b>

The accompanying notes form part of these financial statements.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Statement of Financial Position

As At 31 December 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	208,304	257,204
Trade and other receivables	5	201	97
Financial assets	6	350,000	350,000
Other current assets	7	82,650	61,128
<b>Total current assets</b>		<b>641,155</b>	<b>668,429</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	52,094	55,838
<b>Total non-current assets</b>		<b>52,094</b>	<b>55,838</b>
<b>TOTAL ASSETS</b>		<b>693,249</b>	<b>724,267</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	8,500	8,500
Short-term provisions	10	284,003	351,761
<b>Total current liabilities</b>		<b>292,503</b>	<b>360,261</b>
<b>Non-current liabilities</b>			
Long-term provisions	10	2,583	-
<b>Total non-current liabilities</b>		<b>2,583</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>295,086</b>	<b>360,261</b>
<b>NET ASSETS</b>		<b>398,163</b>	<b>364,006</b>
<b>EQUITY</b>			
Reserves	11	669,785	624,011
Accumulated funds		(271,622)	(260,005)
<b>TOTAL EQUITY</b>		<b>398,163</b>	<b>364,006</b>

The accompanying notes form part of these financial statements.

**ACC International Missions Ltd**  
**ABN: 66 077 367 223**

**Statement of Changes in Equity**

For the Year Ended 31 December 2017

**2017**

	Accumulated funds	Missionary support reserve	Missionary airline reserve	Missionary insurance and medical reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2017	(260,005)	572,013	42,334	9,664	364,006
Surplus for the year	34,157	-	-	-	34,157
<b>Transfers to and from reserves</b>					
- Missionary support reserve	16,167	(16,167)	-	-	-
- Missionary airfare reserve	(71,605)	-	71,605	-	-
- Missionary insurance and medical reserve	9,664	-	-	(9,664)	-
<b>Balance at 31 December 2017</b>	<b>(271,622)</b>	<b>555,846</b>	<b>113,939</b>	<b>-</b>	<b>398,163</b>

**2016**

	Accumulated funds	Missionary support reserve	Missionary airfare reserve	Missionary insurance and medical reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2016	(276,449)	664,853	50,929	18,043	457,376
Deficit for the year	(93,370)	-	-	-	(93,370)
<b>Transfers to and from reserves</b>					
- Missionary support reserve	92,840	(92,840)	-	-	-
- Missionary airfare reserve	8,595	-	(8,595)	-	-
- Missionary insurance and medical reserve	8,379	-	-	(8,379)	-
<b>Balance at 31 December 2016</b>	<b>(260,005)</b>	<b>572,013</b>	<b>42,334</b>	<b>9,664</b>	<b>364,006</b>

The accompanying notes form part of these financial statements.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Statement of Cash Flows

For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Receipts from donors and other operating income	3,022,425	3,149,622
Payments to missionaries and employees and for other operating expenses	(3,073,050)	(3,307,042)
Interest received	10,296	16,607
Net cash provided by (used in) operating activities	15 <u>(40,329)</u>	<u>(140,813)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Redemption (Placement) of term deposits	-	200,000
Purchase of property, plant and equipment	(8,571)	(8,046)
Net cash used by investing activities	<u>(8,571)</u>	<u>191,954</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from/(payment for) finance lease	-	(9,567)
Net cash used by financing activities	<u>-</u>	<u>(9,567)</u>
Net increase (decrease) in cash and cash equivalents held	(48,900)	41,574
Cash and cash equivalents at beginning of financial year	<u>257,204</u>	<u>215,630</u>
Cash and cash equivalents at end of financial year	4 <u><u>208,304</u></u>	<u><u>257,204</u></u>

The accompanying notes form part of these financial statements.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 1 Summary of Significant Accounting Policies

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements for the Australian Charities and Not-for-profits Commission. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting Policies

##### (a) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### (b) Income taxes

No current or deferred income tax assets or liabilities have been raised by the Company as it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The company is a registered charity under the Australian Charities and Not-for-profits Commission.

##### (c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

##### (d) Cash and cash equivalents

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



# ACC International Missions Ltd

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## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 1 Summary of Significant Accounting Policies

#### (e) Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

#### Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over the asset's useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Equipment, furniture and fittings	10% - 33%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss.

#### (f) Financial instruments

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

# ACC International Missions Ltd

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## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 1 Summary of Significant Accounting Policies

#### (f) Financial instruments

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments. The Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

#### (g) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 1 Summary of Significant Accounting Policies

#### (h) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Donations and other gifts are recognised as revenue when they are received. Where funds have been received for a specific ministry or project that meets the present legal obligation test, they will be allocated to the specific ministry, held in trust until such time as they are expended.

Gifts in kind are recognised at their fair value at the date that the company gains control of the donated goods.

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

#### (i) Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from the Australian Taxation Office for tax receivable in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### (j) 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 Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (k) Rental income and expense

Australian Christian Churches Property Ltd, ACN: 602 178 567 as trustee for the Australian Christian Churches Charitable Trust, ABN: 19 745 435 842, owns the property at 5/2 Sarton Road, Clayton VIC. This Property was purchased with Specific Gifts given by members of the ACC movement that were designated for World Missions purposes. The Trustee has resolved to recognize the Property within the accounts of the Trust as being designated for the purposes of World Missions, in particular for the benefit of the entities ACC International Missions Ltd and ACC International Relief Inc.

The directors have estimated the market value of rental costs to be \$25,500 per annum. This notional value has been recognised as revenue and an expense in the financial statements.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 1 Summary of Significant Accounting Policies

#### (l) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (m) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (n) Employee benefits

Short-term employee benefits

Provision is made for the Company's liability for short-term employee benefits arising from services rendered by employees to balance date, including salaries and wages. 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.

Long-term employee benefits

Provision is made for employee's long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

#### (o) Provision for field worker benefits

The company is required by its contract of service with missionaries to provide benefits accessible at the end of a mission term, in lieu of annual or long service leave. These benefits are accrued over the period of the missionary's term of service. The term of service varies based on the mission circumstances and a mission can end earlier than anticipated. The company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

#### (p) Provision for airfares and freight

The company is required by its spiritual appointment agreement with missionary staff to provide for the repatriation of field workers to Australia at the end of each contract period. The company provides for this future expense on the basis of known air travel costs between missionary locations and Australia. No contingency has been added to reflect the potential for repatriation costs to increase given inflation, political instability and greater than standard evacuation risks given the lower risk jurisdictions that the company operates in. If factors arise indicating a materially higher risk profile to a particular region, this will be charged to the provision and the statement of profit or loss as it occurs.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 1 Summary of Significant Accounting Policies

#### (q) Critical accounting estimates and judgement

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key judgement - donation income

The company receives funds from individual supporters and churches in Australia. Revenue is recognised when amounts are received and the Company have control over those funds. There is an inherent risk that some funds collected by third parties maybe not be passed on to the Company in full. This risk is beyond the internal control environment of the company.

The directors assert that ACC International Missions Ltd is not entitled to recognise those funds collected by the churches as revenue until the funds are received by the company.

#### (r) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but do not expect the adoption of these standards to have any material impact on the reported position or performance of the Company.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>2 Revenue</b>		
Donation income - mission field	2,266,003	2,465,262
Donation income - general fund	646,929	583,763
Notional rent (note 1(k))	25,500	25,500
Interest income	10,296	16,607
Other revenue	86,597	76,415
	<u>3,035,325</u>	<u>3,167,547</u>
<b>3 Key Management Personnel Compensation</b>		
The totals of remuneration paid to 3 (2016: 3) key management personnel of the company during the year are as follows:		
Key management personnel compensation	199,497	180,930
<b>4 Cash and cash equivalents</b>		
Cash at bank	<u>208,304</u>	<u>257,204</u>
	<u>208,304</u>	<u>257,204</u>
<b>5 Trade and other receivables</b>		
CURRENT		
GST receivable	<u>201</u>	<u>97</u>
	<u>201</u>	<u>97</u>

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>6 Financial Assets</b>		
Held-to-maturity financial assets	350,000	350,000
	<u>350,000</u>	<u>350,000</u>

Held-to-maturity financial assets comprises of a long term deposit with fixed interest rate of 2.85% which matures in 2017.

<b>7 Other Assets</b>		
CURRENT		
Prepayments	82,650	61,128
	<u>82,650</u>	<u>61,128</u>

<b>8 Plant and equipment</b>		
Equipment, furniture and fittings		
At cost	132,920	126,734
Less accumulated depreciation	(80,826)	(70,896)
	<u>52,094</u>	<u>55,838</u>

### (a) Movements in Carrying Amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

	Equipment, furniture and fittings	Total
	\$	\$
Carrying amount as at 1 January 2017	55,838	55,838
Additions	8,571	8,571
Depreciation expense	(12,315)	(12,315)
Carrying amount at the end of 31 December 2017	<u>52,094</u>	<u>52,094</u>

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>9 Trade and other payables</b>		
CURRENT		
Accrued expense	8,500	8,500
	<u>8,500</u>	<u>8,500</u>
<b>10 Provisions</b>		
CURRENT		
Provision for field workers benefits	188,001	182,243
Provision for employee entitlements	65,028	79,240
Provisions for airfares and freight	30,974	90,278
	<u>284,003</u>	<u>351,761</u>
NON-CURRENT		
Provision for employee entitlements	2,583	-
	<u>2,583</u>	<u>-</u>



# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>11 Reserves</b>		
<b>General Reserves</b>		
Missionary support reserve	555,846	574,022
Missionary airfare reserve	113,939	42,334
Missionary insurance and medical reserve	-	9,664
	<u>669,785</u>	<u>626,020</u>

### **Missionary support reserve**

This relates to funds collected on behalf of missionaries who have not been disbursed to them at year end.

### **Missionary airfare reserve**

This relates to funds collected from missionaries for repatriation back to Australia at the end of their contract of service. A provision for reasonable repatriation costs has been recorded on the statement of financial position and this reserve represents the funds collected above and beyond the provision which missionaries are able to request to utilise for other approved travel. Upon completion of service, any unspent missionary airfare support is absorbed into the ACC International Missions Ltd general funds.

### **Missionary insurance and medical reserve**

This relates to funds collected for missionaries not yet disbursed for the cost of medical and insurance needs.

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

	2017	2016
	\$	\$

### 12 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The carrying amount of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

#### Financial Assets

Cash and cash equivalents	4	208,304	257,204
Trade and other receivables	5	201	97
Held-to-maturity investments	6	350,000	350,000

#### Total financial assets

		<u>558,505</u>	<u>607,301</u>
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#### Financial Liabilities

##### Financial liabilities at amortised cost

Trade and other payables	9	8,500	8,500
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#### Total financial liabilities

		<u>8,500</u>	<u>8,500</u>
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### 13 Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and are no more favourable than those available to other parties unless otherwise stated.

ACC International Missions Ltd shares its building resources with ACC International Relief. Any outgoing expenses were shared between both entities.

### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2017 (31 December 2016: None).

# ACC International Missions Ltd

ABN: 66 077 367 223

## Notes to the Financial Statements

For the Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>15 Cash Flow Information</b>		
<b>Reconciliation of result from operations with (deficit)/surplus for the year</b>		
Surplus/(Deficit) for the year	34,157	(93,370)
Cash flows excluded from result attributable to operating activities		
Non-cash flows in surplus		
Depreciation	12,315	11,713
Notional rental income	(25,500)	(25,500)
Notional rental expense	25,500	25,500
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(104)	4,673
(Increase)/decrease in prepayments	(21,522)	15,901
Increase/(decrease) in trade payables and accruals	-	(23,391)
Increase/(decrease) in provisions	(65,175)	(56,339)
Cash flow from operations	<u>(40,329)</u>	<u>(140,813)</u>

## 16 Events after the end of the Reporting Period

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

## 17 Company Details

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

5/2 Sarton Road  
CLAYTON VIC 3168

# ACC International Missions Ltd

ABN: 66 077 367 223

## Directors' Declaration

The directors of the company declare that:

1. The financial report and notes, as set out on pages 1 to 16, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with applicable Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director ..... 

Director ..... 

Dated 18/4/2018

## ACC International Missions Ltd

ABN: 66 077 367 223

### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been:

- a) no contravention of the auditor's 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;
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson

Jeffrey Tulk  
Partner

Blackburn

Dated: 18 April 2018

## ACC International Missions Ltd

### Independent Audit Report to the members of ACC International Missions Ltd

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

#### Opinion

We have audited the financial report of ACC International Missions Ltd (the Company), which comprises the statement of financial position as at 31 December 2017, 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 directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 31 December 2017 and of its financial performance and cash flows 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 Regulations 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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## ACC International Missions Ltd

### Independent Audit Report to the members of ACC International Missions Ltd

#### Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### 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.

As part of an audit in accordance with the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

*Saward Dawson*

Saward Dawson

*Jeffrey Tulk*

Jeffrey Tulk  
Partner

Blackburn

Dated: *18 April 2018*