ACC International Missions Ltd

ABN: 66 077 367 223

Financial Report

For the Year Ended 31 December 2018

ACC International Missions Ltd
ABN: 66 077 367 223

For the Year Ended 31 December 2018

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Note	2018 $	2017 $
Revenue	2	**2,952,564**	3,035,325
Employee benefits expense		**(384,798)**	(415,202)
Depreciation expense		**(10,982)**	(12,315)
Promotions, travel and conference expense		**(132,319)**	(147,403)
Disbursements to missionaries and projects		**(2,252,315)**	(2,241,976)
Building and utility expense		**(70,497)**	(64,285)
Other expenses from operating activities		**(109,283)**	(119,987)
Surplus/(Deficit) for the year		**(7,630)**	34,157
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(7,630)**	34,157

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 2018

	Note	2018 $	2017 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**200,374**	208,304
Trade and other receivables	5	**3,366**	201
Financial assets	6	**350,000**	350,000
Other current assets	7	**47,859**	82,650
Total current assets		**601,599**	641,155
Non-current assets			
Property, plant and equipment	8	**59,510**	52,094
Total non-current assets		**59,510**	52,094
TOTAL ASSETS		**661,109**	693,249
LIABILITIES			
Current liabilities			
Trade and other payables	9	**26,676**	8,500
Short-term provisions	10	**240,820**	284,003
Total current liabilities		**267,496**	292,503
Non-current liabilities			
Long-term provisions	10	**3,080**	2,583
Total non-current liabilities		**3,080**	2,583
TOTAL LIABILITIES		**270,576**	295,086
NET ASSETS		**390,533**	398,163
EQUITY			
Reserves	11	**649,088**	669,785
Accumulated funds		**(258,555)**	(271,622)
TOTAL EQUITY		**390,533**	398,163

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 2018

2018

	Accumulated funds	Missionary support reserve	Missionary airline reserve	Missionary insurance and medical reserve	Total
	$	$	$	$	$
Balance at 1 January 2018	(271,622)	555,846	113,939	-	**398,163**
Deficit for the year	(7,630)	-	-	-	**(7,630)**
Transfers to and from reserves					
- Missionary support reserve	(10,902)	10,902	-	-	-
- Missionary airfare reserve	31,599	-	(31,599)	-	-
Balance at 31 December 2018	**(258,555)**	**566,748**	**82,340**	-	**390,533**

2017

	Accumulated funds	Missionary support reserve	Missionary airfare 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
Transfers to and from reserves					
- Missionary support reserve	16,167	(16,167)	-	-	-
- Missionary airfare reserve	(71,605)	-	71,605	-	-
- Missionary insurance and medical reserve	9,664	-	-	(9,664)	-
Balance at 31 December 2017	(271,622)	555,846	113,939	-	398,163

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 2018

	Note	2018 $	2017 $
CASH FROM OPERATING ACTIVITIES:			
Receipts from donors and other operating income		**2,938,284**	3,022,425
Payments to missionaries and employees and for other operating expenses		**(2,933,028)**	(3,073,050)
Interest received		**9,790**	10,296
Net cash provided by (used in) operating activities	16	**15,046**	(40,329)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(25,976)**	(8,571)
Disposal of property, plant and equipment		**3,000**	-
Net cash used by investing activities		**(22,976)**	(8,571)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		**(7,930)**	(48,900)
Cash and cash equivalents at beginning of financial year		**208,304**	257,204
Cash and cash equivalents at end of financial year	4	**200,374**	208,304

The accompanying notes form part of these financial statements.

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 2018

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%

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

1 **Summary of Significant Accounting Policies**

(f) Financial instruments

- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long term deposit that were previously classified as held to maturity under AASB 139.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long term deposit that were previously classified as held to maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

1 Summary of Significant Accounting Policies

(f) Financial instruments

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the company's financial liabilities were not impacted by the adoption of AASB 9.

The company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(g) 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).

(h) 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 as classified as non-current assets.

1 Summary of Significant Accounting Policies

(i) 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.

(j) Rental income and expense

Australian Christian Churches Pty 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.

(k) 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.

(l) 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.

(m) 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

1 Summary of Significant Accounting Policies

(m) Employee benefits

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.

(n) 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 various 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.

(o) 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.

1 Summary of Significant Accounting Policies

(p) 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.

(q) New Accounting Standards and Interpretations

AASB 9 Financial Instruments

The AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets.

The adoption of AASB 9 has minimal impact to the company. Financial assets previously classified as held to maturity under AASB 139 are reclassified at amortised cost under AASB 9.

	2018	2017
	$	$

2 Revenue

	2018 $	2017 $
Donation income	**2,849,009**	2,912,932
Notional rent (note 1(k))	**25,500**	25,500
Interest income	**9,790**	10,296
Other revenue	**68,265**	86,597
	2,952,564	3,035,325

3 Key Management Personnel Compensation

The totals of remuneration paid to 3 (2017: 3) key management personnel of the company during the year are as follows:

	2018 $	2017 $
Key management personnel compensation	**191,242**	199,497

4 Cash and cash equivalents

	2018 $	2017 $
Cash at bank	**200,374**	208,304
	200,374	208,304

5 Trade and other receivables

	2018 $	2017 $
CURRENT		
Trade receivables	**1,018**	-
GST receivable	**2,348**	201
	3,366	201

	2018	2017
	$	$

6 Financial Assets

	2018 $	2017 $
Long term deposit - amortised cost	**350,000**	350,000
	350,000	350,000

Financial assets comprises of a long term deposit with fixed interest rate of 2.85% which matures in 2019.

7 Other Assets

	2018 $	2017 $
CURRENT		
Prepayments	**47,859**	82,650
	47,859	82,650

8 Plant and equipment

	2018 $	2017 $
Equipment, furniture and fittings		
At cost	**93,631**	132,920
Less accumulated depreciation	**(34,121)**	(80,826)
	59,510	52,094

(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 2018	**52,094**	**52,094**
Additions	**25,976**	**25,976**
Disposals	**(7,578)**	**(7,578)**
Depreciation expense	**(10,982)**	**(10,982)**
Carrying amount at the end of 31 December 2018	**59,510**	**59,510**

	2018	2017
	$	$

9 Trade and other payables

	2018 $	2017 $
CURRENT		
Trade payables	**6,935**	-
Accrued expense	**8,500**	8,500
PAYG withholding payable rounding	**4,302**	-
Fringe Benefits	**6,939**	-
	26,676	8,500

10 Provisions

	2018 $	2017 $
CURRENT		
Provision for field workers benefits	**156,827**	188,001
Provision for employee entitlements	**41,433**	65,028
Provisions for airfares and freights	**42,560**	30,974
	240,820	284,003

	2018 $	2017 $
NON-CURRENT		
Provision for employee entitlements	**3,080**	2,583
	3,080	2,583

		2018	2017
		$	$

11 Reserves

	2018 $	2017 $
General Reserves		
Missionary support reserve	**566,748**	555,846
Missionary airfare reserve	**82,340**	113,939
	649,088	669,785

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.

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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 $	2017 $
Financial Assets			
Financial assets at amortised cost:			
Cash and cash equivalents	4	**200,374**	208,304
Trade and other receivables	5	**3,366**	201
Long term deposit	6	**350,000**	350,000
Total financial assets		**553,740**	558,505
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	9	**26,676**	8,500
Total financial liabilities		**26,676**	8,500

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 2018 (31 December 2017: None).

15 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.

	2018	2017
	$	$

16 Cash Flow Information

Reconciliation of result from operations with (deficit)/surplus for the year

	2018 $	2017 $
Surplus/(Deficit) for the year	**(7,630)**	34,157
Cash flows excluded from result attributable to operating activities		
Non-cash flows in surplus		
Depreciation	**10,982**	12,315
Notional rental income	**(25,500)**	(25,500)
Notional rental expense	**25,500**	25,500
Net gain/(loss) on disposal of plant and equipment	**4,578**	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	**(3,165)**	(104)
(Increase)/decrease in prepayments	**34,791**	(21,522)
Increase/(decrease) in trade payables and accruals	**18,176**	-
Increase/(decrease) in provisions	**(42,686)**	(65,175)
Cash flow from operations	**15,046**	(40,329)

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 2018 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 7-3-19

SAWARD / DAWSON
chartered accountants

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 2018, 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

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Dated:7 March 2019

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: +61 3 9894 2500
F: +61 3 9894 1622
contact@sawarddawson.com.au
www.sawarddawson.com.au

SAWARD / DAWSON
chartered accountants

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 2018, 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 2018 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.

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: +61 3 9894 2500
F: +61 3 9894 1622
contact@sawarddawson.com.au
www.sawarddawson.com.au

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 A*ustralian 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.

ACC International Missions Ltd

Independent Audit Report to the members of ACC International Missions Ltd

- 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: 7 March 2019