

# **Australian Evangelical Alliance Incorporated**

**ABN 54 056 007 820**

**Association Registered in Victoria A0012495P**

## **Annual Financial Report for the year ended 30 June 2016**



*Engage faith. life. together.*

**Australian Evangelical Alliance Inc.**

**Contents**

**30 June 2016**

Board of Management Report	2
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Committees' declaration	17
Independent auditor's report to the members of Australian Evangelical Alliance Inc.	18

**AUSTRALIAN EVANGELICAL ALLIANCE INCORPORATED**

**ABN 54 056 007 820**

**BOARD OF MANAGEMENT REPORT**

The Board of Management presents its report on the results of Australian Evangelical Alliance Incorporated, an association incorporated in Victoria, for the financial year ended 30 June 2016 and the state of affairs of the Association at that date.

**Board of Management**

The names of each of the persons who has been a member of the Board of Management during the year and to the date of this report are:

Geoffrey Edwin Colton  
John Leslie Anderson  
Neil Charles Anderson (from 29 February 2016)  
Barry Ronald Borneman  
Heather Joy Coleman (to 14 October 2015)  
Glenda Jean de Jager  
Richard Lincoln Dickins  
Judith Lilian Kay

**Association Members**

In addition to the Board of Management members, the following persons were members of the Association at the end of the financial year:

Mark Nicholas Chapman                      Darrell Richard Jackson  
Omar Yudhadharma Djoeandy              Simon Richard Longden

**Association Secretary**

The following person held the position of Association Secretary at the end of the financial year:

Pamela Jean Thyer BSW, Grad Cert Min

Mrs Thyer has worked for the Australian Evangelical Alliance for nine years in the role of National Director of Missions Interlink, and was appointed as the Secretary of the Association in 2012.

**Principal Activities**

As a catalyst for Christian unity, cooperation and mission, the object of the Association is to advance, propagate, promote and defend the Christian faith globally and to serve the Christian community by:

- Linking people and networks in strategic partnerships;
- Stimulating and communicating Biblical thinking in church and society about contemporary issues;
- Providing services to optimise the use of resources;
- Encouraging and supporting innovative ministries; and
- Encouraging co-operation amongst organisations with similar objects.

**Australian Evangelical Alliance Inc.  
Board of Management Report  
30 June 2016**

In furtherance of this object the Association auspices Missions Interlink, an Australian network of Christian global missionary organisations.

Internationally, the Association is affiliated with the World Evangelical Alliance Mission Commission, and in Australia works in cooperation through a covenant agreement with the EA Foundation, Ethos Centre for Christianity and Society Inc, Christian Ministry Advancement Ltd, and EA Insurance.

There were no significant changes in the nature of the Association's activity during the financial year.

**Information on Board of Management**

**Geoffrey Edwin Colton**

*Qualifications*

Board Member  
Bachelor of Ministry  
Certificate III in First Line Management

*Experience*

Not-for-profit board member  
Formerly South Australian Ministry Director, SIM Australia for 3 years  
Member of Missions Interlink South Australia State Leadership Team  
Board member of Australian Evangelical Alliance since 2011  
Aged 63 years

*Special Responsibilities*

Chairman

**John Leslie Anderson**

*Qualifications*

Board Member  
Bachelor of Science (Agriculture) (Honours)  
Bachelor of Ministry  
Master of Ministry  
Diploma of Bible and Mission

*Experience*

Certificate IV in Training and Assessment  
General Director, Tahlee Ministries  
Director, A Rocha Australia Inc  
Director, Intercultural Training Australia Limited  
Formerly Director of SIM Australia  
Member of Missions Interlink New South Wales State Leadership Team  
Board member of Australian Evangelical Alliance since 2015  
Aged 62 years

**Neil Charles Anderson**

*Qualifications*

Board Member *[Appointed 29 February 2016]*  
Bachelor of Education  
Bachelor of Theology  
Master of Theology  
Advanced Diploma of Ministry  
Diploma of Missiology

*Experience*

Certificate IV in Training and Assessment  
Prison Chaplain, Western Australian Department of Corrective Services  
Consultant in Worldview and Intercultural Expertise, Worldview Intercultural Training  
Formerly Director and Lecturer in Mission Studies, Vose Seminary for 4 years  
Member of Missions Interlink Western Australia State Leadership Team  
Board member of Australian Evangelical Alliance since 2016  
Aged 50 years

**Australian Evangelical Alliance Inc.  
Board of Management Report  
30 June 2016**

**Barry Ronald Borneman**

*Qualifications*

Board Member  
Bachelor of Education  
Bachelor of Theology  
Master of Development Management

*Experience*

Certificate IV in Training and Assessment  
CEO, Wycliffe Bible Translators Australia  
Director, Word Investments Limited  
Director, Treetops Lodge WBTA-MAF Joint Venture  
Lecturer in Program Planning, SIL Australia  
Accredited Belbin Team Role Consultant  
Board member of Australian Evangelical Alliance since 2014  
Aged 63 years

**Heather Joy Coleman**

*Qualifications*

Board Member *[Retired 14 October 2015]*

Bachelor of Arts (Admin)  
Bachelor of Ministry  
Graduate Diploma of Industrial Relations  
Associate Diploma of Business Management

*Experience*

General Director, Global Interaction Inc  
Board Member, Global Interaction Inc  
Member, Commission on Mission, Baptist World Alliance  
Member, Global Interaction Inc Missiological Advisory  
Committee  
Board member of Australian Evangelical Alliance since 2014  
Aged 56 years

**Glenda Jean de Jager**

*Qualifications*

Board Member  
Bachelor of Theology (Missions)  
Diploma of Secretarial Studies

*Experience*

National Director, Mukti Australia Inc  
Member of Missions Interlink Victoria State Leadership Team  
Board member of Australian Evangelical Alliance since 2012  
Aged 64 years

**Richard Lincoln Dickins**

*Qualifications*

Board Member  
Bachelor of Arts (Honours)  
Doctor of Philosophy  
Diploma of Education

*Experience*

Consultant  
Director, EA Foundation  
Trustee, Evangelical Alliance Foundation Trust Fund  
Formerly National Director of Steer Incorporated for 15 years  
Board member of Australian Evangelical Alliance since 2011  
Aged 66 years

*Special Responsibilities*

Treasurer

**Australian Evangelical Alliance Inc.  
Board of Management Report  
30 June 2016**

**Judith Lilian Kay**

*Qualifications*

*Experience*

*Special Responsibilities*

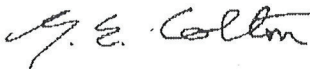
Board Member  
Preliminary Theological Certificate  
Certificate IV in Teaching Conversational English (TESOI)  
Church and Community Coordinator, Interserve Australia  
Formerly Short Term Mission Coordinator for CMS Australia for 6 years  
Founder of Two by 2  
Chair of Missions Interlink New South Wales State leadership Team  
Board member of Australian Evangelical Alliance since 2013  
Aged 61 years  
Vice Chairman

**Board of Management Meetings**

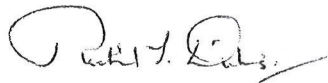
During the financial year, 8 Board of Management meetings were held. Attendances by each Board member were as follows:

<i>Board member</i>	<i>Board of Management Meetings</i>	
	<i>Meetings attended</i>	<i>Number eligible to attend</i>
Geoffrey Colton	7	8
John Anderson	7	8
Neil Anderson	1	2
Barry Borneman	8	8
Heather Coleman	2	3
Glenda de Jager	7	8
Richard Dickins	6	8
Judith Kay	6	8

On behalf of the Board



Geoffrey Colton  
Chairman



Richard Dickins  
Treasurer

9 November 2016

**Australian Evangelical Alliance Inc.**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>Revenue</b>	3	361,280	273,097
Total revenue		<u>361,280</u>	<u>273,097</u>
<b>Expenses</b>			
Occupancy expenses		(3,440)	(3,000)
Administration expenses		(14,184)	(9,152)
Employee expenses		(192,720)	(158,349)
Depreciation		(303)	(437)
Marketing and promotion		(1,357)	(2,023)
Professional fees		(6,708)	(4,812)
Other expenses		(7,724)	(5,346)
Cost of sales		(137,160)	(79,531)
Total expenses		<u>(363,596)</u>	<u>(262,650)</u>
<b>Surplus/(deficit) before income tax expense</b>		(2,316)	10,447
Income tax expense		<u>-</u>	<u>-</u>
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Australian Evangelical Alliance Inc.</b>	13	(2,316)	10,447
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year attributable to the members of Australian Evangelical Alliance Inc.</b>		<u><u>(2,316)</u></u>	<u><u>10,447</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Australian Evangelical Alliance Inc.**  
**Statement of financial position**  
**As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	103,796	166,977
Trade and other receivables	5	2,250	1,338
Inventories	6	690	805
Held-to-maturity investments	7	81,406	30,921
Prepayments	8	11,392	10,489
Total current assets		<u>199,534</u>	<u>210,530</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	533	836
Total non-current assets		<u>533</u>	<u>836</u>
<b>Total assets</b>		<u>200,067</u>	<u>211,366</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	62,051	76,281
Employee benefits	11	21,491	16,244
Total current liabilities		<u>83,542</u>	<u>92,525</u>
<b>Total liabilities</b>		<u>83,542</u>	<u>92,525</u>
<b>Net assets</b>		<u>116,525</u>	<u>118,841</u>
<b>Equity</b>			
Reserves	12	102,040	88,169
Retained surpluses	13	14,485	30,672
<b>Total equity</b>		<u>116,525</u>	<u>118,841</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Australian Evangelical Alliance Inc.**  
**Statement of changes in equity**  
**For the year ended 30 June 2016**

	<b>Training reserve \$</b>	<b>Queensland reserve \$</b>	<b>Special purpose reserve \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	-	-	84,183	24,211	108,394
Surplus after income tax expense for the year	-	-	-	10,447	10,447
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,447	10,447
Transfer to/from reserves	-	-	3,986	(3,986)	-
Balance at 30 June 2015	-	-	88,169	30,672	118,841
	<b>Training reserves \$</b>	<b>Queensland reserves \$</b>	<b>Special purpose reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	-	-	88,169	30,672	118,841
Deficit after income tax expense for the year	-	-	-	(2,316)	(2,316)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,316)	(2,316)
Transfer to/from reserves	88,258	10,835	(85,222)	(13,871)	-
Balance at 30 June 2016	88,258	10,835	2,947	14,485	116,525

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Australian Evangelical Alliance Inc.**  
**Statement of cash flows**  
**For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		357,469	299,817
Payments to suppliers and employees (inclusive of GST)		<u>(373,064)</u>	<u>(249,307)</u>
		(15,595)	50,510
Interest received		<u>2,899</u>	<u>3,648</u>
Net cash from/(used in) operating activities	16	<u>(12,696)</u>	<u>54,158</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(50,485)	-
Payments for property, plant and equipment	9	<u>-</u>	<u>(733)</u>
Net cash used in investing activities		<u>(50,485)</u>	<u>(733)</u>
<b>Cash flows from financing activities</b>			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(63,181)	53,425
Cash and cash equivalents at the beginning of the financial year		<u>166,977</u>	<u>113,552</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>103,796</u></u>	<u><u>166,977</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Australian Evangelical Alliance Inc.**  
**Notes to the financial statements**  
**30 June 2016**

**Note 1. General information**

The financial statements cover Australian Evangelical Alliance Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Australian Evangelical Alliance Inc.'s functional and presentation currency.

Australian Evangelical Alliance Inc. is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

44 Rutland Road  
BOX HILL VIC 3128

A description of the nature of the incorporated association's operations and its principal activities are included in the committees' report, which is not part of the financial statements.

The financial statements were authorised for issue on 9 November 2016.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

In the Board's opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Victorian legislation the Associations Incorporation Reform Act 2012 and associated regulations. The Board has determined that the accounting policies adopted are appropriate to meet the needs of the members of Australian Evangelical Alliance Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Sale of goods*

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

**Note 2. Significant accounting policies (continued)**

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the incorporated association has transferred substantially all the risks and rewards of ownership.

**Note 2. Significant accounting policies (continued)**

*Held-to-maturity investments*

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the incorporated association has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The incorporated association assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and fittings	30%
------------------------	-----

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Australian Evangelical Alliance Inc.**  
**Notes to the financial statements**  
**30 June 2016**

**Note 2. Significant accounting policies (continued)**

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2016. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 3. Revenue**

	<b>2016</b>	<b>2015</b>
	\$	\$
Donations and grants	89,397	87,170
Events income	148,216	78,503
Membership and affiliation fees	106,839	99,659
Other income	16,828	7,765
	<u>361,280</u>	<u>273,097</u>
Revenue	<u>361,280</u>	<u>273,097</u>

**Note 4. Current assets - cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	\$	\$
Cash at bank	<u>103,796</u>	<u>166,977</u>

**Note 5. Current assets - trade and other receivables**

	<b>2016</b>	<b>2015</b>
	\$	\$
Trade receivables	<u>2,250</u>	<u>1,338</u>

**Note 6. Current assets - inventories**

	<b>2016</b>	<b>2015</b>
	\$	\$
Stock on hand - at cost	<u>690</u>	<u>805</u>

**Australian Evangelical Alliance Inc.**  
**Notes to the financial statements**  
**30 June 2016**

**Note 7. Current assets - held-to-maturity investments**

	2016 \$	2015 \$
Term deposits	<u>81,406</u>	<u>30,921</u>

**Note 8. Current assets - Prepayments**

	2016 \$	2015 \$
Prepayments	<u>11,392</u>	<u>10,489</u>

**Note 9. Non-current assets - property, plant and equipment**

	2016 \$	2015 \$
Plant and equipment - at cost	14,213	14,213
Less: Accumulated depreciation	<u>(13,680)</u>	<u>(13,377)</u>
	<u>533</u>	<u>836</u>

**Note 10. Current liabilities - trade and other payables**

	2016 \$	2015 \$
Trade payables	30,592	1,527
Tax payable	1,455	5,121
Deferred income	<u>30,004</u>	<u>69,633</u>
	<u>62,051</u>	<u>76,281</u>

**Note 11. Current liabilities - employee benefits**

	2016 \$	2015 \$
Annual leave	10,974	7,084
Long service leave	<u>10,517</u>	<u>9,160</u>
	<u>21,491</u>	<u>16,244</u>

**Note 12. Equity - reserves**

	2016 \$	2015 \$
Training reserve	88,258	-
Queensland reserve	10,835	-
Special purpose reserve	<u>2,947</u>	<u>88,169</u>
	<u>102,040</u>	<u>88,169</u>

**Australian Evangelical Alliance Inc.**  
**Notes to the financial statements**  
**30 June 2016**

**Note 12. Equity - reserves (continued)**

*Training reserve*

The association provides a number of training courses. These funds have been set aside for development, quality reviews and subsidisation of these courses to ensure the quality of the courses remains high.

*Queensland reserve*

The Queensland branch of Missions Interlink is currently inactive. The association has taken over the day to day administration of that branch. Should it be reactivated, it is intended that these funds will be given to the branch.

*Special reserves*

These are funds held for specific purposes that have not yet been spent.

**Note 13. Equity - retained surpluses**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Retained surpluses at the beginning of the financial year	30,672	16,239
Surplus/(deficit) after income tax expense for the year	(2,316)	10,447
Transfer to other reserves	<u>(13,871)</u>	<u>3,986</u>
Retained surpluses at the end of the financial year	<u><u>14,485</u></u>	<u><u>30,672</u></u>

**Note 14. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by rdl.accountants, the auditor of the incorporated association:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - rdl.accountants</i>		
Audit of the financial statements	<u><u>4,088</u></u>	<u><u>3,863</u></u>

**Note 15. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**Australian Evangelical Alliance Inc.**  
**Notes to the financial statements**  
**30 June 2016**

**Note 16. Reconciliation of surplus/(deficit) after income tax to net cash from/(used in) operating activities**

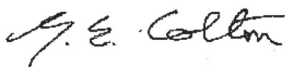
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) after income tax expense for the year	(2,316)	10,447
Adjustments for:		
Depreciation and amortisation	303	437
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(912)	8,699
Decrease/(increase) in inventories	115	(100)
Increase in prepayments	(903)	-
Decrease in trade and other payables	(14,230)	(1,988)
Increase in derivative liabilities	-	41,349
Increase in employee benefits	5,247	-
Decrease in other provisions	-	(4,686)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	<u>(12,696)</u>	<u>54,158</u>

**Australian Evangelical Alliance Inc.**  
**Board's declaration**  
**30 June 2016**

In the Board's opinion:

- The incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Victorian legislation the Associations Incorporation Reform Act 2012 and associated regulations;
- The attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements;
- The attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Geoffrey Colton  
Chairman



Richard Dickins  
Treasurer

9 November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN EVANGELICAL ALLIANCE INC.

## **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Australian Evangelical Alliance Inc., which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the board.

### *Board's Responsibility for the Financial Report*

The board of Australian Evangelical Alliance Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012 Victoria* and is appropriate to meet the needs of the members. The board's responsibility also includes such internal control as the board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

*Opinion*

In our opinion, the financial report presents a true and fair view, in all material respects, of the financial position of Australian Evangelical Alliance Inc. as at 30 June 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements, and the *Associations Incorporation Reform Act 2012 Victoria*.

*Basis of Accounting*

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Australian Evangelical Alliance Inc. to meet the requirements of *Associations Incorporation Reform Act 2012 Victoria*. As a result, the financial report may not be suitable for another purpose.



Joel Hernandez  
rdl.accountants

14<sup>th</sup> November 2016  
Blackburn, Victoria