

WEC INTERNATIONAL

ABN 22 000 637 749

**Financial Statements and Reports for the
Year Ended 31st December 2016**

Tyndale KSG Pty Limited
Authorised Audit Company
Suite 28/19-21 Central Road
MIRANDA NSW 2228

WEC INTERNATIONAL

Contents to the Financial Report

	Page No.
Directors' Report	3
Directors' Declaration	8
Auditor's Independence Declaration	9
Income Statement	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Financial Statements	14
Auditor's Report	23

WEC INTERNATIONAL
ABN 22 000 637 749
DIRECTORS' REPORT

The Directors present their report on the company for the year ended 31st December 2016.

The names of Directors in office during or since the end of the year are:

Name

Ruth M Stevens	Retired Jan 2016	Keith N Stevens	Retired Jan 2016
Elizabeth Hentschel	Retired April 2016	James F Lambie	
Donald George		David C Richards	
Coralie Preston		Jim Dawson	Retired April 2016
Stephen Preston		John Hallam	Appointed April 2016
Jan Boucher	Appointed Jan 2016	Denise Jenner	Appointed April 2016

Principal Activities

The principal activities of the company during the financial year were world wide Christian evangelism. No significant change in the nature of this activity occurred during the financial year.

Operating Result

The company derived an operating surplus of \$32,726 for the year ended 31st December 2016. This was after allowing for depreciation of \$191,351.

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the company.

After Balance Date Events

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

Future Developments

The Board does not see any major changes in operations for the coming year.

Environmental Issues

The company takes all the necessary steps to ensure that full compliance is achieved in all environmental related matters.

**WEC INTERNATIONAL
ABN 22 000 637 749**

DIRECTORS' REPORT

Information on Directors

Elizabeth G Hentschel

Position Director
Qualifications Certificate IV in Training & Education; Diploma in Dutch as a second language; Master of Arts (Missions); Certificate in Spanish Language Studies; Certificate in Missiology; Trained Nurse and Midwife.
Experience Board Member 2002 - 2007, 2010 - 2016.
Director of WEC Australia leadership team 2002 - 2007.
Cross-cultural church planting trainer 2008 - present.
Nurse / Midwife 1970 - 1975.

Donald George

Position Director
Qualifications Grad. Dip. in Christian Studies; BA (Intercultural Studies); Dip. Min; Dip. Miss; Certificate Christian Service, Commercial Cook's Certificate; currently studying M. Min.(Education).
Experience Board Member 2012 - present.
Principal Worldview 2016 - present; Ordained Minister Anglican Church of Tasmania 2010 - present; Pastoral Care Co-ordinator Aberfoyle Park Baptist 2005; Business Agent WEC Senegal 2002-2004; Business Agent WEC Ivory Coast 2000-2002; Crosscultural worker WEC Ivory Coast 1990-2002; Chairman Vavoua International School Board 1995 - 2000; Pastoral Internship Whyalla Baptist Church 1987; Youth Leader 1979-1984.

James F Lambie

Position Director
Qualifications Master of Arts (Christian Leadership); Bachelor of Commerce (Accounting & Information Systems); Trade Certificate Cooking.
Experience Board member 2011 - present.
Company Secretary 2010 - present; 9 years on staff at Worldview Centre for Intercultural Studies; 11 years business manager at K-12 Christian School in Launceston; 9 years Executive Chef in motels / conference / restaurant kitchens in Australia and UK.

David C Richards

Position Director
Qualifications Post Graduate Diploma in TESOL; Bachelor of Applied Science Diploma in Theology
Experience Board Member 2011 - present.
10 years Field Leader of WEC Bulgaria; 13 years CP Team Leader with WEC Bulgaria; 18 years as a Cross-cultural worker in Asia and Europe; 5 years English Language Teaching, Assorted Colleges; 1 year Direct Care Worker, Wesley Mission.

WEC INTERNATIONAL
ABN 22 000 637 749
DIRECTORS' REPORT

Jim Dawson

Position Director
Qualifications Certificate in Dental Technology; Certificate in TESOL; Certificate in Christian Studies; Dip Theology; Grad Dip in Pastoral Counselling; MA Biblical Studies.
Experience Board Member 2013 - 2016.
Youth Pastor Carlisle Baptist 1979-81; Church planting WEC Thailand 1981-96; Associate Pastor Essendon Baptist Church 1988-89; Principal Vocation Training Centre WEC Cambodia 1999-2003; Field Committee Member WEC Cambodia 1999-2003; Elder Mt Hawthorn Baptist Church 1997-99; Elder Int. National Assembly Phnom Penh 2000-02; Mobiliser & Trainer WEC Australia 2004 - present; East Timor representative for WEC Australia 2013 - present.

Stephen Preston

Position Director
Qualifications B.Mus, Education; AMusA Diploma of Piano (UTAS); B. Min. (Bible College of Victoria / Australian College of Theology); Diploma in Spanish (Alcalingua-University of Alcalá de Henares).
Experience Board Member 2015 - present.
Member WEC Australian Leadership; Cross Cultural Worker in Spain (2000 -2013); WEC Spain Director (2007-2013); High School / Primary School / Private Piano Teacher (1989-1995 inc. 2014); ESL teacher - English Academy, Hernani (2002-2006); Youth Pastor - Ulverstone Baptist (2000).

Coralie Preston

Position Director
Qualifications Bachelor of Education (UTAS); Graduate Diploma in Christian Studies (Bible College of Victoria / Australian College of Theology); Diploma in Spanish (Alcalingua - University of Alcalá de Henares).
Experience Board Member 2015 - present.
Member of WEC Australian Leadership; Cross Cultural Worker in Spain (2000-2013); WEC Spain Director (2007-2013); ESL Teacher - English Academy - Hernani (2002-2006); Primary School Teacher (1991-1995 inc; 1997-1998, 2000).

John B Hallam

Position Director
Qualifications Bachelor of Intercultural Studies (Missiology)

Experience Board Member 2016 - present.
7 years Church planting (WEC Japan) 2007-2014; 2 years WEC Japan Field Committee (Board Equivalent) (2011 - 2014); 2 years Centre Manager WEC Australia 2015 - present; 2 years WEC Australia Media Team 2015 - present, 2 years Pastoral Ministry(Baptist Union of Tasmania) 2005/2006

**WEC INTERNATIONAL
ABN 22 000 637 749**

DIRECTORS' REPORT

Denise L Jenner

Position	Director
Qualifications	Bachelor of Early Childhood Education, Certificate IV in Training and Assessment; Certificate IV in TESOL, Certificate in Christian Ministry.
Experience	Board Member 2016 - present. Training infants and Primary aged children in a Christian school for six years. Tutoring primary school aged children, part time, for three years. Training adults, part time, for six years. Teaching English to adults on a casual basis for six years. Promotion of the organisation WEC International for four years. Living and working overseas for four years, South Africa for one year, France for approximately one year and the Ivory Coast for two years.

Meetings of Directors

During the financial year four meetings of Directors were held. Attendances were:

Name	Eligible to Attend	Meetings Attended
Elizabeth Hentschel	1	1
James F Lambie	4	4
David C Richards	4	4
Donald George	4	3
Jim Dawson	1	1
Coralie Preston	4	4
Stephen Preston	4	4
John Hallam	Appointed 3	3
Denise Jenner	Appointed 3	3

Directors' Benefits

During or since the end of the financial year, no Director has received, or become entitled to receive a benefit by reason of a contract made by the company with a Director or a company of which they are a member, or entity in which they have a financial interest.

Indemnifying Officers or Auditor

During the financial year the company has paid premiums to insure each of the Directors against liability for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company other than conduct involving wilful breach of duty in relation to the company.

The company has not entered into an agreement to indemnify, paid, or agreed to pay insurance premiums in relation to the auditor of the company.

Auditor's Independence

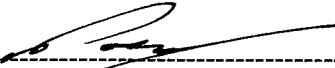
The auditors independence declaration is set out in this report and forms part of the

Directors' report for the year ended 31 December 2016. The Directors were satisfied that the provision of any non-audit services during the year were compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Proceedings on Behalf of the Company

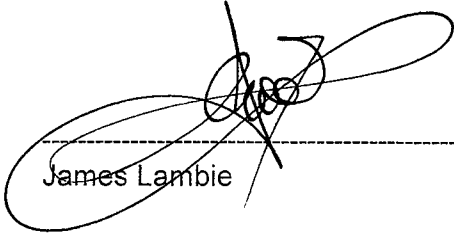
No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of any proceedings. The company was not a part to such proceedings during the year.

On behalf of the Board,



Stephen Preston

Dated this 17th day of March 2017



James Lambie

WEC INTERNATIONAL
ABN 22 000 637 749

DIRECTORS' DECLARATION

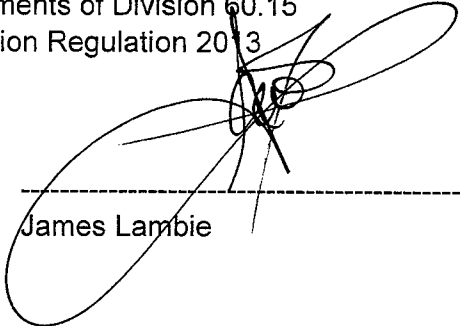
The Directors of the Company declare that:

- 1 The financial statements and notes:
 - a) comply with the Australian Accounting Standards - Reduced Disclosure, Standard and the requirements of the Australian Charities and Not for Profits Commission 2013;
 - b) give a true and fair view of the financial position as at 31st December 2016 and the performance and cash flows of the company 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 the requirements of Division 60.15 of the Australian Charities and Not for Profits Commission Regulation 2013



Stephen Preston



James Lambie

Dated this 17th day of March 2017


**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

To the Directors of WEC International:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31st December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Tyndale KSG Pty Limited



David Shedden FCA
Lead Auditor

Sydney NSW
17th March 2017

WEC INTERNATIONAL
ABN 22 000 637 749
COMPREHENSIVE STATEMENT OF INCOME FOR THE
YEAR ENDED 31ST DECEMBER 2016

	Note	2016	2015
		\$	\$
Operating Revenues	2a	785,882	803,489
Less Expenditure:			
Administration		109,421	80,343
Depreciation		191,351	173,214
Gifts and Donations		64,805	71,352
Property Expenses		294,865	319,251
Events & Ministry		36,491	57,052
Other Expenses from Operating Activities		56,223	75,485
Operating Surplus (Deficit)		<u>32,726</u>	<u>26,792</u>

These accounts are to be read in conjunction with the notes attached

WEC INTERNATIONAL
ABN 22 000 637 749
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	165,472	84,266
Receivables	5	44,662	57,971
Inventory	6	5,347	5,654
Financial Assets	7	<u>1,889,752</u>	<u>2,075,260</u>
Total Current Assets		<u>2,105,233</u>	<u>2,223,151</u>
NON-CURRENT ASSETS			
Receivables	8	250,000	250,000
Property, Plant and Equipment	9	<u>26,697,641</u>	<u>20,694,930</u>
Total Non-current Assets		<u>26,947,641</u>	<u>20,944,930</u>
TOTAL ASSETS		<u>29,052,874</u>	<u>23,168,081</u>
CURRENT LIABILITIES			
Payables	10	<u>36,603</u>	<u>32,690</u>
Total Current Liabilities		<u>36,603</u>	<u>32,690</u>
NON-CURRENT LIABILITIES			
Payables	11	<u>395,188</u>	<u>315,421</u>
TOTAL LIABILITIES		<u>431,791</u>	<u>348,111</u>
NET ASSETS		<u>28,621,083</u>	<u>22,819,970</u>
EQUITY			
Reserves	12	22,200,543	16,432,156
Retained Surplus	13	<u>6,420,540</u>	<u>6,387,814</u>
TOTAL EQUITY		<u>28,621,083</u>	<u>22,819,970</u>

These accounts are to be read in conjunction with the notes attached

**WEC INTERNATIONAL
ABN 22 000 637 749**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Reserves	Retained Surplus	Accumulated Funds
Balance at 1st January 2015	16,432,156	6,361,022	22,793,178
Movement / Surplus for the year	<u>-</u>	<u>26,792</u>	<u>26,792</u>
Balance at 31st December 2015	16,432,156	6,387,814	22,819,970
Movement / Surplus for the year	<u>5,768,387</u>	<u>32,726</u>	<u>5,801,113</u>
Balance at 31st December 2016	<u><u>22,200,543</u></u>	<u><u>6,420,540</u></u>	<u><u>28,621,083</u></u>

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	\$	\$
<u>STATEMENT OF CASH FLOWS</u>		
1. Cash flows from Operating Activities		
Receipts from Supporters & Activities	731,799	710,926
Interest	68,082	75,607
Payments to Suppliers	<u>(560,808)</u>	<u>(610,015)</u>
Net Cash from Operating Activities	<u>239,073</u>	<u>176,518</u>
2. Cash used in Investing Activities		
Payments for Property, Plant and Equipment	(263,608)	(150,138)
Transfer (to) from Investments & Trust Funds	<u>105,741</u>	<u>9,815</u>
Net Cash used in Investing Activities	<u>(157,867)</u>	<u>(140,323)</u>
Net Increase in Cash Held (1+2+3)	81,206	36,195
Cash at beginning of the Financial Year	<u>84,266</u>	<u>48,071</u>
Cash at end of the Financial Year	<u>165,472</u>	<u>84,266</u>
Reconciliation of Net Cash provided by Operating Activities to Operating Surplus		
Operating Surplus (Deficit)	32,726	26,792
Depreciation	191,351	173,214
Decrease (Increase) in Stock on hand	307	(311)
Increase (Decrease) in Fees in Advance	690	100
Increase (Decrease) in Creditors	690	(6,221)
Decrease (Increase) in Receivables	<u>13,309</u>	<u>(17,056)</u>
Net Cash from Operating Activities	<u>239,073</u>	<u>176,518</u>
Reconciliation of Cash Funds		
Cash at Bank	<u>165,472</u>	<u>84,266</u>
	<u>165,472</u>	<u>84,266</u>

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

WEC International has elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from reduced disclosure requirements.

a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards - Reduced Disclosure Requirements and the Australian Accounting Standards Board (AASB) and the requirements of the Australian Charities and Not for Profits Commission Act 2012. The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied unless otherwise stated.

b) Income Tax

WEC International is a non-profit company which is exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997). The company has been endorsed by the Australian Taxation Office as a tax concession charity.

c) Receivables

Receivables are recognised and recorded at original invoice amount less an allowance for any uncollected amounts. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

d) Property, Plant and Equipment

Freehold land and building are shown at their fair value, based on periodic, valuations by Directors based on independent property appraisals. Plant and equipment are carried at cost less, where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount. The depreciable amount of fixed assets, excluding freehold land are depreciated over their useful lives from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Asset	Rate
Building additions & improvements	2.5%
Plant & Equipment	10-33%
Motor Vehicles	15%

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

e) Recoverable Amount of Assets

At each reporting date the Directors assess whether there is an indication that an asset may be impaired. Where an indicator of impairment exists, the Directors make an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

f) Investments

Investments are carried at cost and comprise cash in term deposits, maxi accounts or Managed Funds.

g) Donations and Legacies

Donations and legacies are recognised as revenue when the company gains control of the donation or legacy and there is no requirement to provide a service to a third party.

h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as receivables or payables in the balance sheet.

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	\$	\$
2 REVENUE		
Note 2a : Revenue from Operating Activities		
Support Donations & Bequests	65,392	66,078
Rents, Contributions and Events	643,540	648,802
Interest	68,082	75,607
Other Revenues	8,868	13,002
	<u>785,882</u>	<u>803,489</u>
3 OPERATING SURPLUS / (DEFICIT)		
Operating Surplus / (Deficit) has been arrived after charging:		
Auditors Remuneration	6,050	6,050
Depreciation	191,351	173,214
	<u>197,401</u>	<u>179,264</u>
4 CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>165,472</u>	<u>84,266</u>
	<u>165,472</u>	<u>84,266</u>
5 RECEIVABLES (CURRENT)		
Debtors	17,213	16,403
Deposits Held	5,800	4,760
GST Receivable	-	3,250
Prepayments	21,649	33,558
	<u>44,662</u>	<u>57,971</u>

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	\$	\$
6 INVENTORY		
Books & Literature	<u>5,347</u>	<u>5,654</u>
7 FINANCIAL ASSETS		
Term Deposits, Maxi Accounts and Managed Funds	<u>1,889,752</u>	<u>2,075,260</u>
8 RECEIVABLES (NON-CURRENT)		
Loan - Betel Australia Ltd (Note 19)	<u>250,000</u>	<u>250,000</u>
9 PROPERTY, PLANT AND EQUIPMENT		
Freehold Land & Buildings - Fair Value	27,300,000	20,835,000
Additions & Improvements at Cost	-	343,215
Less Accumulated Depreciation	<u>(881,544)</u>	<u>(753,602)</u>
	26,418,456	20,424,613
<p>Land & Buildings were revalued by the Directors in 2016 using market appraisals and independent valuations to assess fair value. Additions and improvements have been written back to Land and Buildings as part of the revaluation this year.</p>		
Plant and Equipment - at Cost	658,513	617,295
Additions - at Cost	82,231	62,510
Less Disposals	(23,445)	(21,292)
Less Impairment	(24,168)	-
Less Accumulated Depreciation	<u>(413,946)</u>	<u>(388,196)</u>
	279,185	270,317
Total Property, Plant and Equipment	<u>26,697,641</u>	<u>20,694,930</u>
10 PAYABLES (CURRENT)		
Trade Creditors & Accruals	35,713	32,490
Deposits in Advance	<u>890</u>	<u>200</u>
	<u>36,603</u>	<u>32,690</u>

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	\$	\$
11 PAYABLES (NON-CURRENT)		
Trust Funds - International Projects	24,480	13,578
Trust Funds - Missionary Account	121,463	32,960
Special Purpose Funds	149,245	168,883
Refundable Security Deposit	<u>100,000</u>	<u>100,000</u>
	<u><u>395,188</u></u>	<u><u>315,421</u></u>
<p>Special Purpose Funds are amounts designated from Estates and held by WEC in Trust for specific purposes. Other Trust Funds are held under the name of WEC on behalf of overseas projects. The refundable security deposit is held as security against the Yarrabah lease.</p>		
12 RESERVES		
Movements during the year		
Asset Revaluation Reserve		
- Balance at the Beginning of the Year	16,432,156	16,432,156
- Net Increment (Decrement) for the Year	<u>5,768,387</u>	<u>-</u>
	<u>22,200,543</u>	<u>16,432,156</u>
- Balance at the End of the Year	<u>22,200,543</u>	<u>16,432,156</u>
Total Reserves	<u><u>22,200,543</u></u>	<u><u>16,432,156</u></u>
13 ACCUMULATED FUNDS		
Retained Surplus at Beginning of the Year	6,387,814	6,361,022
Net Surplus (Deficit) for the Year	<u>32,726</u>	<u>26,792</u>
Retained Surplus at End of the Year	<u><u>6,420,540</u></u>	<u><u>6,387,814</u></u>

14 EVENTS AFTER BALANCE DATE

There are no events subsequent to balance date that will effect the operations of the company.

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

15 FINANCIAL INSTRUMENTS

Interest Rate Risk

The economic entities exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on all classes of financial assets and financial liabilities is relatively insignificant.

Interest derived on investments held as Special Purpose Funds is credited to those funds under the terms of the trust.

Interest rate risk is managed by negotiating the best rate possible at the time of investing funds and using both fixed and floating rate deposits.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

WEC International does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by it.

Net Fair Values

The net fair values of debtors and fixed interest securities are determined by discounting cash flows, at the market interest rates of similar securities, to their present value.

For other assets and liabilities the net fair value approximates their carrying value. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

16 SEGMENT REPORTING

WEC International operates in a number of countries around the world with its headquarters in Singapore. Within Australia it is incorporated as a company limited by guarantee and is found operating around Australia in NSW, Queensland, Victoria, Tasmania, South Australia and Western Australia.

WEC International carries out a range of Christian activities including camps, mission courses, recruiting, training, and sending out workers overseas to fulfil the objects of the organisation.

17 COMMITMENTS & CONTINGENCIES

Future commitments for capital works relating to property improvements as at balance date amount to approximately \$200,000.

The Company has no lease, loans or operating expenditure commitments contracted for at balance date not provided for or payable. There are no known legal claims or action of any nature making a claim against the company assets.

WEC INTERNATIONAL
ABN 22 000 637 749
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

18 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. No Director has entered into a material contract with the Company since the end of the previous financial year nor are there any contracts involving Directors' interests at year end.

19 LOAN ADVANCE

A sum of \$250,000 has been advanced by way of a loan to Betel Australia Ltd LTD on 15th November 2011 for a term of 15 years at 3.8% per annum. Security is held by way of a first registered mortgage over property in Victoria.

20 RELATED PARTIES

"WEC International Australia" is an independent company in Australia that operates within the accepted practices of the worldwide group WEC International, represented in over 90 countries throughout the world. WEC International has its leadership team and headquarters based in Singapore.

Worldview Centre for Intercultural Studies is a company Limited by Guarantee. Its purpose is to provide training for cross cultural ministry. Members of the company are required to be members of WEC International, as are the majority of the Board. The Worldview Board of Directors is the final legal authority for the company. Worldview operates as a campus of the Melbourne School of Theology (MST), delivering courses accredited through the Australian College of Theology. Worldview's accredited academic program is under the governance of the MST Academic Council which monitors academic standards and overseas development of academic policy. The WEC International Leadership Team approves the appointment of the Worldview Principal or leadership team. WEC International is the owner of the property on which the College is situated.

Betel Australia Ltd is a company Limited by Guarantee that operated independently from WEC International Australia. Its purpose is to provide rehabilitation for people with problems of addiction. It is intricately linked by relationship and by organisation with other Betel entities in 24 countries and with the WEC International area denominated as "Betel". Betel Australia Ltd's relationship with WEC International Australia is best described as fraternal. Members of the Board do include members of WEC International Australia.

Rainbows of Hope is a ministry of WEC International in several countries. Their purpose is to provide help to children in crisis. WEC International Australia has no direct association with Rainbows of Hope.

21 EMPLOYEES

WEC International does not have any employees.

22 PROPERTY LEASES

WEC currently holds a licence agreement to rent the property held at Yarabah, Morisset for a term of 5 years at a value of \$380,000 p.a. WEC retains a holding deposit of \$100,000 as security for the term of the lease.

The lease is due to be re-negotiated in July 2017.

WEC currently holds a licence agreement to rent the property held at Mount Tambourine Camp Centre for 25 years at an indexed current value of \$24,000 p.a. The lease expires in 2027.

A number of leases over office space are held in relation to the property at Clayfield.

WEC INTERNATIONAL - SUPPORT SERVICES
INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	\$	\$
Income		
Events	20,606	22,530
Gifts and Donations	8,808	43,461
Reimbursements	746	3,601
Rents & Contributions Received	622,934	626,272
Interest Received	68,082	75,607
Bequests	56,584	22,617
Training & Orientation	6,377	5,850
Book & Literature sales	1,717	4,307
Other Income	28	(756)
	<u>785,882</u>	<u>803,489</u>
Less Expenditure:		
Administration		
Audit	6,050	6,050
Bank Charges	1,736	1,897
Capital Equipment	4,116	12,078
Computer Expenses	4,808	2,708
Impairment of Fixed Assets	24,168	-
Legal & Professional Fees	556	1,749
Licences & Registrations	268	475
Motor Vehicles	495	731
Postage and Delivery	1,509	1,428
Printing and Reproduction	29,230	20,036
Office Supplies, Stationery	1,669	1,766
Subscriptions & Licenses	3,098	3,280
Telephone & Communications	31,718	28,145
	<u>109,421</u>	<u>80,343</u>
Property		
Property & Equipment Maintenance	79,623	116,999
Rates & Rent	104,748	100,270
Electricity & Gas	40,112	39,011
Insurance	70,382	62,971
	<u>294,865</u>	<u>319,251</u>
Depreciation	191,351	173,214
Gifts & Donations	64,805	71,352
Events		
Strategic Meetings & Team Preparation	36,491	42,408
Trek Expenses	-	14,644
Other		
Book Purchases	2,097	3,074
Conferences & Training	14,726	19,080
General Expenses	5,556	7,816
Household Expenditure	1,534	2,088
Media - Web Design	649	10,175
Sundries	1,412	1,458
Travel and Entertainment	30,249	31,794
	<u>56,223</u>	<u>75,485</u>
Total Expenses	<u>753,156</u>	<u>776,697</u>
Net Surplus (Deficit) for the year	<u>32,726</u>	<u>26,792</u>

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WEC INTERNATIONAL

Report on the Financial Report

We have audited the accompanying financial report of WEC International which comprises the statement of financial position as at 31st December 2016 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting and other explanatory notes and the directors' declaration

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the ACNC Act 2012. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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

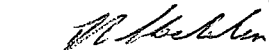
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of WEC International, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the financial report of WEC International is in accordance with Div 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 31st December 2016 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the ACNC Regulations 2013.

Tyndale KSG Pty Limited
Authorised Audit Company



David C Shedden FCA

Dated: 17th March 2017