

ACC Directorate Limited

ABN 65 004 617 467

Financial Report

For the Year Ended 31 December 2018

ACC Directorate Limited

ABN 65 004 617 467

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For the Year Ended 31 December 2018

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ACC Directorate Limited

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
Revenue			
Trust distributions		1,318,751	1,303,295
Interest income		783,314	682,070
Financial services income		9,273	-
Other income		-	4,103
		<u>2,111,338</u>	<u>1,989,468</u>
Expenses			
Interest expense		(722,864)	(632,774)
Management fees		(454,190)	(445,871)
Contributions to ACC national office		(38,500)	(35,000)
Write-down		(302,010)	(1,025,000)
Other expenses		(42,590)	(61,509)
		<u>(1,560,154)</u>	<u>(2,200,154)</u>
Surplus/(deficit) for the year		<u>551,184</u>	<u>(210,686)</u>
Total comprehensive income for the year		<u>551,184</u>	<u>(210,686)</u>

The accompanying notes form part of these financial statements.

ACC Directorate Limited

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Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	3,871,912	2,013,062
Trade and other receivables	3	1,934,198	1,872,946
Financial assets	4	9,510,000	10,350,325
TOTAL CURRENT ASSETS		<u>15,316,110</u>	<u>14,236,333</u>
NON-CURRENT ASSETS			
Trade and other receivables	3	10,822,364	9,818,356
Financial assets	4	500,000	10
TOTAL NON-CURRENT ASSETS		<u>11,322,364</u>	<u>9,818,366</u>
TOTAL ASSETS		<u>26,638,474</u>	<u>24,054,699</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	342,342	103,493
Borrowings	6	24,076,234	22,978,559
TOTAL CURRENT LIABILITIES		<u>24,418,576</u>	<u>23,082,052</u>
NON-CURRENT LIABILITIES			
Borrowings	6	1,694,241	998,174
TOTAL NON-CURRENT LIABILITIES		<u>1,694,241</u>	<u>998,174</u>
TOTAL LIABILITIES		<u>26,112,817</u>	<u>24,080,226</u>
NET ASSETS		<u>525,657</u>	<u>(25,527)</u>
EQUITY			
Retained earnings		<u>525,657</u>	<u>(25,527)</u>
TOTAL EQUITY		<u>525,657</u>	<u>(25,527)</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2018	(25,527)	(25,527)
Surplus/(deficit) for the year	551,184	551,184
Balance at 31 December 2018	<u>525,657</u>	<u>525,657</u>

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2017	185,159	185,159
Surplus/(deficit) for the year	(210,686)	(210,686)
Balance at 31 December 2017	<u>(25,527)</u>	<u>(25,527)</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	260,377	35,790
Payments to suppliers and employees	(547,535)	(558,248)
Trust distributions received	1,332,467	1,294,873
Interest received	787,124	682,070
Interest paid	(726,674)	(632,774)
Net cash provided by/(used in) operating activities	8 <u>1,105,759</u>	<u>821,711</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	-	143,219
Loans (advanced)/repaid	(1,380,986)	(2,814,242)
Purchase of units in unit trusts	(499,990)	-
Redemption/(placement) of term deposits	840,325	(4,090,958)
Net cash provided by/(used in) investing activities	<u>(1,040,651)</u>	<u>(6,761,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings procured/(repaid)	<u>1,793,742</u>	1,846,726
Net cash provided by/(used in) financing activities	<u>1,793,742</u>	<u>1,846,726</u>
Net increase/(decrease) in cash and cash equivalents held	1,858,850	(4,093,544)
Cash and cash equivalents at beginning of year	<u>2,013,062</u>	<u>6,106,606</u>
Cash and cash equivalents at end of financial year	2 <u><u>3,871,912</u></u>	<u><u>2,013,062</u></u>

The accompanying notes form part of these financial statements.

ACC Directorate Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report covers ACC Directorate Limited as an individual entity. ACC Directorate Limited is a Company limited by guarantee, registered and domiciled in Australia.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The financial report has been not been consolidated to include entities controlled by the Company as the Company's parent entity, Australian Christian Churches Limited (ABN: 23 084 615 725), prepares a consolidated financial report for the group.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated. The financial statements are based on historical costs, except for the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Trust distributions are recognised when the company's right to receive payment is established.

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(c) Income Tax

The Company is a charity registered with the Australian Charities and Not-for-profits Commission, and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and services tax (GST)

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

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

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

- cost
- amortised cost
- fair value through profit or loss - FVTPL

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

Cost

Investments in controlled entities are recognised at cost, less accumulated impairment losses.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise term deposits, trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Trade receivables

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

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

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

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

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Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(f) Cash and cash equivalents

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

(g) Going concern

Current liabilities of the Company exceed current assets by \$9,102,466 as at 31 December 2018 (2017: \$8,845,719).

The Company holds on its balance sheet the liabilities and assets in relation to its ACC Accumulator investment product. Accumulator investors are, in a legal sense, unsecured debenture holders, and are represented on the balance sheet as liabilities. Investors invest "at call" or in term investments with maturities generally less than 12 months, and are therefore represented further as current liabilities. The company has applied these funds to invest in cash and fixed interest investments of varying maturities and loans to various entities. As the greater portion of these assets are non-current in nature the company has a deficit in its net current asset position. The deficit in net current assets creates an element of uncertainty surrounding the going concern should debenture holder redemption requests exceed liquid current assets available.

Notwithstanding the Company's deficiency in net current assets, the financial report has been prepared on the going concern basis. The directors believe that based on the level of liquidity at year-end, and past history of investor redemption requests, the Company sufficient liquid assets to adequately meet future expected redemption requests.

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Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank	3,871,912	2,013,062
	<u>3,871,912</u>	<u>2,013,062</u>

3 Trade and Other Receivables

CURRENT

Premium funding and other receivables	1,059,198	1,097,946
Loans to related parties	9 875,000	775,000
	<u>1,934,198</u>	<u>1,872,946</u>

NON-CURRENT

Loans to related parties	9 5,078,537	9,535,512
Church loans	5,743,827	282,844
	<u>10,822,364</u>	<u>9,818,356</u>

4 Financial Assets

Financial assets at amortised cost

CURRENT

Term deposits	9,510,000	10,350,325
	<u>9,510,000</u>	<u>10,350,325</u>

Investments in controlled entities at cost

NON-CURRENT

Investment in units in ACS Capital Trust	500,000	10
	<u>500,000</u>	<u>10</u>

5 Trade and Other Payables

CURRENT

Trade payables	257,734	45,409
Sundry payables and accrued expenses	84,608	58,084
	<u>342,342</u>	<u>103,493</u>

ACC Directorate Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2018

6 Borrowings

	Note	2018 \$	2017 \$
CURRENT			
Unsecured liabilities:			
Debentures	(a)	<u>24,076,234</u>	<u>22,978,559</u>
		<u>24,076,234</u>	<u>22,978,559</u>
NON-CURRENT			
Unsecured liabilities:			
Debentures	(a)	<u>1,694,241</u>	<u>998,174</u>
		<u>1,694,241</u>	<u>998,174</u>

(a) Debentures

ACC Directorate Limited offers an unsecured debenture product known as ACC Accumulator. ACC Accumulator is a Religious Charitable Development Fund that is exempt from the regulatory requirements of the Banking Act 1959 at the date of this report under the Banking Exemption No.1 of 2017. This exemption applies to approved funds that have been established to borrow and use money for charitable purposes.

7 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, mortgaged investment loans, investments in controlled entities, accounts receivable and payable, and unsecured debentures. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2018 \$	2017 \$
Financial assets		
Financial assets at cost	500,000	10
Financial assets at amortised cost:		
Cash and cash equivalents	3,871,912	2,013,062
Trade and other receivables	12,756,562	11,691,302
Term deposits	<u>9,510,000</u>	<u>10,350,325</u>
Total financial assets	<u>26,638,474</u>	<u>24,054,699</u>
Financial liabilities		
Financial liabilities at amortised cost:		
Borrowings	25,770,475	23,976,733
Trade and other payables	<u>342,342</u>	<u>103,493</u>
Total financial liabilities	<u>26,112,817</u>	<u>24,080,226</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2018

8 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2018	2017
	\$	\$
Surplus/(deficit) for the year	551,184	(210,686)
Non-cash flows in result:		
- net (gain)/loss on disposal of investments	-	31,687
- write-down of loans	302,010	1,025,000
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	13,716	(8,422)
- increase/(decrease) in trade and other payables	238,849	(15,868)
Cashflows from operations	<u>1,105,759</u>	<u>821,711</u>

9 Related Parties

The Company's main related parties are as follows:

- Australian Christian Churches (Unincorporated) ABN 58 123 514 361 - This is the national office of the Australian Christian Churches, which is an unincorporated association and a charity registered with the Australian Charities and Not-for-profits Commission.
- Australian Christian Churches Limited ABN 23 084 615 725 - This entity, which exercises control over the Company, is a company limited by guarantee incorporated under the *Corporations Act 2001*, and a charity registered with the Australian Charities and Not-for-profits Commission. This entity is the sole member of the ACC Directorate Limited.
- ACS Business Trust ABN 91 460 778 961 - This is the main trading entity of the group of entities collectively referred to as ACS Financial. ACS Business Trust acts as the manager of the ACC Accumulator debenture products on behalf of the Company and receives a management fee from the Company representing the net profit margin earned from Accumulator assets and liabilities.
- ACS Capital Trust ABN 70 349 217 998 - This entity is a unit trust which is included within the ACS Financial group of entities. The units in the trust are 100% owned by the Company.
- ACS Financial Trust ABN 70 349 217 998 - This entity is a charitable trust is also included within the ACS Financial group of entities. ACS Financial Trust is a charity registered with the Australian Charities and Not-for-profits Commission. ACS Financial Trust is the sole fixed beneficiary to the profits of ACS Business Trust. ACS Financial Trust makes trust distributions to the Company to support its activities.
- Key management personnel.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

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Notes to the Financial Statements

For the Year Ended 31 December 2018

9 Related Parties

Transactions with related parties

The Company had the following transactions with related parties:

	2018	2017
	\$	\$
Trust distribution revenue		
ACS Financial Trust	1,318,751	1,301,131
Other related parties	-	2,164
	<u>1,318,751</u>	<u>1,303,295</u>
Interest expense (on Accumulator debentures)		
Australian Christian Churches (unincorporated)	46,518	11,331
ACS Business Trust	40,658	53,082
ACS Capital Trust	98	166
Other related parties	29,351	22,805
	<u>116,625</u>	<u>87,384</u>
Management fee expense		
ACS Business Trust	454,190	445,871
Contributions expense		
Australian Christian Churches (unincorporated)	38,500	35,000
Accounts receivable at year-end		
ACS Business Trust	5,294	-
Accounts payable at year-end		
ACS Business Trust	-	25,016
Australian Christian Churches (unincorporated)	26,629	-
	<u>26,629</u>	<u>25,016</u>
Accumulator debentures held at year-end		
ACS Business Trust	1,000,000	1,000,000
ACS Capital Trust	-	6,544
Australian Christian Churches (unincorporated)	1,849,543	1,102,126
Other related parties	1,050,000	1,050,000
	<u>3,899,543</u>	<u>3,158,670</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2018

9 Related Parties

Loans to/from related parties

The Company had the following loans with related parties:

ACS Capital Trust

Loans are receivable from ACS Capital Trust with respect to amounts advanced to support the working capital of ACS Capital Trust and its related businesses. These are loans are repayable over a 10 year period ending in 2024 in accordance with signed loan agreements.

The Company had loans receivable of \$5,465,387 as at 31 December 2018 (2017: \$9,716,581). These balances comprised a current portion of \$875,000 (2017: \$775,000), and a non-current portion of \$4,590,387 (2017: \$5,465,387). These loans are interest-free. Investment returns are instead based on trust distributions made to the Company representing the profits generated from ACS Capital Trust and related entities (representing the business division known as 'ACS Financial'). The trust distributions are recognised as revenue, and the related reduction in the loan balance payable is recognised as a write-down expense.

There were additional loans receivable from ACS Capital Trust totalling \$3,476,194 as at 31 December 2017 for direct lending activities to churches. Interest income on the underlying church loans was remitted in full to the Company as the applicable interest rate for the related party loans.

During the current year these loans were re-assigned to the Company, and were settled against the loan balances receivable from ACS Capital Trust.

ACS Financial Trust

The Company had loans receivable from ACS Financial Trust as at 31 December 2018 of \$395,503 (2017: \$501,284). This loan balance comprises an amount of \$515,000 which is repayable in accordance with a loan agreement connected to the ACS Capital Trust 10-year loan (as noted earlier). This amount is offset by an interest-free, at-call loan balance payable of \$119,497 (2017: \$13,716).

ACS Business Trust

The Company had loans receivable from ACS Business Trust as at 31 December 2018 of \$92,647 (2017: \$92,647). These loans are held at-call and interest-free.

10 Key Management Personnel Disclosures

Directors and other key management personnel did not receive remuneration from the company during the current or previous financial year.

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Notes to the Financial Statements

For the Year Ended 31 December 2018

11 Events after the end of the Reporting Period

On 30 December 2019, the directors passed circular resolutions to effect a restructure of related entities. The Company agreed to sell 100% of its units in ACS Capital Trust to the ACS Financial Group, and to relinquish control over all other entities within the ACS Financial Group, for a net consideration of \$500,000. The sale transaction took place on 31 December 2019.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

12 Statutory Information

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

ACC Directorate Limited
Level 1, 917 Riversdale Road
Surrey Hills VIC 3127

ACC Directorate Limited

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Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable;
- the financial statements give a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Director.....

Director.....

Date: 12 February 2020

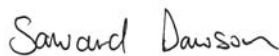
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Auditor's Independence Declaration to the Directors of ACC Directorate Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

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



Saward Dawson



Jeffrey Tulk
Partner

Blackburn

Date: 12 February 2020

ACC Directorate Limited

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Independent Audit Report to the members of ACC Directorate Limited

Opinion

We have audited the financial report of ACC Directorate Limited, 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 financial report of ACC Directorate Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Company in accordance with 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.

Responsibilities of Directors for the Financial Report

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

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

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

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.

ACC Directorate Limited

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Independent Audit Report to the members of ACC Directorate Limited

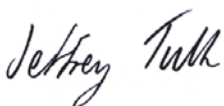
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 those charged with governance 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



Jeffrey Tulk
Partner

Blackburn

Date: 12 February 2020