

# **ACC Directorate Limited**

ABN 65 004 617 467

## **Financial Report**

For the Year Ended 31 December 2020

# ACC Directorate Limited

ABN 65 004 617 467

## Contents

For the Year Ended 31 December 2020

|  | Page |
|--|------|
| Directors' Report  | 1    |
| Auditor's Independence Declaration                         | 3    |
| Statement of Profit or Loss and Other Comprehensive Income | 4    |
| Statement of Financial Position                            | 5    |
| Statement of Changes in Equity                             | 6    |
| Statement of Cash Flows                                    | 7    |
| Notes to the Financial Statements                          | 8    |
| Directors' Declaration                                     | 17   |
| Independent Audit Report                                   | 18   |

# ACC Directorate Limited

ABN 65 004 617 467

## Directors' Report

For the Year Ended 31 December 2020

The directors present their report on ACC Directorate Limited for the financial year ended 31 December 2020.

### Directors

The names of the directors in office at any time during, or since the end of, the year are:

| Names             | Position              | Appointed/Resigned |
|-------------------|-----------------------|--------------------|
| Dr Stephen Crouch | Director and Chairman |                    |
| Michael Eadie     | Director              |                    |
| Craig Kellock     | Director              |                    |
| Sean Stanton      | Director              |                    |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal activities

The principal activity of ACC Directorate Limited during the financial year was the operation of the ACCumulator religious charitable development fund on behalf of the Australian Christian Churches Movement.

No significant changes in the nature of the Company's activity occurred during the financial year.

### Short and long term objectives

The Company's short and long term objectives are to:

- Ensure the asset base provides an optimal balance between short-term liquidity requirements and profitability from higher-yielding long-term investments;
- Continue to grow the pool of investors; and
- Grow the company's loan book by providing funding to a larger number of churches.

### Members' guarantee

ACC Directorate Limited is a company limited by guarantee.

In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or corporation who ceased to be a member in the year prior to the winding up, is limited to \$ 10, subject to the provisions of the company's constitution.

At 31 December 2020 the collective liability of members was \$ 10 (2019: \$ 10).

# ACC Directorate Limited

ABN 65 004 617 467

## Directors' Report

For the Year Ended 31 December 2020

### Information on directors

|                   |                            |
|-------------------|----------------------------|
| Dr Stephen Crouch | Director and Chairman      |
| Qualifications    | BBus, MEc, DBA, FCA, GAICD |
| Michael Eadie     | Director                   |
| Qualifications    | BBus, CPA, GAICD           |
| Craig Kellock     | Director                   |
| Qualifications    | BBus, GAICD                |
| Sean Stanton      | Director                   |
| Qualifications    | Minister of Religion       |

### Meetings of directors

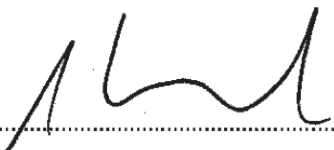
During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

| Directors' Meetings       |                 |
|---------------------------|-----------------|
| Number eligible to attend | Number attended |
| Dr Stephen Crouch         | 4               |
| Michael Eadie             | 4               |
| Craig Kellock             | 4               |
| Sean Stanton              | 4               |

### Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Date: 29 April 2021

## ACC Directorate Limited

ABN 65 004 617 467

### 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 2020, 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: 29 April 2021

# ACC Directorate Limited

ABN 65 004 617 467

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

|  | 2020               | 2019               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Revenue</b>                                 |                    |                    |
| Interest income                                | 1,228,593          | 967,759            |
| Trust distributions                            | 111,150            | 316,440            |
| Other income                                   | 39,567             | -                  |
|  | <u>1,379,310</u>   | <u>1,284,199</u>   |
| <b>Expenses</b>                                |                    |                    |
| Interest expense                               | (822,349)          | (766,376)          |
| Management fees                                | (517,122)          | (494,884)          |
| Consultants and professional fees              | -                  | (7,376)            |
| Other expenses                                 | (17,453)           | (15,494)           |
|  | <u>(1,356,924)</u> | <u>(1,284,130)</u> |
| <b>Surplus/(deficit) for the year</b>          | <u>22,386</u>      | <u>69</u>          |
| <b>Total comprehensive income for the year</b> | <u>22,386</u>      | <u>69</u>          |

The accompanying notes form part of these financial statements.

# ACC Directorate Limited

ABN 65 004 617 467

## Statement of Financial Position

As at 31 December 2020

|                             | Note | 2020<br>\$        | 2019<br>\$        |
|-----------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>               |      |                   |                   |
| Cash and cash equivalents   | 2    | 4,062,713         | 3,245,454         |
| Financial assets            | 3    | 14,450,000        | 5,060,000         |
| Trade and other receivables | 4    | 16,596,298        | 19,421,582        |
| TOTAL ASSETS                |      | <u>35,109,011</u> | <u>27,727,036</u> |
| <b>LIABILITIES</b>          |      |                   |                   |
| Trade and other payables    | 5    | 144,136           | 289,937           |
| Borrowings                  | 6    | 34,416,763        | 26,911,373        |
| TOTAL LIABILITIES           |      | <u>34,560,899</u> | <u>27,201,310</u> |
| NET ASSETS                  |      | <u>548,112</u>    | <u>525,726</u>    |
| <b>EQUITY</b>               |      |                   |                   |
| Retained earnings           |      | 548,112           | 525,726           |
| TOTAL EQUITY                |      | <u>548,112</u>    | <u>525,726</u>    |

The accompanying notes form part of these financial statements.

# ACC Directorate Limited

ABN 65 004 617 467

## Statement of Changes in Equity

For the Year Ended 31 December 2020

### 2020

|                                | Retained<br>Earnings | Total          |
|--------------------------------|----------------------|----------------|
|                                | \$                   | \$             |
| Balance at 1 January 2020      | 525,726              | 525,726        |
| Surplus/(deficit) for the year | 22,386               | 22,386         |
| Balance at 31 December 2020    | <u>548,112</u>       | <u>548,112</u> |

### 2019

|                                | Retained<br>Earnings | Total          |
|--------------------------------|----------------------|----------------|
|                                | \$                   | \$             |
| Balance at 1 January 2019      | 525,657              | 525,657        |
| Surplus/(deficit) for the year | 69                   | 69             |
| Balance at 31 December 2019    | <u>525,726</u>       | <u>525,726</u> |

The accompanying notes form part of these financial statements.



# ACC Directorate Limited

ABN 65 004 617 467

## Statement of Cash Flows

For the Year Ended 31 December 2020

|   | 2020                      | 2019                    |
|---|---------------------------|-------------------------|
| Note  | \$                        | \$                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |                           |                         |
| Receipts from customers and GST refunded                  | 14,736                    | 44,128                  |
| Payments to suppliers and employees                       | (698,326)                 | (659,669)               |
| Trust distributions received                              | 111,150                   | 316,440                 |
| Interest received   | 1,223,726                 | 1,010,519               |
| Interest paid   | (813,024)                 | (767,743)               |
| Net cash provided by/(used in) operating activities       | 8 <u>(161,738)</u>        | <u>(56,325)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |                           |                         |
| Loans (advanced)/repaid                                   | 2,863,607                 | (6,661,031)             |
| Redemption/(purchase) of units in unit trusts             | -                         | 500,000                 |
| Redemption/(placement) of term deposits                   | (9,390,000)               | 4,450,000               |
| Net cash provided by/(used in) investing activities       | <u>(6,526,393)</u>        | <u>(1,711,031)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |                           |                         |
| Borrowings procured/(repaid)                              | 7,505,390                 | 1,140,898               |
| Net cash provided by/(used in) financing activities       | <u>7,505,390</u>          | <u>1,140,898</u>        |
| Net increase/(decrease) in cash and cash equivalents held | 817,259                   | (626,458)               |
| Cash and cash equivalents at beginning of year            | 3,245,454                 | 3,871,912               |
| Cash and cash equivalents at end of financial year        | 2 <u><u>4,062,713</u></u> | <u><u>3,245,454</u></u> |

The accompanying notes form part of these financial statements.

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 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*.

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.

The Statement of Financial Position presents assets and liabilities in descending order of liquidity in accordance with AASB 101 *Presentation of Financial Statements*.

#### (b) Revenue and other income

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.

#### (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).

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 1 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### 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.

##### *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.

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 1 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Financial assets

###### *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 a significant increase in credit risk, 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 and debentures.

#### (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.

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Cash and Cash Equivalents

|              | 2020             | 2019             |
|--------------|------------------|------------------|
|              | \$               | \$               |
| Cash at bank | 4,062,713        | 3,245,454        |
|              | <u>4,062,713</u> | <u>3,245,454</u> |

### 3 Financial Assets

#### Financial assets at amortised cost

|               |                   |                  |
|---------------|-------------------|------------------|
| Term deposits | 14,450,000        | 5,060,000        |
|               | <u>14,450,000</u> | <u>5,060,000</u> |

### 4 Trade and Other Receivables

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| GST receivable                        | 42,312            | 3,989             |
| Premium funding and other receivables | 1,016,891         | 1,075,264         |
| Loans to related entities             | 1,833,674         | 4,136,470         |
| Church loans                          | 13,703,421        | 14,205,859        |
|                                       | <u>16,596,298</u> | <u>19,421,582</u> |

### 5 Trade and Other Payables

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Trade payables                       | 18,806         | 75,967         |
| Sundry payables and accrued expenses | 125,330        | 213,970        |
|                                      | <u>144,136</u> | <u>289,937</u> |

### 6 Borrowings

#### Unsecured liabilities:

|            |                   |                   |
|------------|-------------------|-------------------|
| Debentures | (a) 34,416,763    | 26,911,373        |
|            | <u>34,416,763</u> | <u>26,911,373</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.

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 7 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, mortgaged investment loans, 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:

|  | 2020              | 2019              |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Financial assets</b>                  |                   |                   |
| Financial assets at amortised cost:      |                   |                   |
| Cash and cash equivalents                | 4,062,713         | 3,245,454         |
| Trade and other receivables              | 16,596,298        | 19,421,582        |
| Term deposits                            | 14,450,000        | 5,060,000         |
| <b>Total financial assets</b>            | <u>35,109,011</u> | <u>27,727,036</u> |
| <b>Financial liabilities</b>             |                   |                   |
| Financial liabilities at amortised cost: |                   |                   |
| Borrowings                               | 34,416,763        | 26,911,373        |
| Trade and other payables                 | 144,136           | 289,937           |
| <b>Total financial liabilities</b>       | <u>34,560,899</u> | <u>27,201,310</u> |

The Company holds on its balance sheet the assets and liabilities 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" (with a minimum notice period of 31 days) or in term investments with maturities generally less than 12 months.

The company has applied these funds to invest in cash and fixed interest investments of varying maturities and loans to various entities. The directors believe that based on the level of liquidity at year-end, and past history of investor redemption requests, the Company has sufficient liquid assets to adequately meet future expected redemption requests.

### 8 Cash Flow Information

#### Reconciliation of result for the year to cashflows from operating activities

|  |                  |                 |
|--|------------------|-----------------|
| Surplus/(deficit) for the year                       | 22,386           | 69              |
| Non-cash flows in result:                            |                  |                 |
| Changes in assets and liabilities:                   |                  |                 |
| - (increase)/decrease in trade and other receivables | (43,190)         | -               |
| - increase/(decrease) in trade and other payables    | (140,934)        | (56,394)        |
| Cashflows from operations                            | <u>(161,738)</u> | <u>(56,325)</u> |

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 9 Related Parties

The Company's main related parties during the year were 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 a fixed trust which is included within the ACS Financial group of entities. It transferred its business to ACS Capital Trust (see below) on 31 December 2019. The entity is now dormant.
- ACS Capital Trust ABN 70 349 217 998 - This entity is a unit trust which is included within the ACS Financial group of entities. This was the main trading entity during the 2020 year of the group of entities collectively referred to as ACS Financial (it took over this role from ACS Business Trust which was the main trading entity during 2019). ACS Capital Trust acts as the manager of the ACC Accumulator debenture products on behalf of the Company and received a management fee from the Company representing the net profit margin earned from Accumulator assets and liabilities.
- 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 of ACS Business Trust, and since 30 December 2019 it has been the sole unitholder of ACS Capital Trust. ACS Financial Trust makes trust distributions to the Company to support its activities.
- ACCD Transition Trust - This entity is a discretionary trust that has been established for the purpose of providing protection to the directors of the Company in respect of potential personal liability exposure. The trustee is ACCD Transition Limited ACN 634 781 614. The Company is the sole member of ACCD Transition Limited.
- 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.

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 9 Related Parties

#### Transactions with related parties

The Company had the following transactions with related parties:

|  | 2020             | 2019             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>Trust distribution revenue</b>                        |                  |                  |
| ACS Financial Trust                                      | 111,150          | 316,440          |
| <b>Interest expense (on Accumulator debentures)</b>      |                  |                  |
| Australian Christian Churches (unincorporated)           | 23,935           | 53,997           |
| ACS Business Trust                                       | -                | 27,477           |
| ACC International Missions Ltd                           | 12,921           | 12,543           |
|  | <u>36,856</u>    | <u>94,017</u>    |
| <b>Management fee expense (for the Accumulator fund)</b> |                  |                  |
| ACS Business Trust                                       | -                | 494,884          |
| ACS Capital Trust  | 517,122          | -                |
| <b>Accounts payable at year-end</b>                      |                  |                  |
| ACS Capital Trust  | 28,801           | 99,590           |
|  | <u>28,801</u>    | <u>99,590</u>    |
| <b>Accumulator debentures held at year-end</b>           |                  |                  |
| Australian Christian Churches (unincorporated)           | 1,957,809        | 1,903,457        |
| ACS Capital Trust  | 1,633,674        | 1,633,674        |
| ACCD Transition Trust                                    | 200,000          | 200,000          |
| ACC International Missions Ltd                           | 600,000          | 450,000          |
|  | <u>4,391,483</u> | <u>4,187,131</u> |



# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 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 loans are repayable over a 10 year period ending in 2024 in accordance with signed loan agreements.

The Company had loans receivable of \$2,105,387 as at 31 December 2019. These loans were 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.

These loans were fully repaid during the 2020 financial year.

#### ACS Financial Trust

The Company has an interest-free, at-call loan balance receivable from ACS Financial Trust of \$1,633,674 as at 31 December 2020 (2019: \$1,831,083).

#### ACCD Transition Trust

The Company has loans receivable from ACCD Transition Trust as at 31 December 2020 of \$200,000 (2019: \$200,000). The 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.

# ACC Directorate Limited

ABN 65 004 617 467

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 11 Events after the end of the Reporting Period

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

### 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

ABN 65 004 617 467

## Directors' Declaration

The directors declare are 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 2020 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: 29 April 2021

## ACC Directorate Limited

ABN 65 004 617 467

### 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 2020, 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 2020 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 directors 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 *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

## ACC Directorate Limited

ABN 65 004 617 467

### Independent Audit Report to the members of ACC Directorate Limited

Those directors 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.

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.

## ACC Directorate Limited

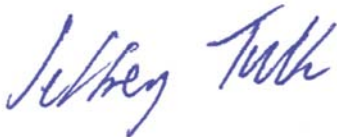
ABN 65 004 617 467

### Independent Audit Report to the members of ACC Directorate Limited

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



**Saward Dawson**



Jeffrey Tulk  
Partner

Blackburn

Date: 29 April 2021