ACC Directorate Limited

ABN 65 004 617 467

Financial Report

For the Year Ended 31 December 2024

ACC Directorate Limited

ABN 65 004 617 467

Contents

For the Year Ended 31 December 2024

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Directors' Report

For the Year Ended 31 December 2024

The directors present their report on ACC Directorate Limited for the financial year ended 31 December 2024.

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	
Sean Stanton	Director	
Vila Krishnan	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 association 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 2024 the collective liability of members was $ 10 (2023: $ 10).

ACC Directorate Limited

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Directors' Report

For the Year Ended 31 December 2024

Information on directors

Dr Stephen Crouch	Director and Chairman
Qualifications	BBus, MEc, DBA, FCA, GAICD
Michael Eadie	Director
Qualifications	BBus, CPA, GAICD
Sean Stanton	Director
Qualifications	Minister of Religion
Vila Krishnan	Director
Qualifications	BMgt, GAICD

Meetings of directors

During the financial year, 3 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	4
Michael Eadie	4	4
Sean Stanton	4	4
Vila Krishnan	4	4

Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2024 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: 29/04/2025

ACC Directorate Limited

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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 2024, 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

Saward Dawson

Jeffrey Tulk
Partner

Blackburn

Date: 29 April 2025

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ACC Directorate Limited

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Statement of Profit or Loss

For the Year Ended 31 December 2024

	Note	2024 $	2022 $
Revenue			
Interest income		**2,270,071**	1,979,002
Trust distributions	8	**700,000**	-
Other income		**1,909**	-
		2,971,980	1,979,002
Expenses			
Interest expense		**(1,392,453)**	(1,045,545)
Management fees	8	**(873,000)**	(910,000)
Contribution to ACS Financial Trust	8	**(700,000)**	-
Other expenses		**(2,839)**	(21,549)
		(2,968,292)	(1,977,094)
Surplus for the year		**3,688**	1,908

The accompanying notes form part of these financial statements.

ACC Directorate Limited

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Statement of Financial Position

As at 31 December 2024

	Note	2024 $	2022 $
ASSETS			
Cash and cash equivalents	2	**5,051,663**	4,520,578
Financial assets	3	**9,300,000**	9,350,000
Trade and other receivables	4	**24,838,727**	22,662,718
TOTAL ASSETS		**39,190,390**	36,533,296
LIABILITIES			
Trade and other payables	5	**306,105**	318,382
Borrowings	6	**38,328,411**	35,662,728
TOTAL LIABILITIES		**38,634,516**	35,981,110
NET ASSETS		**555,874**	552,186
EQUITY			
Retained earnings		**555,874**	552,186
TOTAL EQUITY		**555,874**	552,186

The accompanying notes form part of these financial statements.

ACC Directorate Limited

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Statement of Changes in Equity

For the Year Ended 31 December 2024

2024

	Retained Earnings $	Total $
Balance at 1 January 2024	**552,186**	**552,186**
Surplus for the year	**3,688**	**3,688**
Balance at 31 December 2024	**555,874**	**555,874**

2023

	Retained Earnings $	Total $
Balance at 1 January 2023	550,278	550,278
Surplus for the year	1,908	1,908
Balance at 31 December 2023	552,186	552,186

The accompanying notes form part of these financial statements.

ACC Directorate Limited

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Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and GST refunded		**104,660**	126,927
Payments to suppliers and employees		**(919,022)**	(1,197,395)
Interest received		**2,275,632**	1,967,089
Interest paid		**(1,420,665)**	(948,307)
Trust distributions received		**700,000**	-
Contributions paid to ACS Financial Trust		**(700,000)**	-
Net cash provided by/(used in) operating activities	10	**40,605**	(51,686)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans (advanced)/repaid		**(2,260,806)**	505,624
Redemption/(placement) of term deposits		**50,000**	(3,100,000)
Net cash provided by/(used in) investing activities		**(2,210,806)**	(2,594,376)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings procured/(repaid)		**2,665,683**	714,032
Net cash provided by/(used in) financing activities		**2,665,683**	714,032
Net increase/(decrease) in cash and cash equivalents held		**495,482**	(1,932,030)
Cash and cash equivalents at the beginning of the year		**4,520,578**	6,452,608
Cash and cash equivalents at the end of the financial year	2	**5,016,060**	4,520,578

The accompanying notes form part of these financial statements.

1 Summary of Material 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 Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures 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.

Material 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2024

1 Summary of Material 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:

- 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.

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

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.

1 Summary of Material 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.

2 Cash and Cash Equivalents

	Note	2024 $	2023 $
Cash at bank		**5,051,663**	4,520,578
		5,051,663	4,520,578

3 Financial Assets

Financial assets at amortised cost

		2024 $	2023 $
Term deposits held with banks		**9,300,000**	9,350,000
		9,300,000	9,350,000

4 Trade and Other Receivables

		2024 $	2023 $
GST receivable		**5,099**	26,758
Interest income receivable		**71,386**	71,524
Prepaid management fees		**105,890**	168,890
Premium funding receivable		**1,632,432**	1,585,223
Loans to related parties		**7,514,108**	8,213,680
Loans to churches and other entities		**15,509,812**	12,596,643
		24,838,727	22,662,718

5 Trade and Other Payables

		2024 $	2023 $
Trade payables		**57,306**	46,794
Interest income received in advance		**109,148**	103,725
Interest expense payable		**139,651**	167,863
		306,105	318,382

6 Borrowings

	Note	2024 $	2023 $
Debentures	(a)	**38,328,411**	35,662,728
		38,328,411	35,662,728

6 Borrowings

(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, 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:

	2024 $	2023 $
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	**5,051,663**	4,520,578
Trade and other receivables	**24,838,727**	22,662,718
Term deposits held with banks	**9,300,000**	9,350,000
Total financial assets	**39,190,390**	36,533,296
Financial liabilities		
Financial liabilities at amortised cost:		
Borrowings	**38,328,411**	35,662,728
Trade and other payables	**306,105**	318,382
Total financial liabilities	**38,634,516**	35,981,110

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 Related Parties

The Company's main related parties during the year were as follows:

- Australian Christian Churches (Unincorporated) ABN 58 123 514 361 - This entity oversees the overall national administration of the Australian Christian Churches. It is an unincorporated entity that is also a charity registered with the Australian Charities and Not-for-profits Commission.

- Australian Christian Churches (CLG) 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 Capital Trust ABN 91 332 765 503 - This entity is a unit trust which is included within the ACS Financial group of entities. This is the main trading entity of the group of entities collectively referred to as ACS Financial. ACS Capital Trust acts as the manager of the ACC Accumulator debenture scheme 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 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 unitholder of ACS Capital Trust. ACS Financial Trust makes trust distributions to the Company to support its activities.

- ACCD Transition Trust - This entity was a discretionary trust that had been established for the purpose of providing protection to the directors of the Company in respect of potential personal liability exposure. The trustee was ACCD Transition Limited ACN 634 781 614. The trust was ultimately controlled by Australian Christian Churches (Unincorporated). The trust was wound-up during the 2024 financial year. The trustee company was also de-registered.

- ACC International Missions Limited ABN 66 077 367 223 - This entity 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. Australian Christian Churches (CLG) is the sole member of ACC International Missions Limited.

- ACC International Relief Inc ABN 26 077 365 434 - This entity is an association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*, and a charity registered with the Australian Charities and Not-for-profits Commission. Australian Christian Churches (Unincorporated) exerts control over this entity.

- ACC IFund Ltd ABN 63 641 123 953 - This entity is a company limited by guarantee incorporated under the *Corporations Act 2001*. Australian Christian Churches (Unincorporated) exerts control over this entity.

- 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.

8 Related Parties

Transactions with related parties

The Company had the following transactions with related parties:

	2024 $	2023 $
Trust distribution income		
ACCD Transition Trust	**700,000**	-
	700,000	-
Interest expense (on Accumulator debentures)		
Australian Christian Churches (unincorporated)	**62,988**	75,968
ACC International Missions Ltd	**49,771**	39,000
ACC International Relief Inc	**25,000**	29,250
ACC IFund Ltd	**2,221**	2,270
	139,980	146,488
Management fee expense (for the Accumulator fund)		
ACS Capital Trust	**873,000**	910,000
	873,000	910,000
Contributions expense		
ACS Financial Trust	**700,000**	-
	700,000	-
Accounts receivable at year-end		
ACS Capital Trust	**35,890**	168,890
	35,890	168,890
Accumulator debentures held at year-end		
Australian Christian Churches (unincorporated)	**3,221,728**	3,108,877
ACS Capital Trust	**1,633,674**	1,633,674
ACCD Transition Trust	**-**	1,000,000
ACC International Missions Ltd	**1,000,000**	1,000,000
ACC International Relief Inc	**500,000**	500,000
ACC IFund Ltd	**876,940**	923,806
	7,232,342	8,166,357

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Notes to the Financial Statements

For the Year Ended 31 December 2024

8 Related Parties

Loans to/from related parties

ACS Financial Trust

The Company has loans receivable from ACS Financial Trust of $5,378,674 as at 31 December 2024 (2023: $6,078,674). This consists of the following:

- Loans totalling $3,445,000 that are secured property loans subject to long-term loan agreements and have a current interest rate of 7.20%.
- Loans totalling $1,933,674 that have been provided at-call, unsecured and interest-free.

ACS Mutual Ltd

Loans are receivable from ACS Mutual Ltd with respect to amounts advanced for short-term funding of insurance premiums. The Company had loans receivable as at 31 December 2024 of $2,135,434 (2023: $2,135,006). These loans have been provided at-call, with an interest rate of 6.59%.

9 Key Management Personnel Disclosures

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

10 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2024 $	2023 $
Surplus/(deficit) for the year	**3,688**	1,908
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**154,797**	(181,840)
- increase/(decrease) in trade and other payables	**(47,880)**	128,246
Cashflows from operations	**110,605**	(51,686)

11 Auditors' Remuneration

ACS Capital Trust incurs audit fees on behalf of the Company. The Company's contribution to the remuneration of the auditor is covered by the management fee paid to ACS Capital Trust.

12 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.

13 Statutory Information

The registered office of the company is:

ACC Directorate Limited
408/12 Century Circuit
Norwest NSW 2053

The principal place of business is:

431 Canterbury Road
Surrey Hills VIC 3127

ACC Directorate Limited

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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 2024 and of its financial performance for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures; 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 2022.*

Director... Director...

Date: 29/04/2025

SAWARD DAWSON

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 2024, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, 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 2024 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, 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.

The directors are responsible for overseeing the Company's financial reporting process.

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ACC Directorate Limited

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Independent Audit Report to the members of ACC Directorate Limited

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn

Date: 29 April 2025

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