



Financial Statements

For the year Ended 31 December 2021

ACC International Missions Ltd

ABN: 66 077 367 223

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

Account	Note	2021	2020
REVENUE			
Donations and bequests		3,424,393	2,994,984
Revenue from providing goods or services		20,000	8,266
Revenue from government including grants		106,000	660,155
Interest and investment revenue		10,973	13,423
Other revenue		7,090	5,736
Notional rent income	1(g)	21,250	25,500
TOTAL REVENUE		3,589,706	3,708,065
EXPENSES			
Employment benefits		439,862	434,789
Charitable activities in Australia		51,075	396,800
Charitable activities outside Australia			
Disbursements to missionaries		1,345,313	1,625,182
Disbursements to overseas programs		1,299,345	672,856
Total Charitable activities outside Australia		2,644,659	2,298,038
Other expenses			
Promotions, conferences and travel		39,833	66,816
Building and utilities		26,804	22,019
Notional rent expense	1(g)	21,250	25,500
Other operating expenses		146,917	115,561
Depreciation of property, plant and equipment	7	14,478	15,983
Amortisation of intangible assets	8	6,000	6,000
Total Other expenses		255,282	251,880
TOTAL EXPENSES		3,390,878	3,381,507
Surplus/(Deficit) for the year		198,828	326,558
Total comprehensive income for the year		198,828	326,558

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2021

Account	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Current assets			
Cash and cash equivalents	3	556,234	647,890
Trade and other receivables	4	8,656	69,630
Financial assets	5	1,000,000	600,000
Other current assets	6	2,945	3,125
Total Current assets		1,567,835	1,320,645
Non-current assets			
Property, plant and equipment	7	61,286	74,497
Intangible assets	8	18,000	24,000
Total Non-current assets		79,286	98,497
TOTAL ASSETS		1,647,120	1,419,142
LIABILITIES			
Current Liabilities			
Trade and other payables	9	13,366	20,342
Short-term provisions	10	368,741	332,615
Total Current Liabilities		382,107	352,957
TOTAL LIABILITIES		382,107	352,957
Net Assets		1,265,013	1,066,185
EQUITY			
Reserves	12	1,452,068	1,247,554
Accumulated funds		(187,054)	(181,369)
TOTAL EQUITY		1,265,013	1,066,185

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2021

Account	Accumulated funds	Missionary support reserve	Missionary travel reserve	Total
Statement of Changes in Equity				
Opening Balance	(181,369)	1,247,554	0	1,066,185
Surplus/(deficit) for the year	198,828	0	0	198,828
Transfers to and from reserves				
Missionary support reserve	(204,514)	204,514	0	0
Missionary travel reserve	0	0	0	0
Total transfers	(204,514)	204,514	0	0
Closing Balance	(187,054)	1,452,068	0	1,265,013

For the year ended 31 December 2020

Account	Accumulated funds	Missionary support reserve	Missionary travel reserve	Total
Statement of Changes in Equity				
Opening Balance	(257,040)	955,717	40,950	739,627
Surplus/(deficit) for the year	326,558	0	0	326,558
Transfers to and from reserves				
Missionary support reserve	(291,837)	291,837	0	0
Missionary travel reserve	40,950	0	(40,950)	0
Total transfers	(250,887)	291,837	(40,950)	0
Closing Balance	(181,369)	1,247,554	0	1,066,185

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2021

Account	Note	2021	2020
Operating Activities			
Receipts from donors and other operating income		3,622,310	3,600,745
Payments to missionaries, employees and other operating expenses		(3,321,895)	(3,185,210)
Interest received		10,973	13,423
Net Cash Flows from Operating Activities	4	311,388	428,958
Investing Activities			
Redemption (placement) of term deposits		(400,000)	(150,000)
Payment for property, plant and equipment	7(a)	(3,044)	(9,804)
Net Cash Flows from Investing Activities		(403,044)	(159,804)
Net Cash Flows		(91,656)	269,154
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		647,890	378,736
Net change in cash for period		(91,656)	269,154
Cash and cash equivalents at end of period	17	556,234	647,890

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Summary of significant accounting policies

(a) General information

The financial report covers **ACC International Missions Ltd** (“the Company”) as an individual entity. **ACC International Missions Ltd** is a company limited-by-guarantee and a charity registered in Victoria with the Australian Charities and Not-for-profits Commission (“ACNC”).

(b) Basis of preparation

The financial statements are general purpose financial statements that have 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 Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(c) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(d) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) Income tax

No current or deferred income tax assets or liabilities have been raised by the Company as it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The Company is a registered charity under the ACNC.

(f) Revenue and other income

Donations, other gifts, and bequests are recognised as revenue when received. Where funds have been received for a specific ministry or project that meets the present legal obligation test, they will be allocated to the specific ministry, held in trust until such time as they are expended.

Gifts in kind are recognised at their fair value at the date that the Company gains control of the donated goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of GST.

(g) Rental income and expense

Australian Christian Churches Property Ltd (ACN: 602 178 567) as trustee for the Australian Christian Churches Charitable Trust (ABN: 19 745 435 842) owns the property at 5/2 Sarton Road, Clayton VIC. This Property was purchased with Specific Gifts given by members of the ACC movement that were designated for World Missions purposes. The Trustee has resolved to recognize the Property within the accounts of the Trust as being designated for the purposes of World Missions, in particular for the benefit of the entities **ACC International Missions Ltd** and ACC International Relief Inc. (ABN: 26 077 365 434).

The directors have estimated the market value of rental costs to be \$25,500 per annum. The pro-rata notional value for the period of occupation (January 2021 – October 2021) has been recognised as revenue and an expense in the statement of profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(i) Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from the ATO for tax receivable in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(j) Financial instruments

i. Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

ii. Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

iii. Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

iv. Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

v. Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

vi. Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(k) Leases

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(l) Other assets

Other assets include payments made towards expenses that will be incurred in future reporting periods. These prepayment amounts include subscriptions-in-advance, recoverable deposits, and other arrangements where the amount relating to the future periods has a material impact on the measurement of the expense.

The amounts which are expected to be applied within 12 months of the end of the reporting period are classified as current assets; any other amounts are classified as non-current assets.

(m) Property, Plant and Equipment

i. Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised in the statement

of profit and loss. A formal assessment of recoverable amount is made when impairment indicators are present.

ii. Depreciation

The depreciable amount of all fixed assets is calculated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- Equipment, furniture, fittings: 10 – 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss.

(n) Intangible assets

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

(o) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Short-term employee benefits

Provision is made for the Company's liability for short-term employee benefits arising from services rendered by employees to balance date, including wages and salaries. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

ii. Long-term employee benefits

Provision is made for employee's long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

iii. Provision for field worker benefits - Resettlement

The Company is required by its spiritual appointment agreement with field workers to provide benefits accessible at the end of a mission term, in lieu of annual or long service leave. These benefits are accrued over the period of a field worker's term of service. The term of service varies based on the mission circumstances and a mission can end earlier than anticipated. The Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

iv. Provision for field worker airfares and freight - Travel

The Company is required by its spiritual appointment agreement with field workers to contribute to the costs of compulsory company travel and repatriation to Australia. The Company provides for these future expenses by way of amounts accrued during a field worker's term of service, as specified in the agreement. The Company discharges these obligations in response to relevant claims from field workers for current and/or previously incurred expenses, whereby the value of the obligation is limited to the amounts accrued on behalf of the field worker. The Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(q) Other liabilities

Other liabilities include amounts received for revenue or other income which have not yet been recognised as revenue. These income-received-in-advance amounts represent associated performance obligations which are outstanding at the end of the reporting period.

Obligations that are expected to be discharged within 12 months of the end of the reporting period are classified as current liabilities; all other obligations are classified as non-current liabilities.

(r) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

i. Key judgment – donation income

ACC International Missions Ltd receives funds from individual supporters and churches in Australia. Revenue is recognised when amounts are received, and the Company have control over those funds. There is an inherent risk that some funds collected by third parties maybe not be passed on to the Company in full. This risk is beyond the internal control environment of the Company.

The directors assert that **ACC International Missions Ltd** is not entitled to recognise those funds collected by the churches as revenue until the funds are received by the Company.

2. Key management personnel disclosures

The total remuneration paid to key management personnel of the Company is as follows:

Account Name	Note	2021	2020
2. Key management personnel disclosures			
Remuneration to key management personnel		208,260	205,743

3. Cash and cash equivalents

Account Name	Note	2021	2020
3. Cash and cash equivalents			
Cash at bank		556,234	647,890
Total Cash and cash equivalents		556,234	647,890

4. Trade and other receivables

Account Name	Note	2021	2020
4. Trade and other receivables			
Accounts Receivable		6,761	990
JobKeeper receivable		0	68,400
GST receivable		1,895	239
Total Trade and other receivables		8,656	69,629

5. Financial assets

Account Name	Note	2021	2020
5. Financial assets			
Long term deposit - amortised cost		1,000,000	600,000
Total Financial assets		1,000,000	600,000

6. Other assets

Account Name	Note	2021	2020
6. Other assets			
CURRENT			
Prepayments		2,945	3,125
Total CURRENT		2,945	3,125
Total Other assets		2,945	3,125

7. Plant and Equipment

Account Name	Note	2021	2020
7. Plant and equipment			
Equipment, furniture, and fittings - at cost		103,319	136,178
Less accumulated depreciation		(42,033)	(61,681)
Total Plant and equipment		61,286	74,497

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

For the year ended 31 December 2021

Asset Type	Opening Value	Purchases	Disposals	Depreciation	Closing Value
Building & Fittings	62,747	0	0	8,750	53,997
Furniture	1,531	0	1,006	526	0
Networking & Server Hardware	1,033	0	132	901	0
Other Equipment	1,574	0	336	473	765
Portable Electronic Devices	7,612	3,044	304	3,829	6,523
Total	74,497	3,044	1,777	14,478	61,286

8. Intangible assets

Account Name	Note	2021	2020
8. Intangible assets			
Intangible assets - at cost		30,000	30,000
Less amortisation		(12,000)	(6,000)
Total Intangible assets		18,000	24,000

9. Trade and other payables

Account Name	Note	2021	2020
9. Trade and other payables			
CURRENT			
Trade payables		(774)	9,886
Accrued expense		4,000	8,500
Payroll payables		10,174	105
Fringe benefits		(34)	1,851
Total CURRENT		13,366	20,342
Total Trade and other payables		13,366	20,342

10. Provisions

Account Name	Note	2021	2020
10. Provisions			
CURRENT			
Provision for employee entitlements		86,464	95,205
Provision for field worker benefits		156,765	135,865
Provisions for field worker travel		125,513	101,545
Total CURRENT		368,741	332,615
Total Provisions		368,741	332,615

11. Other liabilities

The Company did not recognise any amounts for income-received-in-advance as at 31 December 2021 (31 December 2010: None).

12. Reserves

Account Name	Note	2021	2020
12. Reserves			
Missionary Support Reserves		1,452,068	1,247,554
Missionary Travel Reserves		0	0
Total Reserves		1,452,068	1,247,554

(a) Missionary Support Reserve

This reserve relates to funds collected on behalf of field workers and their field activities which have not been disbursed to them at year end.

(b) Missionary Travel Reserve

In the years prior to 2020, this reserve related to funds collected from field workers for repatriation to Australia which exceeded the amount calculated for the Provision for field worker airfares and freight. However, with increased restrictions upon international travel and the inherent uncertainty of other travel-incidentals (such as quarantine costs), the Provision is now measured at the value of collected amounts rather than an estimation of estimated travel costs. As such, for the sake of current and future financial reports, the Missionary Airfares Reserve is measured as a having a Nil value (represented here for consistency to the 2020 Financial Statements).

13. Financial risk management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

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:

Account Name	Note	2021	2020
Financial assets - amortised cost			
Cash and cash equivalents	3	556,234	647,890
Trade and other receivables	4	8,656	69,630
Long term deposits	5	1,000,000	600,000
Total Financial assets - amortised cost		1,564,890	1,317,520
Financial liabilities - amortised cost			
Trade and other payables	9	13,366	20,342
Total Financial liabilities - amortised cost		13,366	20,342

14. Other related party transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

ACC International Missions Ltd shared its building resources with ACC International Relief Inc. from 1 January 2021 to 31 October 2021 and any outgoing expenses were shared between both entities.

15. Contingencies

In the opinion of the directors, the Company did not have any contingencies as at 31 December 2021 (31 December 2020: None).

16. Events after 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.

17. Cash flow information

(a) Reconciliation of result from operations with (deficit)/surplus for the year

Account Name	Note	2021	2020
Reconciliation			
Surplus/(Deficit) for the year		198,828	326,558
Non-cash flows			
depreciation	7	14,478	15,983
amortisation and impairment	8	6,000	6,000
(gain)/loss on disposal of fixed assets	7	1,777	0
notional rent income	1	(21,250)	(25,500)
notional rent expense	1	21,250	25,500
Net non-cash flows		22,255	21,983
Changes in assets and liabilities			
(increase)/decrease in trade and other receivables	4	60,974	(66,346)
(increase)/decrease in other assets	6	180	35,846
increase/(decrease) in trade and other payables	9	(6,976)	241
increase/(decrease) in provisions	10	36,126	110,677
increase/(decrease) in other liabilities	11	0	0
Net changes in assets and liabilities		90,305	80,417
Cash flows from operations		311,388	428,958

18. Company details

The registered office and the principal places of business of the Company is:

ACC International Missions Ltd

Suite 525, 44 Lakeview Drive

SCORESBY VIC 3179

24 February 2022

The Directors
ACC International Missions Ltd
Suite 525, 44 Lakeview Dr
SCORESBY VIC 3179

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of the company for the year ended 31 December 2021 and in accordance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to this audit;
- No contraventions of the Code of Professional Conduct in relation to this audit.

Yours faithfully,



Matthew Williams
CB Audit Pty Ltd t/as Platinum Audits (Qld)
Registered Company Auditor No. 470848

INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF
ACC INTERNATIONAL MISSIONS LTD

Report on the Audit of the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of ACC International Missions Ltd, which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

In our opinion, the financial report of ACC International Missions Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act), including:

- a) giving a true and fair view of the registered entity's financial position as at 31 December 2021 and of its financial performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of 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 registered entity 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.

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Directors' for the Financial Report

The Directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the Directors. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility 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 the 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 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 my 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 the registered entity's internal control.
- 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 registered entity'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 registered entity 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 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.

A handwritten signature in blue ink, appearing to read 'M. Williams', with a small black dot above the 'i'.

Matthew Williams
CB Audit Pty Ltd t/as Platinum Audits (Qld)
Registered Company Auditor No. 470848

19 April 2022