Volunteering Australia Incorporated

ABN: 23 062 806 464

Financial Statements

For the Year Ended 30 June 2019

Volunteering Australia Incorporated

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Contents

For the Year Ended 30 June 2019

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Board Report

For the Year Ended 30 June 2019

The Board Members present their report on Volunteering Australia Incorporated for the financial year ended 30 June 2019.

1. General information

Board Members

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

Names	Appointed/Resigned
Susan Alberti	29 November 2018
Esme Bowen	29 November 2018
Karen Buenger	17 May 2018 / 29 November 2018
Michelle Ewington	25 October 2013
Mathew Franklin	26 May 2016 / 29 November 2018
Valerie Hoogstad	23 November 2012 / 29 November 2018
Amit Jois	23 May 2014
Peter Lucas	24 July 2014
Catherine McMahon	29 November 2018
Megan Paull	23 January 2017 / 29 November 2018
Mark Pearce	29 November 2018
Angela Seach	24 November 2016 / 29 November 2018
Jamie Snashall	23 October 2017 / 22 January 2019
Tara Waniganayaka	29 November 2018
Brett Williamson	14 December 2017 / 29 November 2018

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

Principal activities

The principal activity of Volunteering Australia Incorporated during the financial year was to represent the diverse views and needs of the volunteer sector while promoting the activity volunteering as one of enduring social, cultural and economic value.

Operating results and review of operations for the year

The (loss) of the Volunteering Australia for the financial year was ($23,022) (2018: profit $ 30,100).

Significant changes in state of affairs

The following significant changes in the state of affairs of Volunteering Australia occurred during the financial year:

In November 2018 the constitution of Volunteering Australia was amended resulting in the appointment of only independent Board Members.

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

Board Member: .... Board Member: ....

Michelle Ewington Peter Lucas

Dated: 27 August 2019

Volunteering Australia Incorporated

ABN: 23 062 806 464

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue	5	**570,198**	1,318,135
Administration expenses		**(20,198)**	(23,547)
Contractors		**(482)**	(1,618)
Cost of sales		**(32,524)**	(41,292)
Depreciation and amortisation		**(1,369)**	-
Employee benefits		**(360,780)**	(337,308)
Insurance		**(15,883)**	(15,540)
IT and telephony expenses		**(14,751)**	(9,637)
Legal fees		**(67,190)**	(2,918)
Marketing expenses		**(24,276)**	(5,590)
National Volunteering Conference expenses		**(1,023)**	(802,226)
Other event expenses		**(7,184)**	(2,583)
Other expenses		**(1,188)**	(1,312)
Remuneration of auditor	17	**(4,600)**	(4,500)
Subscription and membership		**(4,232)**	(5,133)
Travel and accommodation		**(37,540)**	(34,831)
(Loss)/Profit before income tax		**(23,022)**	30,100
Income tax expense	3(a)	**-**	-
(Loss)/Profit for the year		**(23,022)**	30,100
Total comprehensive income for the year		**(23,022)**	30,100

The accompanying notes form part of these financial statements.

Volunteering Australia Incorporated

ABN: 23 062 806 464

Statement of Financial Position

As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**462,357**	576,284
Investment held to maturity	7	**200,000**	-
Trade and other receivables	8	**902**	27,570
Inventories on hand	9	**11,828**	8,355
Other assets	10	**9,635**	33,459
TOTAL CURRENT ASSETS		**684,722**	636,033
NON-CURRENT ASSETS			
Office equipment	11	**-**	1,368
TOTAL NON-CURRENT ASSETS		**-**	1,368
TOTAL ASSETS		**684,722**	637,401
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**49,771**	251,871
Employment provisions	13	**11,893**	16,177
Income in advance	14	**299,858**	23,130
TOTAL CURRENT LIABILITIES		**361,522**	291,178
NON-CURRENT LIABILITIES			
Amount held in trust	14	**-**	1
TOTAL NON-CURRENT LIABILITIES		**-**	1
TOTAL LIABILITIES		**361,522**	291,179
NET ASSETS		**323,200**	346,222
EQUITY			
Retained earnings		**323,200**	346,222
TOTAL EQUITY		**323,200**	346,222

The accompanying notes form part of these financial statements.

Volunteering Australia Incorporated

ABN: 23 062 806 464

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings $	Total $
Balance at 1 July 2018	**346,222**	**346,222**
(Loss) attributable to members of the entity for the year	**(23,022)**	**(23,022)**
Balance at 30 June 2019	**323,200**	**323,200**

2018

	Retained Earnings $	Total $
Balance at 1 July 2017	316,122	316,122
Profit attributable to members of the entity for the year	30,100	30,100
Balance at 30 June 2018	346,222	346,222

The accompanying notes form part of these financial statements.

Volunteering Australia Incorporated

ABN: 23 062 806 464

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**379,741**	126,634
Payments to suppliers and employees		**(879,743)**	(1,223,375)
Grant income		**579,816**	248,350
Interest received		**6,259**	11,327
Receipts from other operating activities		**-**	951,532
Net cash provided by operating activities	19(a)	**86,073**	114,468
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment to held to maturity investment		**(200,000)**	**-**
Purchase of property, plant and equipment		**-**	(1,368)
Net cash (used in) investing activities		**(200,000)**	(1,368)
Net (decrease)/increase in cash and cash equivalents held		**(113,927)**	113,100
Cash and cash equivalents at beginning of year		**576,284**	463,184
Cash and cash equivalents at end of financial year	6	**462,357**	576,284

The accompanying notes form part of these financial statements.

The financial report covers Volunteering Australia Incorporated as an individual entity. Volunteering Australia Incorporated is a not-for-profit Association, registered and domiciled in Australia.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. 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 accrual 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.

2 Change in Accounting Policy

Financial Instruments – Adoption of AASB 9

The Association has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Association adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.

- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosure has been provided for the current year.

The key changes to the Association's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Association has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

Classification of financial asset

The financial assets of the Association have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

2 Changes in Accounting Policy (Continued)

Impairment of financial asset

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139	Carrying amount under AASB 9
			$	$
Financial assets				
Trade and other receivables	Loans and receivables	Amortised cost	**27,570**	27,570
Cash and cash equivalents	Loans and receivables	Amortised cost	**576,284**	576,284
Total financial asset			**603,854**	603,854
Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	**-**	-
Total financial liabilities			**-**	-

3 Summary of Significant Accounting Policies

(a) Income Tax

Volunteering Australia is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Donations are recognised as revenue when received.

Donations in kind are recognised as revenue when, and only when, a fair value can be reliably determined. They are recognised concurrently as an expense of the same amount.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Volunteering Australia Incorporated receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

(c) 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 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 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.

(d) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(e) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Volunteering Australia 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

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Volunteering Australia's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Volunteering Australia renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Volunteering Australia does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Volunteering Australia's management to hold them until maturity.

(e) Financial instruments (Continued)

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Volunteering Australia assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

For current year

Financial instruments are recognised initially on the date that the Association 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 Association classifies its financial assets into the following categories, those measured at:

(e) Financial instruments (Continued)

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

- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

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 Association's financial assets measured at amortised cost comprise 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.

Fair value through other comprehensive income (FVOCI)

Equity instruments

The Association has no investment in listed or unlisted entities.

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.

The Association holds no investments that fall into this category.

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

Impairment of financial assets

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

- financial assets measured at amortised cost

(e) Financial instruments (Continued)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received.

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

Other financial assets measured at amortised cost

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

(f) Impairment of non-financial assets

At the end of each reporting period the Volunteering Australia determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) 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.

3 Summary of Significant Accounting Policies

(h) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Volunteering Australia has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Volunteering Australia where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 1058: Income of Not-for-Profit Entities	1 July 2019	This Standard is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The significant accounting requirements of AASB 1058 are as follows: - Income arising from an excess of the initial carrying amount of an asset over the related amount being contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards. - Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. Income must be recognised in profit or loss when the entity satisfies its obligations under the transfer.	The entity is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.
AASB 2016-8 Amendments to Australian Accounting Standards	1 July 2019	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit (NFP) entities into AASB 9 Financial Instruments (2014) and AASB 15 Revenue from Contracts with Customers. This guidance will assist not-for-profit entities in applying those Standards. NFP entities will generally apply AASB 15 where an agreement creates enforceable rights and obligations and includes sufficiently specific promises to transfer goods or services to the customer or third-party beneficiaries.	Refer to the section on AASB 1058 above.

4 Critical Accounting Estimates and Judgments

Those charged with governance 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.

Key judgments

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Association expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

5 Revenue and Other Income

	2019	**2018**
	$	**$**
Revenue		
- Grant income	**252,248**	629,597
- National Volunteering Conference Management Fee	**-**	41,292
- National Volunteering Conference income	**1,628**	442,949
- Donations	**6,657**	10,000
- Donations in kind	**65,870**	-
- Interest received	**6,538**	11,327
- Membership income	**64,252**	20,000
- Merchandise sales	**100,058**	115,140
- Other income	**4,278**	15,330
- Project and sponsorship income	**68,669**	32,500
	570,198	1,318,135

6 Cash and Cash Equivalents

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2019	2018
	$	$
Cash and cash equivalents	**462,357**	576,284
Total cash and cash equivalents	**462,357**	576,284

7 Investment held to maturity

	2019	2018
	$	$
Term deposits	**200,000**	-
	200,000	-

8 Trade and Other Receivables

	2019	2018
	$	$
CURRENT		
Trade receivables	**902**	27,570
	902	27,570

9 Inventories

	2019	2018
	$	$
CURRENT		
At cost:		
Inventories	**11,828**	8,355
	11,828	8,355

10 Other Assets

	2019	2018
	$	$
CURRENT		
Prepayments	**9,346**	10,104
Accrued income	**289**	13,720
	9,635	33,459

11 Plant and equipment

	2019	2018
	$	$
Office equipment		
At cost	**1,368**	1,368
Accumulated depreciation	**(1,368)**	-
Total office equipment	**-**	1,368

12 Trade and Other Payables

	2019	2018
	$	$
Current		
Trade payables	**4,431**	-
GST payable	**35,368**	-
Other payables	**4,986**	7,920
Accrued expenses	**4,986**	243,951
	49,771	251,871

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Provisions

	2019	2018
	$	$
CURRENT		
Employee provisions	**11,893**	16,177
	11,893	16,177

14 Other Liabilities

	2019	2018
	$	$
CURRENT		
Income in advance	**299,858**	23,130
	299,858	23,130

	2019	2018
	$	$
NON-CURRENT		
Amount held in trust	**-**	1
	-	1

15 Financial Risk Management (Continued)

The Volunteering Australia is exposed to a variety of financial risks through its use of financial instruments.

The Volunteering Australia's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Volunteering Australia is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Volunteering Australia are:

- Trade receivables
- Cash at bank
- Trade and other payables

	Note	2019 $	2018 $
Financial Assets			
Cash and cash equivalents	6	-	576,284
Trade and other receivables	8	-	27,570
Held at amortised cost:			
Cash and cash equivalents	6	**462,357**	-
Held to maturity investments	7	**200,000**	-
Trade and other receivables	8	**902**	-
		663,259	603,854
Financial Liabilities			
Trade and other payables	12	-	-
Financial liabilities at fair value:			
Trade and other payables	12	**4,431**	-
		4,431	-

Liquidity risk

Liquidity risk arises from the Volunteering Australia's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Volunteering Australia will encounter difficulty in meeting its financial obligations as they fall due.

15 Financial Risk Management (Continued)

The Volunteering Australia's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Volunteering Australia maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Volunteering Australia manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Volunteering Australia expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Volunteering Australia.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

Those charged with governance receive monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Volunteering Australia's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Volunteering Australia has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

15 Financial Risk Management (Continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk are limited to lease liabilities, listed shares and cash on hand

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Volunteering Australia Incorporated during the year are as follows:

	2019	2018
	$	$
Short-term employee benefits	**146,366**	138,365
Post-employment benefits	**6,635**	12,987
	153,001	151,352

17 Auditors' Remuneration

	2019	2018
	$	$
Remuneration of the auditor Hardwickes Chartered Accountants, for:		
- Remuneration of auditor	**4,600**	4,500
	4,600	4,500

18 Contingencies

In the opinion of those charged with governance, the Volunteering Australia did not have any contingencies at 30 June 2019 (30 June 2018: None)

19 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	$	$
(Loss)/Profit for the year	**(23,022)**	30,100
Depreciation expense	**1,368**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**40,100**	257,886
- (increase)/decrease in other assets	**(3,474)**	796
- (increase)/decrease in prepayments	**759**	23,458
- increase/(decrease) in trade and other payables	**(202,102)**	182,203
- increase/(decrease) in employee benefits	**(4,284)**	5,642
- increase/(decrease) in revenue in advance	**276,728**	(385,617)
Cashflows from operations	**86,073**	114,468

20 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 Volunteering Australia, the results of those operations or the state of affairs of the Volunteering Australia in future financial years.

21 Statutory Information

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

Volunteering Australia Incorporated

Level 2, 202 City Walk

CANBERRA ACT 2601

Volunteering Australia Incorporated

ABN: 23 062 806 464

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' 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; 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*.

Responsible person .... Responsible person ....

Michelle Ewington Peter Lucas

Dated: 27 August 2019

6 Phipps Close Deakin ACT 2600
PO Box 322 Curtin ACT 2605

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Hardwickes
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Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Independent Audit Report to the members of Volunteering Australia Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Volunteering Australia Incorporated, which comprises the statement of financial position as at 30 June 2019, 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 responsible persons' declaration.

In our opinion the financial report of Volunteering Australia Incorporated 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 Volunteering Australia Incorporated's financial position as at 30 June 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards 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 the Association 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* (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 Board Members for the Financial Report

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

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

Those charged with governance are responsible for overseeing Association'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.

Hardwickes
more than accounting

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Independent Audit Report to the members of Volunteering Australia Incorporated

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Volunteering Australia Incorporated'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 Volunteering Australia Incorporated to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Hardwickes

Hardwickes
Chartered Accountants

R Johnson

Robert Johnson FCA
Partner

Canberra

27 August 2019

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND