

Volunteering Australia Incorporated

ABN: 23 062 806 464

Financial Statements

For the Year Ended 30 June 2020

Volunteering Australia Incorporated

ABN: 23 062 806 464

Contents

For the Year Ended 30 June 2020

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Volunteering Australia Incorporated

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Board Report For the Year Ended 30 June 2020

The Board Members present their report on Volunteering Australia Incorporated for the financial year ended 30 June 2020.

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 |
| Michelle Ewington | 25 October 2013 |
| Kerry Harris | 29 November 2019 |
| Amit Jois | 23 May 2014 |
| Peter Lucas | 24 July 2014 |
| Catherine McMahon | 29 November 2018 |
| Mark Pearce | 29 November 2018 / 1 May 2020 |
| Tara Waniganayaka | 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 of volunteering as one of enduring social, cultural and economic value.

Operating results and review of operations for the year



The Profit of the Volunteering Australia Incorporated for the financial year was \$69,574 (2019: loss \$ \$23,022).

Significant changes in state of affairs

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

The National Volunteering Conference 2020 was planned for March 2020 however due to the restrictions imposed for the coronavirus pandemic regarding large gatherings, the Conference was cancelled. The financial impact on Volunteering Australia Incorporated was limited to the loss on management fees totalling \$30,000, as the Federal Government did not require grant monies relating to the event to be repaid.

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

Board Member:  Board Member: 

Michelle Ewington Peter Lucas

Dated 27.08.2020

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

| | | 2020 | 2019 |
|--|------|---------------|-----------------|
| | Note | \$ | \$ |
| Revenue and other income | 5 | 875,038 | 570,198 |
| Administration expenses | | (21,689) | (20,198) |
| Contractors | | (120,574) | (482) |
| Cost of sales | | (33,908) | (32,524) |
| Depreciation and amortisation | | - | (1,369) |
| Employee benefits | | (387,570) | (360,780) |
| Insurance | | (18,581) | (15,883) |
| IT and telephony expenses | | (6,201) | (14,751) |
| Legal fees | | (6,147) | (67,190) |
| Marketing expenses | | (27,008) | (24,276) |
| National volunteering conference expenses | | (144,727) | (1,023) |
| Other event expenses | | (3,509) | (7,184) |
| Other expenses | | (1,169) | (1,188) |
| Remuneration of auditor | 17 | (4,700) | (4,600) |
| Subscription and membership | | (4,723) | (4,232) |
| Travel and accommodation | | (24,958) | (37,540) |
| Profit/(Loss) before income tax | | 69,574 | (23,022) |
| Income tax expense | 3(a) | - | - |
| Profit/(Loss) for the year | | 69,574 | (23,022) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 69,574 | (23,022) |

The accompanying notes form part of these financial statements.

Volunteering Australia Incorporated

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Statement of Financial Position

As At 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|-----------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 409,459 | 462,357 |
| Other financial assets | 7 | - | 200,000 |
| Trade and other receivables | 8 | 2,748 | 902 |
| Inventories on hand | 9 | 10,461 | 11,828 |
| Other assets | 10 | 56,023 | 9,635 |
| TOTAL CURRENT ASSETS | | <u>478,691</u> | <u>684,722</u> |
| TOTAL ASSETS | | <u>478,691</u> | <u>684,722</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 20,714 | 49,771 |
| Employment provisions | 13 | 9,203 | 11,893 |
| Income in advance | 14 | 56,000 | 299,858 |
| TOTAL CURRENT LIABILITIES | | <u>85,917</u> | <u>361,522</u> |
| TOTAL LIABILITIES | | <u>85,917</u> | <u>361,522</u> |
| NET ASSETS | | <u>392,774</u> | <u>323,200</u> |
| EQUITY | | | |
| Retained earnings | | <u>392,774</u> | <u>323,200</u> |
| TOTAL EQUITY | | <u>392,774</u> | <u>323,200</u> |

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2020

2020

| | Retained Earnings | Total |
|--------------------------------|----------------------|----------------|
| | \$ | \$ |
| Balance at 1 July 2019 | 323,200 | 323,200 |
| Profit for the year | 69,574 | 69,574 |
| Balance at 30 June 2020 | 392,774 | 392,774 |

2019

| | Retained Earnings | Total |
|--------------------------------|----------------------|----------------|
| | \$ | \$ |
| Balance at 1 July 2018 | 346,222 | 346,222 |
| Loss for the year | (23,022) | (23,022) |
| Balance at 30 June 2019 | 323,200 | 323,200 |

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2020

| | 2020 | 2019 |
|--|-------------------------|----------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 289,036 | 379,741 |
| Payments to suppliers and employees | (897,408) | (879,743) |
| Grant income | 346,359 | 579,816 |
| Interest received | 9,115 | 6,259 |
| Net cash (used in)/ provided by operating activities | 19(a) <u>(252,898)</u> | <u>86,073</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payment to held to maturity investment | <u>200,000</u> | (200,000) |
| Net cash provided by/ (used in) investing activities | <u>200,000</u> | (200,000) |
| Net (decrease) in cash and cash equivalents held | (52,898) | (113,927) |
| Cash and cash equivalents at beginning of year | <u>462,357</u> | <u>576,284</u> |
| Cash and cash equivalents at end of financial year | 6 <u><u>409,459</u></u> | <u>462,357</u> |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2020

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

Revenue from Contracts with Customers – Adoption of AASB 15

The Company has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The Company has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

There is no material impact on these financial statements from applying AASB 15 and AASB 1058.

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Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

For comparative year

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 Incorporated 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

(c) Revenue and other income (Continued)

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

Grant income

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

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Notes to the Financial Statements For the Year Ended 30 June 2020

(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 payables are stated inclusive of the amount of GST.

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

(e) 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.

(f) Financial instruments

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:

- 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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

(f) Financial instruments (Continued)

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 that 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

When determining whether the credit risk of a financial asset has increased significantly 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

(f) Financial instruments (Continued)

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.

Impairment of financial assets

At the end of the reporting period Volunteering Australia Incorporated 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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

(f) Financial instruments (Continued)

Impairment of non-financial assets

At the end of each reporting period Volunteering Australia Incorporated 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.

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on Australian Government's 10 years bond rate, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Provisions

Provisions are recognised when the Association 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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

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 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

| | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| Revenue and other income | | |
| - Government stimulus payments | 72,692 | - |
| - Grant income | 558,730 | 252,248 |
| - National volunteering conference income | - | 1,628 |
| - Donations | 3,540 | 6,657 |
| - Donations in kind | 6,147 | 65,870 |
| - Interest received | 9,115 | 6,538 |
| - Membership income | 64,398 | 64,252 |
| - Merchandise sales | 81,513 | 100,058 |
| - Other income | 2,496 | 4,278 |
| - Project and sponsorship income | 76,407 | 68,669 |
| | <u>875,038</u> | <u>570,198</u> |

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:

| | 2020 | 2019 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Cash and cash equivalents | <u>409,459</u> | <u>462,357</u> |
| Total cash and cash equivalents | <u>409,459</u> | <u>462,357</u> |

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Notes to the Financial Statements For the Year Ended 30 June 2020

| | | | |
|-----------|------------------------------------|---------------|----------------|
| 7 | Other financial assets | | |
| | | 2020 | 2019 |
| | | \$ | \$ |
| | Term deposits | - | 200,000 |
| | | <u>-</u> | <u>200,000</u> |
| | | <u>-</u> | <u>200,000</u> |
| 8 | Trade and Other Receivables | | |
| | | 2020 | 2019 |
| | | \$ | \$ |
| | CURRENT | | |
| | Trade receivables | - | 902 |
| | GST receivable | 2,748 | - |
| | | <u>2,748</u> | <u>-</u> |
| | | <u>2,748</u> | <u>902</u> |
| 9 | Inventories | | |
| | | 2020 | 2019 |
| | | \$ | \$ |
| | CURRENT | | |
| | At cost: | | |
| | Inventories | 10,461 | 11,828 |
| | | <u>10,461</u> | <u>11,828</u> |
| | | <u>10,461</u> | <u>11,828</u> |
| 10 | Other Assets | | |
| | | 2020 | 2019 |
| | | \$ | \$ |
| | CURRENT | | |
| | Prepayments | 18,716 | 9,346 |
| | Accrued income | 37,307 | 289 |
| | | <u>37,307</u> | <u>289</u> |
| | | <u>56,023</u> | <u>9,635</u> |

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Notes to the Financial Statements For the Year Ended 30 June 2020

| | | | |
|-----------|---------------------------------|---------------|----------------|
| 11 | Plant and equipment | 2020 | 2019 |
| | | \$ | \$ |
| | Office equipment | | |
| | At cost | 1,368 | 1,368 |
| | Accumulated depreciation | (1,368) | (1,368) |
| | Total office equipment | - | - |
| 12 | Trade and Other Payables | 2020 | 2019 |
| | | \$ | \$ |
| | CURRENT | | |
| | Trade payables | 4,019 | 4,431 |
| | GST payable | - | 35,368 |
| | Other payables | 5,308 | 4,986 |
| | Accrued expenses | 11,387 | 4,986 |
| | | 20,714 | 49,771 |
| 13 | Provisions | 2020 | 2019 |
| | | \$ | \$ |
| | CURRENT | | |
| | Provision for annual leave | 9,203 | 11,893 |
| | | 9,203 | 11,893 |
| 14 | Other Liabilities | 2020 | 2019 |
| | | \$ | \$ |
| | CURRENT | | |
| | Income in advance | 56,000 | 299,858 |
| | | 56,000 | 299,858 |

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.

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Notes to the Financial Statements For the Year Ended 30 June 2020

15 Financial Risk Management (Continued)

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

The Association'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 Association 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 Association are:

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

| | Note | 2020 | 2019 |
|--------------------------------------|-------------|----------------|----------------|
| | | \$ | \$ |
| Financial Assets | | | |
| Held at amortised cost: | | | |
| Cash and cash equivalents | 6 | 409,459 | 462,357 |
| Term deposits | 7 | - | 200,000 |
| Trade receivables | 8 | - | 902 |
| | | 409,459 | 663,259 |
| Financial Liabilities | | | |
| Financial liabilities at fair value: | | | |
| Trade payables | 12 | 4,019 | 4,431 |
| | | 4,019 | 4,431 |

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Notes to the Financial Statements For the Year Ended 30 June 2020

15 Financial Risk Management (Continued)

Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of Volunteering Australia Incorporated's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Volunteering Australia Incorporated's activities.

The day-to-day risk management is carried out by Volunteering Australia Incorporated's finance function under policies and objectives which have been approved by those charged with governance. The Finance Manager has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate.

Those charged with governance receive monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

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

Volunteering Australia Incorporated'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. Volunteering Australia Incorporated 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.

Volunteering Australia Incorporated 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 is identified monthly.

At the reporting date, these reports indicate that Volunteering Australia Incorporated 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 Volunteering Australia Incorporated.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Financial Risk Management (Continued)

aging profile of each of the key customers individually and Volunteering Australia Incorporated'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.

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

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:

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 177,410 | 160,080 |
| Post-employment benefits | 605 | 6,635 |
| | <u>178,015</u> | <u>166,715</u> |

17 Auditors' Remuneration

| | 2020 | 2019 |
|--|--------------|--------------|
| | \$ | \$ |
| Remuneration of the auditor Hardwickes Chartered Accountants, for: | | |
| - Remuneration of auditor | 4,700 | 4,600 |
| | <u>4,700</u> | <u>4,600</u> |

18 Contingencies

In the opinion of those charged with governance, Volunteering Australia Incorporated did not have any contingencies at 30 June 2020 (30 June 2019: None)

Volunteering Australia Incorporated

ABN: 23 062 806 464

Notes to the Financial Statements For the Year Ended 30 June 2020

19 Cash Flow Information

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

| | 2020 | 2019 |
|--|------------------|---------------|
| | \$ | \$ |
| Profit/(Loss) for the year | 69,574 | (23,022) |
| Non-cash flow transactions: | | |
| Depreciation expense | - | 1,368 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (36,117) | 40,100 |
| - (increase)/decrease in other assets | 1,367 | (3,474) |
| - (increase)/decrease in prepayments | (9,369) | 759 |
| - increase/(decrease) in trade and other payables | (31,805) | (202,102) |
| - increase/(decrease) in employee benefits | (2,690) | (4,284) |
| - increase/(decrease) in revenue in advance | (243,858) | 276,728 |
| Cashflows from operations | <u>(252,898)</u> | <u>86,073</u> |

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 Incorporated, the results of those operations or the state of affairs of the Volunteering Australia Incorporated 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
Michelle Ewington

Responsible person
Peter Lucas

Dated 27.08.2020

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 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the 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 2020 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 Board Members 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 Board Members are 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 Board Member 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 Board members 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 Board Members 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 Board Members'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.



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 Board Members's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Board Members 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
Chartered Accountants

Hardwickes
R Johnson

Robert Johnson FCA
Partner

Canberra

27 August 2020

