



Australian Business Volunteers Limited
as Trustee for the AESOP Foundation

ABN 89 008 612 431

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF AESOP FOUNDATION (ABN 89 008 612 431)

Report on the Financial Report

We have audited the accompanying financial report of Australian Business Volunteers Limited as trustee for AESOP Foundation (the trust), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2016, notes comprising a summary of significant accounting policies and other explanatory information, and the trustee company's directors' declaration.

Trustee's Responsibility for the Financial Report

The trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the trust deed and for such internal control as the trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report of Australian Business Volunteers Limited as trustee for AESOP Foundation gives a true and fair view of the trust's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with Australian Accounting Standards and the trust deed.

Selina Stanford
Audit Director

Dated: 17 October 2016

Australian Business Volunteers Limited as Trustee for the AESOP Foundation

Directors' Report

For the Year Ended 30 June 2016

Australian Business Volunteers Limited, the Trustee Company for the AESOP Foundation (the Trust), provides this report for the financial year ended 30 June 2016.

1. General information

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Fiona Jolly Chair since 25/11/2013	Director since: 15/11/2010 CEO Advertising Standards Bureau Acting Convenor, Classification Review Board Member, ACT Radiation Council, since 11 June 2015 Qualifications: BA, LLB, LLM, GAICD
Mark Epper Chair, Finance Committee	Director since: 23/11/2015 Director Nectar Farms Limited Director Elouera Ski Club Qualifications: BCom, ICAA, GAICD
Ilan Rimer	Director since: 28/07/2014 CEO – Property Trail Qualifications BCom (Hons), MBA, GAICD
Susan Kluss Chair, Governance Committee	Director since: 28/07/2014 Barrister Maurice Byers Chambers Director Youth Off the Streets Overseas Relief Fund Qualifications: BA, LLB, GAICD
John Field	Director since: 24/11/2014 Retired – ABV Volunteer, Business Mentor Qualifications: BEng(Hons), Master of Science(Harvard), Masters of International and Community Development
Frances Healy	Director since: 23/11/2015 Consultant for own business providing facilitation and other support in management ABV Volunteer Qualifications: BSc, Dip Ed, GAICD
Ross Johnston Chair, Finance Committee	Director since: 21/11/2011 Ceased: 23/11/2015 Head of Finance, Finance Transformation, Westpac Banking Corporation Director of Sydney Music Project Qualifications: BBusAccting, Grad Dip Advanced Accting, CA
Emma Street Company Secretary	Company Secretary since: 2/10/2012 Ceased 29/7/2016 General Manager Corporate, ABV Director/Secretary Pocket Diva Pty Ltd Qualifications: Adv Dip Business, BComAccting, CPA
Sarah O'Connor Company Secretary	Company Secretary since: 29/7/2016 Chief Executive Officer, ABV Qualifications: BA Administration, Masters of Arts in International Relations

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

Directors' Report

For the Year Ended 30 June 2016

Principal activities

Australian Business Volunteers (ABV) was established in 1981. The aim was to utilise the skills of recently retired Australians to assist in community development in the Asia/Pacific area. Since its establishment ABV has placed more than 6,000 volunteers in Asia and the Pacific.

The AESOP Foundation was established in 1985 as an Overseas Development Fund, with Australian Business Volunteers Ltd as Trustee. The AESOP Foundation trades as Australian Business Volunteers and all of the overseas development work of the organisation is conducted through the Foundation.

ABV partners with a range of government, corporate and not-for-profit organisations to collaborate and effectively deliver agreed solutions. ABV partners with Scope Global and Australian Volunteers International (AVI) to deliver the Australian Volunteers for International Development (AVID) Program, funded by the Australian Government through the Department of Foreign Affairs and Trade.

Additionally, ABV partners with companies to implement their Corporate Social Responsibility (CSR) programs through corporate volunteering. It also runs specialised training packages to assist small-medium enterprises in managing their business (business development, entrepreneurialism, governance, marketing, financial management and human resource management).

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

Short and long term objectives and strategic direction

ABV continued with its strategic direction of sustainability through growth and diversity, focusing on the Asia and Pacific regions where ABV has the expertise and experience. In the short term, this includes maximising the potential through existing partnerships, exploring options to expand existing programs by increasing assignment numbers and working in additional countries.

In the next three years, ABV's objective is to broaden its partnerships through increased collaboration across the government, not-for-profit and private sectors, utilising the expertise of existing volunteers and through an expanded corporate social responsibility program.

ABV has registered a branch in Papua New Guinea as increasing opportunities are being developed to partner with government, not-for-profit and private sectors to deliver SME development and institutional strengthening programs in that country.

Performance measures

The ABV Board plays a critical role in monitoring ABV's achievements against its strategic plan and key performance indicators.

The strategic plan is reviewed annually in sufficient time to allow the Chief Executive Officer to implement effective budgeting and planning.

2. Operating results and review of operations for the year

Review of operations

During 2015-16 the Trust provided services in Cambodia, China, Fiji, India, Indonesia, Lao PDR, Papua New Guinea, Philippines, Samoa, Solomon Islands, Vanuatu and Vietnam. This included the continued delivery of the Australian Government Volunteer Program (Australian Volunteers for International Development) in a consortium with Scope Global and AVI. ABV continued to run IBM programs (Corporate Service Corps and Smarter Cities Challenge) in designated developing countries.

Directors' Report

For the Year Ended 30 June 2016

3. Other items

After balance date events

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

The continued operations of the Trust relies substantially on the ongoing revenue of a Consortium led by Scope Global and AVI for the provision of the Australian Volunteers for International Development (AVID) Program. Annual funding is determined on a yearly basis, subject to funding levels determined by the Australian Government through DFAT.

The existing services agreement with Scope Global has been extended until 30 September 2016. However, the Australian Government has extended existing contracts until December 2017 with assurance that ABV will continue to have a role in delivering the program. The contract with Scope Global provides for an annual funding review and negotiations between Scope and the Trust have been entered into post balance date with respect to operations and funding from 1 July 2016.

Under the extended AVID contract, ABV also works in partnership with AVI. Negotiations are underway post balance date to finalise an operational agreement and funding arrangements from 1 July 2016.

The Trust continues to partner with IBM and other corporate sponsors.

Meetings of directors

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Fiona Jolly	7	6
Mark Epper	4	3
Ilan Rimer	7	5
Susan Kluss	7	6
John Field	7	7
Fran Healy	4	3
Ross Johnston	3	3

Indemnification and insurance of officers and auditors

Through the Trustee, ABV Ltd, the Foundation has agreed to indemnify the officers of the Trust to the maximum extent permitted by law, for all liabilities incurred by the officers and all legal and other costs and expenses arising from any proceedings or investigations, incurred by them, as a consequence of them having been an officer of the Trust.

The Foundation has not, during or since the financial year, provided any indemnities to its auditors in relation to any liabilities incurred by them in relation to the Trust.

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

Director:
Fiona Jolly

17 October 2016

Director:
Mark Epper

Australian Business Volunteers Limited as Trustee for the AESOP Foundation

ABN 89 008 612 431

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Business Volunteers Limited, the Trustee Company for the AESOP Foundation, the Directors declare that:

1. The financial statements and notes present fairly the Trust's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the requirements of the Australian Charities and Not-for-profits Commission Act 2012; and
2. In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

For and on behalf of the board of Australian Business Volunteers Limited

Director
Fiona Jolly

Director
Mark Epper

17 October 2016

Australian Business Volunteers Limited as Trustee for the AESOP Foundation
ABN 89 008 612 431

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	621,636	1,121,065
Trade and other receivables	4	736,949	570,158
Other assets	5	17,533	120,097
TOTAL CURRENT ASSETS		1,376,118	1,811,320
NON CURRENT ASSETS			
Property, Plant and equipment	6	24,419	36,907
TOTAL NON CURRENT ASSETS		24,419	36,907
TOTAL ASSETS		1,400,537	1,848,227
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	110,871	52,174
Unearned revenue	8	127,016	725,017
Provisions	9	119,319	94,987
TOTAL CURRENT LIABILITIES		357,206	872,178
NON CURRENT LIABILITIES			
Provisions	9	24,804	21,054
TOTAL NON CURRENT LIABILITIES		24,804	21,054
TOTAL LIABILITIES		382,010	893,232
NET ASSETS		1,018,527	954,995
EQUITY			
Settlement capital		10	10
Retained earnings		1,018,517	954,985
TOTAL EQUITY		1,018,527	954,995

At the end of the financial year, the Trust had no balance in the following categories: Inventories, Assets held for sale, Other financial assets (current or non-current), Non-current trade and other receivables, Investment property, Intangibles, Other non current assets, Borrowings (current or non-current), Current tax liabilities, Other financial liabilities (current or non-current), Other liabilities (current or non-current) and Reserves.

The accompanying notes form part of these financial statements.

Australian Business Volunteers Limited as Trustee for the AESOP Foundation
ABN 89 008 612 431

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
REVENUE		
Donations and gifts		
Non-monetary	50,094	57,295
Monetary	24,949	4,892
	<u>75,043</u>	<u>62,187</u>
Grants		
Department of Foreign Affairs and Trade	1,945,674	2,426,305
Other overseas	1,161,835	1,004,484
	<u>3,107,509</u>	<u>3,430,789</u>
Other Income		
Investment income (interest received)	6,814	8,566
Other income	185,353	67,133
Unrealised gain on foreign exchange	2,700	94,111
	<u>194,867</u>	<u>169,810</u>
TOTAL REVENUE	<u><u>3,377,419</u></u>	<u><u>3,662,786</u></u>
EXPENDITURE		
International Aid and Development Program Expenditure		
International programs		
Funds to International programs (AVID)	1,091,291	1,669,298
Program support costs	556,727	213,887
	<u>1,648,018</u>	<u>1,883,185</u>
Accountability and administration		
Administrative expenses	313,809	357,387
Employee expenses	1,301,966	1,316,272
	<u>1,615,775</u>	<u>1,673,659</u>
Non-monetary expenditure	50,094	57,295
Total International Aid and Development Program Expenditure	<u>3,313,887</u>	<u>3,614,139</u>
TOTAL EXPENDITURE	<u><u>3,313,887</u></u>	<u><u>3,614,139</u></u>
Surplus/(Deficit) for the period	<u><u>63,532</u></u>	<u><u>48,647</u></u>
Other Comprehensive income	-	-
Total comprehensive income (loss)	<u><u>63,532</u></u>	<u><u>48,647</u></u>

During the financial year ended 30 June 2016, there were no amounts received or incurred by the Trust for the following categories: Bequests and Legacies, Grants (Other Australian), Revenue or expenses for International Political or Religious Adherence Promotion Programs, International programs (Community Education), Fundraising costs (Public costs or Government, multilateral and private) and Domestic programs expenditure.

The accompanying notes form part of these financial statements.

Australian Business Volunteers Limited as Trustee for the AESOP Foundation
ABN 89 008 612 431

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Retained Earnings	Settlement Capital	Total
	\$	\$	\$
Balance for 1 July 2015	<u>954,985</u>	<u>10</u>	<u>954,995</u>
Net surplus/ (deficit) for the year	63,532	-	63,532
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>63,532</u>	<u>-</u>	<u>63,532</u>
Balance as at 30 June 2016	<u>1,018,517</u>	<u>10</u>	<u>1,018,527</u>

During the financial year ended 30 June 2016, there were no adjustments or changes in Equity, other than the surplus for the year.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
OPERATING ACTIVITIES			
Government grants and other receipts		2,655,507	4,218,411
Payments to suppliers and employees		(3,158,101)	(4,124,552)
Interest received		<u>6,814</u>	<u>8,566</u>
Net cash generated (used)	11(a)	<u>(495,780)</u>	<u>102,425</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(3,649)</u>	<u>(13,159)</u>
Net cash generated (used)		<u>(3,649)</u>	<u>(13,159)</u>
FINANCING ACTIVITIES			
Payment of finance lease liabilities		<u>-</u>	<u>-</u>
Net cash generated (used)		<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents		(499,429)	89,266
Cash and cash equivalents at beginning of year		<u>1,121,065</u>	<u>1,031,799</u>
Cash and cash equivalents at end of year	3	<u>621,636</u>	<u>1,121,065</u>

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1: Summary of significant accounting policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct reporting requirements.

The financial report covers Australian Business Volunteers Limited as Trustee for the AESOP Foundation (the Trust). The Trust was established by a declaration of trust dated 14 February 1985. Australian Business Volunteers Limited (the Trustee Company) is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee.

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 otherwise stated.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not yet been applied in the preparation of these financial statements. The possible impacts of the initial application of the Standards have not been assessed.

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.

The following is a summary of significant accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Comparative figures

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

When an accounting policy is applied retrospectively, a retrospective restatement is made or items are reclassified in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(c) Property, Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Property, plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets except leasehold improvements are depreciated on a straight line basis over the asset's useful life to the Trust commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation Rate
Furniture, Fixtures and Fittings	20%
Office Equipment	20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1: Summary of significant accounting policies, continued

(d) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(e) Impairment

At each reporting date, the Trustee Company's directors review the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(f) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(g) Employee benefits

Short-term employee benefits

Provision is made for the Trust's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Trust's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Trust classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the Trust's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligations is recognised in profit or loss classified under employee benefits expense.

The Trust's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Trust does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Trust receive defined contribution superannuation entitlements, for which the Trust pays the fixed superannuation guarantee contribution (9.5% of the employee's average ordinary salary in 2016) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contributions entitlements are recognised as an expense when they become payable. The Trust's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Trust's statement of financial position.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1: Summary of significant accounting policies, continued

(h) Provisions

Provisions are recognised when the Trust 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 present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of comprehensive income.

(i) Trade and other payables

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

(j) Revenue and other income

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust and specific criteria have been met for each of the Trust's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Grant revenue

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

When grant revenue is received whereby the Trust 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 (unearned revenue) until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Non monetary donations

The Trust receives non monetary donations from host organisations throughout the year. These donations are valued based on their nature and value in the market place and are recorded as non monetary donation revenue and expenditure.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade and other receivables

Trade and other receivables include amounts from members as well as amounts receivable from funding organisations. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in surplus/(deficit).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1: Summary of significant accounting policies, continued

(n) Critical accounting estimates and judgments

The Trustee Company's directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the trust.

Key estimates :

The Trustee Company's directors assesses the impairment at each reporting date by evaluating conditions specific to the trust that may lead to impairment of assets. Should an impairment exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2016.

Liability for long service leave

The liability for long service leave has been estimated using present value techniques. This takes into account expected salary increases, attrition and future discount rates.

(o) Imputed value of contributed services

The Trust's services are performed by experienced volunteer advisors who receive no salary or other emoluments. The value of these contributed services is calculated at a notional salary cost based on a comparable market rate for similarly experienced consulting personnel. These costs are estimated at note 17 to the financial statements but are not recognised in the Trust's Statement of Comprehensive income.

Note 2: Net result from ordinary activities

Net result has been determined after:

(a) Expenses

Depreciation of non-current assets:

- IT systems

- furniture, fixtures and fittings

- office equipment

Total depreciation

	2016 \$	2015 \$
	718	-
	-	1,080
	15,419	17,903
	<u>16,137</u>	<u>18,983</u>

Rental expense on operating leases:

- minimum lease payments

	97,782	93,152
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(b) Auditor's remuneration

- auditing the financial report

- other services

	19,820	22,400
	600	2,450
	<u>20,420</u>	<u>24,850</u>

Note 3: Cash and Cash Equivalents

Cash on hand

Cash at bank

	791	723
	620,845	1,120,342
	<u>621,636</u>	<u>1,121,065</u>

Code of Conduct Summary -

(a) Table of Cash Movements

	Cash available at the beginning of the year	Cash raised during the year	Cash disbursed during the year	Cash available at the end of the year
	\$	\$	\$	\$
AVID funding of overseas volunteer program	628,117	1,224,980	(1,793,532)	59,565
Total for other purposes	492,948	1,437,340	(1,368,218)	562,071
Total	<u>1,121,065</u>	<u>2,662,320</u>	<u>(3,161,750)</u>	<u>621,636</u>

Note 4: Trade and Other Receivables

Trade receivables

Receivable - Australian Business Volunteers Limited

	2016 \$	2015 \$
	285,831	180,416
	451,118	389,742
	<u>736,949</u>	<u>570,158</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Note 5: Other Assets		
CURRENT		
Prepayments	17,533	120,097
	<u>17,533</u>	<u>120,097</u>
Note 6: Property, Plant & Equipment		
Intangibles		
IT Systems - at cost	2,155	-
Accumulated amortisation	(718)	-
	<u>1,437</u>	<u>-</u>
Property, Plant & Equipment -		
Furniture, fixtures and fittings - at cost	4,082	4,082
Accumulated depreciation	(4,082)	(4,082)
	<u>-</u>	<u>-</u>
Office equipment - at cost	97,457	95,963
Accumulated depreciation	(74,475)	(59,057)
	<u>22,982</u>	<u>36,907</u>
Total Property, Plant & Equipment	<u>24,419</u>	<u>36,907</u>

(a) Movements in carrying amounts

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

	Furniture Fixtures and Fittings - at cost	Intangibles - at cost	Office equipment - at cost	Total
2016	\$	\$	\$	\$
Opening balance	-	-	36,907	36,907
Additions	-	2,155	1,494	3,649
Depreciation expense	-	(718)	(15,419)	(16,137)
Closing balance	<u>-</u>	<u>1,437</u>	<u>22,982</u>	<u>24,419</u>

	Furniture Fixtures and Fittings - at cost	Intangibles - at cost	Office equipment - at cost	Total
2015	\$	\$	\$	\$
Opening balance	-	-	42,731	42,731
Additions	1,080	-	12,079	13,159
Depreciation expense	(1,080)	-	(17,903)	(18,983)
Closing balance	<u>-</u>	<u>-</u>	<u>36,907</u>	<u>36,907</u>

Note 7: Trade and Other Payables

CURRENT	2016	2015
<i>Unsecured liabilities:</i>		
Trade and Other Payables	79,629	19,206
Accrued expenses	31,242	21,762
Other employee benefits payable	-	11,206
	<u>110,871</u>	<u>52,174</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Note 8: Unearned Revenue		
CURRENT		
Unexpended grants	59,565	628,117
Income in advance	67,451	96,900
	<u>127,016</u>	<u>725,017</u>
Note 9: Provisions		
CURRENT		
Annual leave	83,597	68,737
Long service leave (vested)	35,722	26,250
	<u>119,319</u>	<u>94,987</u>
NON-CURRENT		
Long service leave (non-vested)	24,804	21,054
	<u>24,804</u>	<u>21,054</u>

(a) Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Trust does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Trust does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave vesting is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 10: Leasing Commitments

(a) Operating Lease commitments

Operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments:

- no later than one year	101,065	100,299
- later than one year but less than 5 years	126,331	225,604
	<u>227,396</u>	<u>325,903</u>

These amounts are inclusive of GST.

A lease for office premises was entered into in September 2013 operating for 5 years from 1 October 2013 to 30 September 2018 at an annual cost of \$101,065 from September 2015 with a CPI review each year on 1 October.

Note 11: Cash flow information

(a) Reconciliation of net cash relating to operating activities to operating result

Operating surplus / (deficit)	63,532	48,647
Non-cash flows in operating result:		
- Depreciation	16,137	18,983
Changes in assets and liabilities:		
- Trade and other receivables	(166,791)	(9,908)
- Other current assets	102,564	(77,799)
- Trade and other payables	58,697	(245,888)
- Unearned revenue	(598,001)	352,443
- Provisions	28,082	15,947
Net cash relating to operating activities	<u>(495,780)</u>	<u>102,425</u>

(b) Non-cash transactions

There were no transactions involving non-cash consideration during the financial year.

(c) Cash not available for use

A security deposit guarantee of \$23,562 is held over a term deposit to allow prompt payment of the lease at 33 Ainslie Avenue Canberra.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
Note 12: Interests of Key Management Personnel		
Short-term employee benefits	<u>539,952</u>	<u>402,518</u>
	<u>539,952</u>	<u>402,518</u>

Note 13: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no related party transactions during the year.

Note 14: Events after the end of the Reporting Period

The financial report of the Trust was authorised for issue on the date of signing of the Trustee Company's Directors Report and Declaration.

Note 15: Economic Dependency

The continued operations of the Trust rely substantially on the ongoing revenue of a Consortium led by Scope Global and IBM and the delivery of new partnerships. The current services agreement with Scope Global ends in September 2016. As the AVID Program has been extended by the Department of Foreign Affairs and Trade (DFAT) until 2017 with Scope Global, this will also be extended to the Trust. The Trust will also be renewing a second partnership with Australian Volunteers International (AVI) in 2016-17 to deliver the AVID program which serves to diversify and secure the Trusts' place in delivering the AVID Program. Annual funding is determined on a yearly basis subject to funding levels determined by the Australian Government through DFAT. The contract provides for an annual funding review and negotiations between Scope Global, AVI and the Trust have been entered into post balance date with respect to operations and funding from 1 July 2016.

Note 16: Trust Details

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

Level 4, 33 Ainslie Ave
Canberra ACT 2601

Note 17: Imputed Value of Contributed Services

	2016	2015
The following is a summary of the value of services contributed to projects:		
Value of services donated by volunteers or clients	<u>2,311,855</u>	<u>3,137,554</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 18: Financial Risk Management

(a) Financial Risk Management Policies

The Trust's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the trust.

The Trust does not have any derivative instruments at 30 June 2016.

It is, and has been throughout the period under review, the Trustee Company's policy that no trading in financial instruments shall be undertaken.

Financial Risk Exposures and Management

The main risks arising from the Trust's financial instruments are interest rate risk, liquidity risk, credit risk and foreign exchange risk. The policies for managing each of these risks are summarised below.

Interest rate risk

The Trust's exposure to market risk for changes in interest rates relates primarily to the Trust's holdings of cash and cash equivalents.

The Trust's policy is to manage its interest income through regularly reviewing the interest rate being received on cash and cash equivalents and comparing this return to the market.

Credit risk

The Trust does not provide credit.

With respect to credit risk arising from the other financial assets of the Trust, which comprise cash and cash equivalents, the Trust's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Trust does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Trust. The Trust manages credit risk by maintaining cash deposits with established financial institutions.

Liquidity risk

The Trust has no external funding or facilities in place. The Trust manages its cash balance to ensure that it has sufficient cash and cash equivalent holdings to meet all short, medium and long term requirements.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value of future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Trust holds financial instruments which are other than the AUD functional currency of the Trust.

The Trust receives foreign currency through a bank account held by the Trustee, ABV Ltd, holding USD \$318,652 valued at AUD \$429,515 as at balance date all of which was held on behalf of the Trust. Expenditure outside Australia is predominantly in USD, and USD receipts provide a cash reserve for overseas expenditure without the requirement to exchange currency. Holding USD currency mitigates the risk of loss on exchanging large amounts of US currency.

The USD bank account is maintained with a balance of approximately USD \$300,000, to ensure there are always funds available to deliver overseas programs without the need to convert AUD to USD. Where the balance of the USD account is higher than the USD\$300,000 target balance, and where there is no immediate operational funding need for additional foreign currency, income receipts are generally exchanged as they are received with regard to the prevailing exchange rate at that time.

The Trust also receives foreign currency through a bank account held by the Trustee, ABV Ltd, holding Papua New Guinean Kina (PGK) \$184,905 valued at AUD \$77,369 as at balance date all of which was held on behalf of the Trust.

(b) Net Fair Values

The net fair value of financial assets and liabilities approximates the values shown in the balance sheet and the notes thereto.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 18: Financial Risk Management (continued)

(c) Financial Instrument Composition and Maturity Analysis

	Weighted average effective interest rate		Variable interest rate		Fixed interest rate, maturing within 1 year		Non-interest bearing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:										
Cash at bank	1.26%	1.30%	311,886	544,761	54,333	54,333	254,626	521,771	620,845	1,120,195
Receivables	n/a	n/a	-	-	-	-	736,949	570,158	736,949	570,158
Total financial assets			311,886	544,761	54,333	54,333	991,575	1,091,929	1,357,794	1,690,353
Financial liabilities:										
Payables	n/a	n/a	-	-	-	-	110,871	52,174	110,871	52,174
Total financial liabilities			-	-	-	-	110,871	52,174	110,871	52,174