



Australian Business Volunteers Limited

ABN 89 008 612 431

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2018

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Australian Business Volunteers Limited
ABN 89 008 612 431

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	<u>387,925</u>	<u>329,123</u>
TOTAL CURRENT ASSETS		<u>387,925</u>	<u>329,123</u>
TOTAL ASSETS		<u>387,925</u>	<u>329,123</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3	<u>387,925</u>	<u>329,123</u>
TOTAL CURRENT LIABILITIES		<u>387,925</u>	<u>329,123</u>
TOTAL LIABILITIES		<u>387,925</u>	<u>329,123</u>
NET ASSETS		<u>-</u>	<u>-</u>
EQUITY			
Retained earnings		<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

Australian Business Volunteers Limited
 ABN 89 008 612 431

**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
REVENUE		
Grants	384,139	-
	<u>384,139</u>	<u>-</u>
 TOTAL REVENUE	 <u><u>384,139</u></u>	 <u><u>-</u></u>
 EXPENDITURE		
International Aid and Development Program Expenditure		
International Programs	212,659	-
Domestic Programs	20,738	-
	<u>233,397</u>	<u>-</u>
Accountability and administration		
Administrative expenses	8,217	-
Donation to AESOP Foundation	142,525	-
	<u>384,139</u>	<u>-</u>
Total International Aid and Development Program Expenditure	<u>384,139</u>	<u>-</u>
 TOTAL EXPENDITURE	 <u><u>384,139</u></u>	 <u><u>-</u></u>
 Surplus/(Deficit) for the period	 <u><u>-</u></u>	 <u><u>-</u></u>
Other Comprehensive income	-	-
	<u>-</u>	<u>-</u>
Total comprehensive income (loss)	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

Australian Business Volunteers Limited
 ABN 89 008 612 431

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Earnings \$
Balance as at 1 July 2016	<u>-</u>
Net surplus/ (deficit) for the year	-
Other comprehensive income	-
Total comprehensive income for the year	-
Balance as at 1 July 2017	<u>-</u>
Net surplus/ (deficit) for the year	-
Other comprehensive income	-
Total comprehensive income for the year	-
Balance as at 30 June 2018	<u>-</u>

**STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
OPERATING ACTIVITIES			
Grants and other receipts		384,139	-
Payments to suppliers and employees		<u>(325,337)</u>	<u>(100,392)</u>
Net cash generated (used)	4 (a)	<u>58,802</u>	<u>(100,392)</u>
Net movement in cash and cash equivalents		58,802	(100,392)
Cash and cash equivalents at beginning of year		<u>329,123</u>	<u>429,515</u>
Cash and cash equivalents at end of year	2	<u>387,925</u>	<u>329,123</u>

The accompanying notes form part of these financial statements.

Australian Business Volunteers Limited

ABN 89 008 612 431

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 and reporting requirements of the Australian Charities and Not for profits Commission Act 2012.

The financial report covers Australian Business Volunteers Limited. Australian Business Volunteers Limited 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) 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.

(d) Impairment

At each reporting date, the 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 statement of comprehensive income.

(e) 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.

(f) 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 Company 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Summary of significant accounting policies, continued

(g) Revenue and other income

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company'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 Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company 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

Donations and bequests are recognised as revenue when received.

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).

(h) 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.

(i) 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 Statement of Financial Position 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.

(j) Income Tax

The Company is exempt from Income tax under Division 50-B of the Income Tax Assessment Act 1997.

(k) 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 2018

Note 1: Summary of significant accounting policies, continued

(l) Critical accounting estimates and judgments

The 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 Company. There were no key estimates or judgements made at 30 June 2018.

	2018 \$	2017 \$
Note 2: Cash and Cash Equivalents		
Cash at bank - USD account	387,925	329,123
	<u>387,925</u>	<u>329,123</u>

Note 3: Trade and Other Payables

CURRENT

Unsecured liabilities:

Payable to AESOP Foundation	387,925	329,123
	<u>387,925</u>	<u>329,123</u>

Note 4: Cash flow information

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

Operating surplus/(deficit)	-	-
Non-cash flows in operating result:		
Changes in assets and liabilities:		
- Trade and other receivables	-	21,603
- Trade and other payables	58,802	(121,995)
Net cash relating to operating activities	<u>58,802</u>	<u>(100,392)</u>

(b) Non-cash transactions

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

(c) Unused credit facilities

The Company has an American Express credit card facility with no preset spending limit. The amount utilised at 30 June 2018 was \$0.00.

(2017: \$1,458.50). The Company also has a \$20,000 credit card facility with the Commonwealth Bank of Australia. The balance is cleared monthly.

Note 5: 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. Australian Business Volunteer Limited operates as Trustee for the AESOP Foundation (the Foundation). In its capacity as Trustee, Australian Business Volunteers Limited receives funds for the Foundation into its USD Bank Account, and attributes all operational surpluses to the Foundation. Australian Business Volunteers Limited is also responsible for any deficiency in net assets of the Foundation. As at 30 June 2018, the Foundation had net assets of \$619,475.

Note 6: Events after the end of the Reporting Period

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

Note 7: Company Details

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

Level 4, 33 Ainslie Ave
 Canberra ACT 2601

Australian Business Volunteers Limited

ABN 89 008 612 431

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 8: Financial Risk Management

(a) Financial Risk Management Policies

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

The Company does not have any derivative instruments at 30 June 2018.

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

Financial Risk Exposures and Management

The main risks arising from the Company'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 Company's exposure to market risk for changes in interest rates relates primarily to the Company's holdings of cash and cash equivalents.

The Company'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 Company does not provide credit.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company'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 Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company. The Company manages credit risk by maintaining cash deposits with established financial institutions.

Liquidity risk

The Company has no external funding or facilities in place. The Company 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 Company holds financial instruments which are other than the AUD functional currency of the Company.

The Company has one foreign currency bank account holding USD \$298,353 valued at AUD \$387,925 as at balance date. 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.

(b) Net Fair Values

The net fair value of financial assets and liabilities approximates the values shown in the Statement of Financial Position and the notes thereto.

Australian Business Volunteers Limited

ABN 89 008 612 431

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Business Volunteers Limited, the Directors declare that:

1. The financial statements and notes present fairly the Company's financial position as at 30 June 2018 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 Company 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
Mark Epper
30 October 2018



Director
John Field

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN BUSINESS VOLUNTEERS LIMITED

ABN 89 008 612 431

Opinion

We have audited the financial report of Australian Business Volunteers Limited ('the company'), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration for the company.

In our opinion, the accompanying financial report of the company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the reporting requirements of the *Australian Charities and Not-for-profits 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 company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Eric Hummer

Audit Director

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31 October 2018