AVI

inviting change

FINANCIAL REPORT 2019–20

Australian Volunteers International

and its controlled entity

ABN: 88 004 613 067

(A Company Limited by Guarantee)

Annual Financial Report

For the year ended 30 June 2020

Contents

Corporate Information

President	Sam Mostyn
Directors	Kathleen Townsend (Chair) Peter Wilkins (Co-Deputy Chair) Dean Tillotson (Co-Deputy Chair) Jennifer Johnston Martine Letts Lyma Nguyen Wendy Tyrrell (retired 16 October 2020) David Singleton (retired 01 November 2019) Andrew Dempster (retired 30 August 2019) Jon Marcard (appointed 20 February 2020) Brendon McNiven (appointed 1 April 2020)
Company Secretary	Brad Cole (retired 25 February 2020) Bruce Morrison (appointed 02 March 2020)
Registered office and principal place of business	160 Johnston Street Fitzroy VIC 3065
Bankers	Westpac Banking Corporation
Auditors	KPMG Previous auditor Ernst & Young

PRESIDENT

Sam Mostyn B.A., LLB – **President**
Ms Mostyn was appointed to the Board on 31 October 2007, before being appointed President in 2016. Ms Mostyn is a Company Director & Sustainability Adviser. Currently she holds the positions of Commissioner, Business and Sustainable Development Commission; Non-Executive Director, Sydney Swans Ltd, Virgin Australia and Transurban Group; Board Member, The Climate Council; Board Member, ClimateWorks Australia; Non-Executive Director, Mirvac; current President, ACFID; Board Member, Go Foundation; Chair, Carriageworks; Chair, Citibank Australia; and Deputy Chair, Diversity Council Australia.

Report of the Board

The Board has pleasure in presenting the financial report relating to the activities and affairs of Australian Volunteers International (AVI) as at 30 June 2020 and the auditors' report thereon.

BOARD

The names and details of Board Members in office during the financial year and until the date of this report are as follows. Board Members were in office for the entire period unless otherwise stated.

Kathleen Townsend M. Ed Studies; B.A.; Dip Ed: GAICD. **– Chair**
Ms Townsend joined the Board in 2013 and was appointed Chair of the Board on 17 October 2013. Ms Townsend is invited to be ex-officio member of the Finance Audit and Risk Management, Governance and Quality and Safety Committees. Ms Townsend is Managing Director of Kathleen Townsend Executive Solutions Pty Ltd, a top tier executive search firm which assists organisations in the Corporate, Government and Not-for-Profit sectors to identify exceptional candidates to fill positions at CEO, MD, GM and NED level. Prior to establishing her own firm, she was a Partner with Amrop International. She came to the search industry from government where she was the Head of the Office of the Status of Women in the Department of Prime Minister and Cabinet in Canberra. Ms Townsend was previously Deputy Chancellor, Swinburne University of Technology and a Director of the Port of Melbourne Corporation. She is a former AVI volunteer in Malaysia.

Peter Wilkins B Mech Eng, MSc, PhD **– Co-Deputy Chair**
Dr Wilkins was appointed to the Board in June 2014. He is an Adjunct Professor at The John Curtin Institute of Public Policy (JCIPP) at Curtin University, and an Adjunct Associate Professor in the Discipline of Global Studies at Murdoch University. He has served as Western Australia's Deputy Ombudsman and prior to this had been WA Assistant Auditor General Performance Review. Dr Wilkins is a member of the International Evaluation Research Group, the Australasian Evaluation Society, the Australasian Study of Parliament Group and a National Fellow and Western Australian Fellow of the Institute of Public Administration Australia. He is also a former Australian volunteer in Malaysia.

Dean Tillotson B.A, M.B.A. **– Co-Deputy Chair**
Mr Tilloston was appointed to the AVI Board in August 2015 and is also the Chair of the Finance, Audit and Risk Management Committee. Mr Tillotson is the Executive Director Corporate Services for Public Transport Victoria. He has 20 years' experience across financial and health services spanning general management, strategy - sales & service, digital, national operations, retailing, distribution channel management and significant people management.

Jennifer Johnston B.A. Comms and Eng, Comp Lit.
Ms Johnston was appointed to the Board in April 2014 and is the Chair of the Board Quality and Safety Committee. Ms Johnston has 20 years' experience in public policy, advocacy in the healthcare sector and communication. She has held senior roles in small business, government, and corporate sectors and is Executive Director at the Coalition to Eradicate Viral Hepatitis in Asia Pacific Ltd (CEVHAP).

Lyma Nguyen B.A, LLB, GDLP, LLM
Ms Nguyen was appointed to the Board in November 2014 and is a member of the Board Governance Committee. She works as a barrister at William Forster Chambers in Darwin and has been placed on the International Criminal Court register of Counsel. Her practice involves domestic and international criminal law, refugee law, inquiries and human rights. Ms Nguyen was one of 45 Australian women lawyers nominated for "Trailblazing Women Lawyers Project" by University of Melbourne and was awarded a Churchill Fellowship in 2014 to build expertise in international criminal justice. Ms Nguyen is a Returned AVI Volunteer, having worked as an International Criminal Law Adviser with Legal Aid Cambodia from July 2010 to February 2011.

Martine Letts
Ms Letts was appointed to the AVI Board in August 2015 and is a member and current chair of the Board Governance Committee. She joined the Committee for Melbourne in March 2016 as Chief Executive Officer after serving as Chief Executive Officer of the Australia China Business Council (ACBC) where she led the development of the organisation's national strategy.

Prior to her role at the ACBC, Ms Letts was Deputy Director of the Lowy Institute for International Policy where she spearheaded the organisation's business and organisational development. As Secretary-General of the Australian Red Cross (ARC) from 2001-2004, based at its national headquarters in Melbourne, she worked on a national transformation strategy to help the ARC improve its delivery of community and relief services across Australia and globally.

From 1983 to 2000, Ms Letts was a senior Australian diplomat serving as Australian Ambassador to Argentina, Uruguay and Paraguay; Deputy Head of Mission and Australian Deputy Permanent Representative to the International Atomic Energy Agency in Vienna. She was also an adviser to Foreign Minister Evans from 1992 to 1994, and has served on the Australian National University Council from 2004-2014.

Wendy Tyrrell Assoc Dip, B.Sc, M.A.
Ms Tyrrell was appointed to the board on 27 August 2015 and Chair of the Australian Volunteer Program Consortium Group until she resigned on 16 October 2020. She is the Executive Director of Development Partner Institute and Managing Director, The Long View Consulting. Ms Tyrrell has over 20 years' experience in the resources / extractive and manufacturing sectors, working across geographies and cultures, including southern Africa, Latin America, and the Indo-Pacific. She was a Non- Executive Director at Transparency International Australia (Leading global anti-corruption NGO) between 2012 and 2017.

Brendon McNiven - Director
Brendon is an Enterprise Professor at The University of Melbourne overseeing the Master of Architectural Engineering degree in the Melbourne School of Design. Brendon is the current Chair of the Australian Volunteer Program Consortium Group. Originally trained as an engineer, Brendon brings over thirty years of industry experience to his role the majority of which was spent working with the global multidisciplinary design firm Arup. His career has included time practising in Hong Kong, London, Singapore, and Australia.
Brendon is a passionate believer in integrated sustainable design in the interests of helping achieve the UN 2030 sustainable development goals. Brendon is currently also undertaking PhD study in the field of architectural engineering examining the different thinking natures of architects and engineers in the context of improving collaboration.

Jon Marcard - Director
Jon Marcard is the Chief Financial Officer at The Royal Children's Hospital Melbourne with responsibility for the overall Finance function. Jon also has responsibility for Payroll, Procurement & Supply, Support Services and Information and Communication Technology. Jon is an AVI representative on the Australian Volunteer Program Consortium Group.
Jon has more than 25 years' financial experience across a diverse range of sectors including financial services, insurance and consulting. Jon has a Bachelor of Economics and is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors.

David Singleton AM FTSE Hon FIE Aust
Mr Singleton was appointed to the AVI Board in October 2017 and is AVI representative on the Australian Volunteer Program Consortium Group. He commenced his career as a civil engineer and planner. With more than 40 years of experience, including 5 years as Arup's CEO in Australia and 7 years as Arup's global infrastructure leader, he is now one of Australia's leading infrastructure experts.

David Singleton AM FTSE Hon FIE Aust **(CONT'D)**
Mr Singleton has been named five times as one of the 100 Most Influential Engineers in Australia and is a member of Council at Swinburne University of Technology and a Non-executive director at Standards Australia.

In his roles as Chairman of the Infrastructure Sustainability Council of Australia and Chair of Swinburne's Smart Cities Research Institute Advisory Board, Mr Singleton helps to improve the liveability, productivity & resilience of Australian communities through sustainability in infrastructure and key city shaping projects.

COMPANY SECRETARY
Brad Cole (resigned 25 February 2020)
Bruce Morrison (appointed 02 March 2020)

KEY MANAGEMENT PERSONNEL

Paul Bird, Chief Executive Officer B.Sc (Finance & Econ), M.A. (International & Community Development), CA (resigned 13 November 2020)
Paul joined AVI as CEO in May 2015. Paul has managed KPMG in West Africa, worked in Croatia and Bosnia during the conflict and the Philippines on an earthquake rehabilitation programme, before returning to Melbourne, holding leadership roles with the Brotherhood of St Laurence, Australian Red Cross Blood Service, Very Special Kids, The Body Shop, Mission Australia, World Vision and YSAS.

Melanie Gow, Chief Executive Officer (appointed 10 November 2020)

Zoe Mander - Jones, Program Director – Australian Volunteers Program

Ipsita Wright, Executive Manager – International Services (resigned 30 October 2020)

Bradley Cole – Chief Financial Officer (resigned 25 February 2020)
Bruce Morrison – Chief Financial Officer (appointed 02 March 2020)

Fiona McDonald– People and Culture Manager

DIVIDENDS

No dividends are paid, in line with the Company's Constitution and not-for-profit status.

PRINCIPAL ACTIVITIES

AVI's principal activities during 2019/20 were to:

Provide technical assistance as a contribution towards poverty reduction and sustainable development outcomes through:

- placing a wide range of skilled Australians to live and work within developing communities under local conditions according to locally identified needs; and
- implementing people-centred projects and programs in cooperation with Australian and overseas partners;
- providing specialist cross cultural recruitment and training services to Australian and international organisations and enhancing human resources practice in this area;
- providing opportunities for Australians to build on their experience of other cultures and to create and maintain links with the people of other communities; and
- contributing to a peaceful and just world by fostering cross-cultural relationships and international understanding between people and by participating in the social and economic development of communities.

There were no significant changes in the nature of these activities during the year.

REVIEW OF OPERATIONS

Project	Status
Australian Volunteers	AVI is the managing contractor for the Department of Foreign Affairs and Trade's (DFAT) Australian Volunteer program (AVP). For the financial year to 30 June 2020, AVI mobilised 349 volunteers and provided in-country management of 933 Volunteers and their dependants.
Student programs	AVI worked with a number of Australian Universities to mobilise 27 students participating in community development activities with 7 partner organisations in India, Indonesia, Cambodia, Philippines, Fiji and Vanuatu.
Humanitarian programs	AVI is a partner in Plan International's consortium with DFAT's Australian Humanitarian Partnerships program and has commenced disaster preparedness capacity building work for local agencies in the Pacific.
Shared value programs	In partnership with The Intrepid Group, AVI has established a Sustainable Tourism Hub in Myanmar under DFAT's Business Partnerships Platform program which created or grew ten women's small businesses in tourism in Yangon.
Mentors	AVI is providing skilled mentors in education and health for DFAT programs in Timor-Leste and Solomon Islands.
Pacific People	AVI established AVI Pacific People in the year as a wholly owned subsidiary of AVI, which carries out recruitment, workforce development and human resources capacity building services in the Pacific region.

Other Services	AVI is providing a range of commercial services including country-specific briefings, cross-cultural effectiveness training, recruitment and advisory services to organisations that are seeking to enhance their ability to undertake business internationally.
Cash Reserves	AVI's investment strategy is to continue to invest surplus cash in low risk investments (bank deposits).
Organisational Overheads	AVI continued to maintain tight control over the overhead costs.

The table below summarises the activity across all projects managed by AVI during 2019/20.

Program	**Funder**	**Total Assignments**	**New Deployees**
Australian Volunteers	DFAT, in-country and Australian partner organisations	933	349
Students	Universities	27	27
International Mentors and other deployees	Various	4	1
2019/20 TOTAL DEPLOYEES		**964**	**377**

2018/19 TOTAL DEPLOYEES	**1,151**	**736**

OUR STRATEGIC OBJECTIVES

AVI recognises that the most effective and sustainable change is locally owned and led. During 2019/20 AVI continues its 69 year commitment to enabling economic and social development outcomes in developing countries in Africa, Asia and the Pacific through people-to-people development.

Throughout its history, AVI's core ethos is that deployees live and work with their colleagues and so over time build the mutual respect and trust needed to be effective change agents and achieve outstanding development outcomes. It is only through these relationships with local people and organisations that outsiders are able to support change which is relevant and adapted to local context, power and opportunities.

At the same time, as a change of life experience, deployees undergo their own development with their professional skills and personal competencies.

AVI will continue to combine the organisation's extensive cross-sector networks with an evidence-based development approach, to:

- Provide the high-quality support and scale needed to drive multi-generational change that significantly improves peoples' lives and creates life-changing experiences through volunteering;
- Respond to the social and economic aspirations of communities by realizing development opportunities through mutual learning and knowledge exchange; and
- Enhance cross-cultural understanding and engage Australians to embrace new experiences that will have an ongoing positive impact both abroad and at home.

OPERATING AND FINANCIAL REVIEW

Organisational overview

During the year ended 30 June 2020, AVI has continued to meet the contractual obligations of all contracts.

OPERATING RESULTS FOR THE YEAR

AVI recorded a continuing operating deficit of $1.44m for the 2019/20 year. The underlying operating deficit was $0.86m with then a $0.58m impairment on the 160 Johnston St assets. This compared to a continuing operations net deficit of $1.54m in the 2018/19 financial year.

Analysis of Revenue

AVI revenue totalled $44.1m this financial year, a 21% increase from the previous year. Revenue can be further analysed as follows:

- Grant revenue increased by $7.5m (21%) in 2019/20, primarily associated with the growth of the DFAT's Australian Volunteer Program, of which AVI is managing contractor in a consortium with Cardno and The Whitelum Group.
- Other grants increased by $26k (10%) due to increase in AHP program
- Commercial activities revenue decreased slightly to $854k, mainly due to lower student placements due to COVID.
- Other Income includes investment revenue which increased by $91k primarily as a result of rental income from 160 Johnston Street and profit on sale of 88 Kerr Street
- Other income included $203k from the Australian government COVID support (Cashflow boost $50k and Jobkeeper $153k)

Analysis of Expenditure

Operating Expenditure in 2019/20 increased by $7.1m (19%) from previous year's expenditure. There was then an impairment of assets expense for $580k. Expenditure can be analysed as follows:

- Funds to international programs represent funds spent directly overseas, representing an increase of $6.8m from 2018/19 and accounting for 73% of the total expenditure compared to 69% in 2018/19.
- Program support costs are incurred in Australia directly supporting AVI's overseas projects through incident management, recruitment and briefing activities. These costs increased by $85k (2%) and accounted for 10% of total expenditure in 2019/20 compared to 12% in 2018/19.
- Community education costs are associated with increasing the Australian public's awareness of international volunteering for development, with a decrease of expenditure of $262k (11%).
- Accountability and administration are costs associated with maintaining the office in Australia and the organisational support costs. They include Board approved initiatives that are in line with AVI's strategic direction in supporting system improvement, new business initiatives and diversification of activities. There was an increase of $464k in 2019/20, representing 10% of expenditure which was consistent with 2018/19 and the cost category has grown proportionately with the scale up of the organisation.
- Impairment of assets of $580k is to recognise impairment of 160 Johnston Street.

INCOME TAX

No income tax is payable as the company is an income tax exempt charity.

EMPLOYEES

At 30 June 2020 AVI employed 145 employees, full time equivalent (FTE) 142.3, compared to 136 employees (FTE 133.2) as at 30 June 2019.

Employees include employees on extended leave, leave without pay and parental leave but excludes contractors engaged through agencies.

AVI'S CORPORATE GOVERNANCE STATEMENT

AVI is a registered charity and not-for-profit Australian company limited by guarantee, which is endorsed by the Australian Taxation Office as an income tax exempt charity and deductible gift recipient.

AVI is also a signatory to the ACFID Code of Conduct and is committed to meeting all the Code's requirements. AVI's Constitution sets the purpose of the organisation and its governance arrangements.

President

A Company President may be appointed by the Board to preside over the Annual General Meeting and represent the organisation in such a manner as the Board and President agree. The President is not (unless otherwise admitted) a member of the company and does not have the right to vote at a General Meeting. The current President is Ms Sam Mostyn.

Board Structure

The Board currently comprises nine appointed Directors, with provisions allowing for a maximum of ten appointed Directors. At least one third, but not more than two thirds, of the Directors on the Board are required to be Returned Volunteers. The Board seeks an appropriate diversity and mix of skills in order to fulfil its governance responsibilities and advance the strategic interests of the organisation.

Board Role and Responsibilities

The first responsibility of the Board is its duty of care to the organisation. The Board also has a primary concern for the interests and aspirations of the organisation's stakeholders, including: members, volunteers (past, current and prospective), partner organisations in Australia and overseas, staff, supporters and funders.

The Board is responsible for setting the ethical framework and defining and nurturing the organisation's fundamental values. Board members must abide by the Code of Ethics and Proper Practice Policy which is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

The Board fulfils its role by:

- Appointing and delegating the organisation's operational management to the Chief Executive Officer.
- Setting the strategic directions and policies for the organisation.
- Approving and monitoring progress against the strategic plan and annual budget.
- Monitoring the overall performance of AVI and ensuring that the organisation meets all its compliance obligations.
- Setting the organisation's risk appetite and ensuring robust risk management.
- Acting as an advocate for AVI, as appropriate.

Board Committees

The Board establishes committees to facilitate the practical work of its governance role and responsibilities. Committees typically comprise Directors plus independent members who extend and complement the Board's skills, while also providing a measure of external objectivity. Board committees are also supported by the advice and work of AVI employees, as required. The following committees were in operation during 2019/20:

i) Finance, Audit and Risk Management (FARM) Committee;
ii) Governance Committee;
iii) Quality and Safety Committee;

Board Performance and Professional Development

The Board undergoes an annual performance assessment to ensure it is meeting its own performance expectations and those of the organisation's stakeholders. This assessment is complemented by regular attention to Directors' professional development requirements in order that an appropriately skilled Board will be able to perform as required and expected. All new Directors receive an induction manual and undergo a formal induction process, which includes face-to-face meetings with Executives and other employees.

Board Remuneration

All Directors serve on the Board in a voluntary capacity and do not receive any form of remuneration. They can be reimbursed for reasonable expenses directly related to Board activities such as travel and meal expenses.

Conflicts of Interest

The Board Charter and Governance Policies commit Directors to ethical conduct in all areas of their responsibilities and authority and also place great importance on making clear any existing or potential conflicts of interest. The Board's Conflicts of Interest Policy provides clear guidelines in relation to conflicts of interest. At the operational level, the AVI Staff Code of Conduct commits employees to disclose, and take reasonable steps to avoid, any real or apparent conflict of interest.

Risk Management

AVI takes a proactive approach to risk management. The Board has a role to characterise risks and ensure that strategies to minimise or mitigate these are put in place and implemented. To enable this, AVI has a well-established Finance, Audit and Risk Management (FARM) Committee consisting of Directors and independent members with responsibility for overseeing the identification and management of the risk issues facing the organisation.

Members' Guarantee

Pursuant to the Constitution of AVI every Ordinary Member has undertaken that during their membership or within one year afterwards, they shall, in the event of deficiency or winding up, contribute an amount not exceeding $20. AVI currently has nine Ordinary Members, being all of the Directors of the Board. Life Members, Associates or Patrons of AVI are not considered to be Ordinary Members.

ENVIRONMENTAL REGULATION AND PERFORMANCE

AVI is a stakeholder in the global community and, as a good corporate citizen, it gives proper consideration to the care of, and minimises adverse environmental impacts on, native flora, fauna and community heritage that come under its responsibility.

AVI has not knowingly breached any Regulation in the jurisdictions within which it operates.

DIVERSITY & GENDER

AVI recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, ethnicity and experience. AVI believes its diverse workforce is the key to its continued growth, improved productivity and performance. AVI actively value and embrace the diversity of our employees and are committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. AVI has an Equal Opportunity/Diversity Management Policy which sets out the roles and responsibilities of AVI employees.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Insurance and indemnity arrangements established in the previous years concerning Board Members and staff were covered by the Directors and Officers Liability Policy.

An indemnity agreement has been entered into between AVI and each Board Member of the company, and with the full-time Chief Executive Officer and Key Management Personnel. Under the agreement, AVI indemnifies those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities.

For 2019/20, AVI paid an insurance premium of $6,651 in respect of a contract insuring each Board Member and the full-time Chief Executive Officer and Key Management Personnel of AVI against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

EVENTS AFTER THE REPORTING PERIOD

The Group evaluated the impact of COVID-19 and the Directors are of the view that the Group has solid business continuity procedures in place and is addressing health and safety risks whilst continuing to service its volunteers and partnering organisations. The Group's operations continues to be disrupted post year end with the ability to send out volunteers very limited at the time of this report. We have greatly increased the remote volunteering option. Our student placement programs have also partly moved to a virtual program. However there has been no material financial impact to the net deficit of the current financial year which has had the effect on the organisation as a whole.

The Group recognises that there is uncertainty over the future impact to revenue and expenditure and potential asset values but these cannot be reliably estimated at the present and are not currently expected to impact the ability of the Group to continue as a going concern.

The Group continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Group's go forward consolidated results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Group's subsequent financial year.

Other than as disclosed above, there has not risen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group, in future financial years.

BOARD MEETINGS

During 2019/20, there were six Board meetings and sixteen Committee meetings. The attendances at these meetings were:

	Board		Finance and Risk Management (FARM) Committee		Governance Committee		Quality & Safety Committee	
Member	**Max no possible**	**Attended**	**Max no possible**	**Attended**	**Max no possible**	**Attended**	**Max no possible**	**Attended**
K Townsend	6	6	6	5	4	2		
P Wilkins	6	6	6	6	4	4	4	3
D Tillotson	6	5	6	6				
L Nguyen	6	5			2	2	3	3
W Tyrrell	6	6						
M Letts	6	6			4	4		
D Singleton	2	1						
J Johnston	6	6					4	4
A Dempster	3	3			1	1		
J Marcard	2	2	6	6				
B McNiven	2	2						

Independent advisers acting on the committees of the Board during the year were:

H Lindsay					1	1		

Kathy Townsend is invited ex-officio to all Board Committee's

Consolidated Statement of Surplus or Deficit and Other Comprehensive Income

For the year ended 30 June 2020	Notes	2020 $	2019 * $
CONTINUING OPERATIONS			
REVENUE			
Donations and gifts - monetary	**4.1**	32,003	44,525
Grants:			
- DFAT		42,666,202	35,194,634
- Other Australian		100,000	164,451
- Other Overseas		201,284	111,547
Commercial Activities Income		853,652	879,608
Other income	**4.2**	304,966	37,522
TOTAL REVENUE AND OTHER INCOME	**4**	**44,158,107**	**36,432,287**
EXPENDITURE			
International aid and development program expenditure	**5.1**		
International Programs:			
- Funds to international programs		(32,995,701)	(26,179,195)
- Program support costs		(4,744,105)	(4,658,610)
Community education		(2,064,826)	(2,326,890)
Accountability and administration		(4,657,977)	(4,194,031)
TOTAL International aid and development program expenditure		**(44,462,609)**	**(37,358,726)**
Commercial Activities Expenditure		(440,790)	(402,011)
Impairment loss on trade receivables and contract assets		(11,275)	-
Impairment loss on property, plant and equipment	**11(a)**	(580,000)	-
TOTAL OPERATING EXPENDITURE	**5**	**(45,494,674)**	**(37,760,737)**
RESULTS FROM OPERATING ACTIVITIES		**(1,336,567)**	**(1,328,450)**
Finance income		651	15,204
Finance costs		(103,533)	(221,775)
Net finance costs	**5.3**	(102,882)	(206,571)
CONTINUING OPERATIONS DEFICIT FOR THE YEAR		**(1,439,449)**	**(1,535,021)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to surplus of deficit		-	-
Items that will be reclassified to surplus or deficit when specific conditions are met		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,439,449)**	**(1,535,021)**

* The Group has initially applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases* at 1 July 2019. Under the transition methods chosen, comparative information has not been restated.

The above Consolidated Statement of Surplus or Deficit and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2020	Notes	2020 $	2019* $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**6**	5,541,821	2,912,545
Trade and other receivables	**7**	150,841	560,496
Contract assets	**8(a)**	1,159,852	-
Prepayments	**9**	873,139	5,485,493
Assets classified as held for sale	**10**	-	7,224,063
Other current assets		231,433	69,758
TOTAL CURRENT ASSETS		**7,957,086**	**16,252,355**
NON-CURRENT ASSETS			
Property, plant and equipment - owned	**11(a)**	6,957,462	5,440,624
Property, plant and equipment - right-of-use assets	**11(b)**	603,586	-
Intangible assets	**12**	1,917,635	2,044,237
TOTAL NON-CURRENT ASSETS		**9,478,683**	**7,484,861**
TOTAL ASSETS		**17,435,769**	**23,737,216**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**13**	552,099	1,284,196
Net GST/VAT payables		194,109	556,434
Contract liabilities	**8(b)**	2,307,169	4,507,747
Borrowings		-	1,995,004
Lease liabilities	**14**	367,224	-
Provisions	**16**	504,648	746,136
TOTAL CURRENT LIABILITIES		**3,925,249**	**9,089,517**
NON-CURRENT LIABILITIES			
Lease liabilities	**14**	242,649	-
Provisions	**16**	166,838	107,217
TOTAL NON-CURRENT LIABILITIES		**409,487**	**107,217**
TOTAL LIABILITIES		**4,334,736**	**9,196,734**
NET ASSETS		**13,101,033**	**14,540,482**
EQUITY			
Revaluation reserves		-	6,094,690
Retained surplus		13,101,033	8,445,792
TOTAL EQUITY		**13,101,033**	**14,540,482**

* The Group has initially applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases* at 1 July 2019. Under the transition methods chosen, comparative information has not been restated.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020	Notes	Retained surplus $	Revaluation reserve $	Total equity $
Balance at 1 July 2018		**9,980,813**	**6,094,690**	**16,075,503**
Total comprehensive income for the year				
Deficit for the year		(1,535,021)	-	(1,535,021)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**(1,535,021)**	**-**	**(1,535,021)**
Balance at 30 June 2019		**8,445,792**	**6,094,690**	**14,540,482**
Balance at 1 July 2019*		**8,445,792**	**6,094,690**	**14,540,482**
Total comprehensive income for the year				
Deficit for the year		(1,439,449)	-	(1,439,449)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**(1,439,449)**	**-**	**(1,439,449)**
Transactions with members, recorded directly in equity				
Transfer of Revaluation reserve to Retained surplus upon disposal of the property		6,094,690	(6,094,690)	-
Balance at 30 June 2020		**13,101,033**	**-**	**13,101,033**

* The Group has initially applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases* at 1 July 2019. Under the transition methods chosen, comparative information has not been restated.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2020	Note	2020 $	2019* $
OPERATING ACTIVITIES			
Government grants and other income		45,426,692	37,651,832
Payments to participants and suppliers		(34,536,931)	(29,171,106)
Payments to employees		(9,805,977)	(8,507,862)
Net Cash Flows from / (used) Operating Activities		**1,083,784**	**(27,136)**
INVESTING ACTIVITIES			
Interest received		651	15,204
Sale of property, plant and equipment		6,534,000	-
Purchase of property, plant and equipment and intangible assets		(2,474,359)	(5,897,692)
Net Cash Flows from / (used) Investing Activities		**4,060,292**	**(5,882,488)**
FINANCING ACTIVITIES			
Drawdown of borrowings		-	1,995,004
Repayment of borrowings		(1,995,004)	
Payments of lease liabilities	**15.3**	(519,796)	-
Net Cash Flows (used) / from Financing Activities		**(2,514,800)**	**1,995,004**
Net increase / (decrease) in cash and cash equivalents		2,629,276	(3,914,620)
Opening cash and cash equivalents		2,912,545	6,827,165
Cash and cash equivalents at the end of the financial year	**6**	**5,541,821**	**2,912,545**

* The Group has initially applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases* at 1 July 2019. Under the transition methods chosen, comparative information has not been restated.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2020

1. CORPORATE INFORMATION

The consolidated financial report of Australian Volunteers International (AVI) and its subsidiary (collectively, the Group) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 4 December 2020.

Australian Volunteers International is a company limited by guarantee incorporated in Australia. In August 2018, AVI established a wholly owned subsidiary, AVI Pacific People a company limited by guarantee incorporated in Australia. This report presents the consolidated account of these two entities of which AVI is the parent entity.

The nature of the operations and principal activities of the organisation are described in the Report to the Board.

AVI is endorsed as a Deductible Gift Recipient (DGR).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation

In the opinion of the Directors AVI is not publicly accountable.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

This is the first set of the Group's annual financial statements in which AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases* have been applied. Under the transition method chosen, comparative information has not been restated. The 2019/20 results are therefore not directly comparable to prior years. Changes to significant accounting policies are described in Note 2.3.

Where an accounting policy is specific to one note, the policy is included in the note to which it relates.

The financial report has also been prepared on a historical cost (which is based on the fair value of the consideration given in exchange for assets), except for land and buildings and any equity instruments, which have been measured at fair value.

The financial report is presented in Australian dollars ($), which is the Group's functional and presentation currency, and all values are rounded to the nearest dollar. The financial statements provide comparative information in respect of the previous period.

2.2. Statement of Compliance

AVI has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 July 2013. As adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The Company is a registered member with the Australian Council for International Development (ACFID) and the financial statements are prepared in accordance with Australian Accounting Standards. For further information on the code, please refer to the ACFID Code of Conduct Implementation Guide available at **www.acfid.asn.au.**

2.3. Changes in Accounting Policies

The Group has initially applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases* from 1 July 2019. A number of other new standards are also effective from 1 July 2019 but they do not have a material effect on the Group's consolidated financial statements.

The Group has applied AASB 15 and AASB 1058 using the modified retrospective approach. Accordingly, the comparative information presented for 30 June 2019 is not restated - i.e. it is presented, as previously reported, under AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 111 *Construction Contracts* and related interpretations.

(a) AASB 15 *Revenue from Contracts with Customers and* AASB 1058 *Income for Not-for-Profit Entities*

The Group initially applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-Profit Entities* from 1 July 2019.

The key changes to Group's accounting policies and the impact on the financial report from applying AASB 15 and AASB 1058 are described below. The Group has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated and continues to be reported under AASB 118 *Revenue*, AASB 1004 *Contributions* and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained surplus at 1 July 2019. The following practical expedients have been applied on transition to AASB 15 and AASB 1058:

For contracts modified prior to 1 July 2019, the Group has elected not to restate the contract for the modifications and has instead reflected the aggregate effect of all the modifications that occur before the transition date on 1 July 2019.

The following changes to accounting policy occurred for AVI on adoption of AASB 15 and AASB 1058. Costs incurred in fulfilling customer contracts prior to adopting AASB 15 the Group recognised direct costs associated with fulfilling customer contracts, as expenses when incurred as they did not qualify for recognition as assets under any other accounting standards. Under AASB 15, as these costs relate directly to the contracts, generate resources used in satisfying the contracts and are expected to be recovered, they are capitalised as "costs to fulfil a contract" asset and released through profit and loss on the same basis as the revenue is recognised. This includes costs to set up a program, employ relevant staff, prepare educational material and information portals.

Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer. Management has reviewed the grant contracts received, the majority falls into AASB 15 which has resulted in deferral of revenue in many cases.

2.3. Changes in Accounting Policies (CONT'D)

(a) AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-Profit Entities* (CONT'D)

AVI has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. 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
5. Recognise revenue

All of the Group's grants are assessed against AASB 15 to determine whether revenue recognition should be deferred and recognised as it is earned. Where AASB 15 does not apply, revenue is recognised under AASB 1058.

AASB 1058 established principles for not-for-profit entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and to volunteer services received. Any revenue not captured by AASB 15 was accounted for under AASB 1058.

There was no material impact of transition to AASB 15 and AASB 1058 on retained surplus at 1 July 2019.

(b) AASB 16 *Leases*

The Group has adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained surplus at 1 July 2019. Accordingly, the comparative information presented for 30 June 2019 is not restated - i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

(i) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.4(h).

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and AASB Interpretation 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

2.3. Changes in Accounting Policies (CONT'D)

(b) AASB 16 *Leases* (CONT'D*)*

(ii) As a lessee

As a lessee, the Group leases assets including properties, IT equipment and a motor vehicle. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases - i.e. these leases are on consolidated statement of financial position.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

Leases classified as operating leases under AASB 117

Previously, the Group classified property lease as operating lease under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019 (see below). Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117. In particular, the Group:

- did not to recognise right-of-use assets and liabilities for leases with the lease term ends within 12 months of the date of initial application;
- did not to recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment below AUD7,500);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(iii) Impact on financial statements

On transition to AASB 16, the Group recognised additional right-of-use assets and lease liabilities. The impact on transition is summarised below.

	1 July 2019
	$
Increase in property, plant and equipment - right-of-use assets	936,402
Increase in lease liabilities	(936,402)

2.3. Changes in Accounting Policies (CONT'D)

(b) AASB 16 *Leases* (CONT'D*)*

(iii) Impact on financial statements (CONT'D)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 4.36%.

	1 July 2019
	$
Operating lease commitment at 30 June 2019 as disclosed under AASB 117 in the Group's consolidated financial statements	**599,831**
Operating lease commitment at 30 June 2019 discounted using the incremental borrowing rate at 1 July 2019	590,473
Add: Extension options reasonably certain to be exercised	345,930
Lease liabilities recognised at 1 July 2019	**936,402**

2.4. Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2020. Control is achieved when the Group has the majority of voting rights of the entity. Assets, liabilities, income and expenses of a subsidiary acquitted or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.4. Significant Accounting Policies (CONT'D)

(b) Current versus non-current classification

AVI presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in AVI's normal operating cycle.
- Expected to be realised within twelve months after the reporting period.
- Cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

AVI classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in AVI's normal operating cycle.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlements of the liability for at least twelve months after the reporting period.

AVI classifies all other liabilities as non-current.

(c) Foreign Currency Translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Transactions in foreign currencies are initially recorded in the functional currency spot rates at the date the transaction first qualifies for recognition.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of surplus or deficit and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(d) Revenue Recognition

The Group has initially applied AASB 15 and AASB 1058 from 1 July 2019.

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider.

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 whether 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 Group have any significant financing terms as there is less than 12 months between receipts of funds and satisfaction of performance obligations.

2.4. Significant Accounting Policies (CONT'D)

(d) Revenue Recognition (CONT'D)

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Group at significantly below its fair value.

When assets are received from an appeal, donation, fundraising event or bequest, the Group recognises an asset and corresponding revenue is recognised when the Group gains control of such assets and the value of the asset can be reliably measured.

All income derived by AVI over the reporting period was through a contractual nature with customers, aside from Donation, Investment and Other Income. Additionally, no assets were provided to AVI at a value significantly less than the fair value – as such, this element of the standard would have no impact on the consolidated financial statements.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Nature and timing of satisfaction of performance obligations, including significant payment terms	**Nature and timing of satisfaction of performance obligations**	
	Revenue recognition under AASB 15 and AASB 1058 (applicable from 1 July 2019)	**Revenue recognition under AASB 118 and AASB 1004 (applicable before 1 July 2019)**
Government Grants Income The Group's government grant agreements are enforceable contracts with specific outcome and performance obligations. Invoices are usually payable within 30 days.	Revenue is recognised over time in proportion to the stage of completion of the transaction as at the reporting date and in connection to costs incurred. The remaining amount is recognised as either a contract asset or a contract liability.	Revenue is recognised over time in proportion to the stage of completion of the transaction as at the reporting date and in connection to costs incurred. The remaining amount is recognised as deferred revenue.
Commercial Activities Income Income which is received with associated performance obligations.	Revenue from the recruitment and placement of volunteers is recognised over time in line with the contractual terms of the assignment. Where funds are received in advance of expenditure on contracts, revenue from such contracts is recognised by reference to the stage of completion of a contract. Stage of completion is measured by reference to contractual terms of the assignment.	Revenue from the recruitment and placement of volunteers is recognised in line with the contractual terms of the assignment. Where funds are received in advance of expenditure on contracts, revenue from such contracts is recognised by reference to the stage of completion of a contract. Stage of completion is measured by reference to contractual terms of the assignment.

2.4. Significant Accounting Policies (CONT'D)

(d) Revenue Recognition (CONT'D)

Nature and timing of satisfaction of performance obligations, including significant payment terms	Nature and timing of satisfaction of performance obligations	
	Revenue recognition under AASB 15 and AASB 1058 (applicable from 1 July 2019)	**Revenue recognition under AASB 118 and AASB 1004 (applicable before 1 July 2019)**
Rental Income Rental income with associated contractual arrangements.	Revenue is recognised over time when services are provided.	Revenue is recognised over time when services are provided.
Donations and gifts - monetary The Group receives both with and without associated performance obligations.	Income from donations, legacies and bequests are recognised at the point in time as revenue when the entity gains control of the asset, except where the funds are tied to particular programs to be delivered in the future. AVI undertakes all fundraising activities internally and does not engage the services of third party fundraising organisations.	Income from donations, legacies and bequests are recognised as revenue when the entity gains control of the asset, except where the funds are tied to particular programs to be delivered in the future. AVI undertakes all fundraising activities internally and does not engage the services of third party fundraising organisations.
Other income Other income which is received with associated performance obligations.	Income is recognised at the point in time when services are provided.	Income is recognised at the point in time when services are provided.
Other income Other income which is received without associated performance obligations.	Income is recognised at the point in time upon receipt.	Income is recognised at the point in time upon receipt.

Contract balances (contract assets or liabilities)

Specified funding is recognised initially as contract liabilities when there is reasonable assurance that it will be received and that the Company will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in statement of surplus or deficit on a systematic basis in the same periods in which the expenses are recognised.

(e) Finance income and finance costs

Finance income comprises interest income on cash and cash equivalents. Interest income is recognised as it accrues in the statement of surplus or deficit and other comprehensive income, using the effective interest method. Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets (other than trade receivables). This also includes foreign currency gain or loss on financial assets and financial liabilities.

2.4. Significant Accounting Policies (CONT'D)

(f) Income and other taxes

No income tax is payable as AVI is an income tax exempt charity.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. The only exception to this is for PNG supplies which are recorded at GST exclusive amount with corresponding debit going to a PNG GST receivable.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

(g) Property, plant and equipment

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Other plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment donated to the Group or acquired for significantly below market value are recognised at fair value at the date the Group obtains control of the assets.

Fair value of land and buildings are confirmed by independent valuations that are obtained with sufficient regularity (every two years) and a Director's valuation in the intervening years to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date.

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the statement of surplus or deficit and other comprehensive income, in which case it is credited to that statement. When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of surplus or deficit and other comprehensive income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Depreciation

Items of property, plant and equipment (other than freehold land) are depreciated over their useful lives to the company, commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets as follows:

Owned:	**Right-of-use assets:**
Buildings and Building Improvements - 7%	Buildings - over lease term of 1 to 5 years
Computer Equipment - 33%	IT equipment - over lease term of 4 years
Office Equipment - 15%	Motor vehicles - over lease term of 1 year
Furniture and Fittings - 10-15%	
Motor Vehicles - 22.5%	
Land - not depreciated	

2.4. Significant Accounting Policies (CONT'D)

(g) Property, plant and equipment (CONT'D)

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when the item is no longer used in the operations of the company. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the result for the year when the asset is derecognised.

(h) Leases

The Group has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and AASB interpretation 4.

Policy applicable from 1 July 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Group uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 Jul 2019.

- **As a lessee**

At commencement or on modification of a contract that contains a lease component, AVI allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

AVI recognises a right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to AVI by the end of the lease term or the cost of the right-of-use asset reflects that AVI will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and AVI's incremental borrowing rate. Generally, AVI uses its incremental borrowing rate as the discount rate.

AVI determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

2.4. Significant Accounting Policies (CONT'D)

(h) Leases (CONT'D)

Policy applicable from 1 July 2019 (CONT'D)

- **As a lessee (CONT'D)**

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amount expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that AVI is reasonably certain to exercise, lease payments in an optional renewal period if AVI is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless AVI is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in AVI's estimate of the amount expected to be payable under a residual value guarantee, if AVI changes its assessment of whether it will exercise a purchase, extension or termination option or it there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the right-use-asset has been reduced to zero.

AVI presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

AVI presents has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. AVI recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, AVI allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

- **As a lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2.4. Significant Accounting Policies (CONT'D)

(h) Leases (CONT'D)

Policy applicable from 1 July 2019 (CONT'D)

- **As a lessor (CONT'D)**

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease (see Note 2.4(k)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from AASB 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 1 July 2019
For contracts entered into before 1 July 2019, AVI determined whether the arrangement was or contained a lease based on the assessment of whether;

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
    - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output; or
    - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
    - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

- **As a lessee**

In the comparative period, AVI classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lease was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy to that asset.

Assets held under other leases were classified as operating leases and were not recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

2.4. Significant Accounting Policies (CONT'D)

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and the related expenditure is reflected in the statement of surplus or deficit and other comprehensive income in the period in which the expenditure is incurred. Intangible assets with finite lives are amortised over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

The Group has capitalised software development costs since 2017 and amortised it over the economic useful life of 10 years or up to 30 June 2027 to align with the term of a government grant service period.

Gains and losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is de-recognised.

(j) Financial instruments

Financial instruments accounting policies

Financial instruments are recognised initially on the date that the AVI becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs except for financial assets through profit or loss ("FVTPL"). A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

AVI's financial assets include cash and short-term deposits, trade and other receivables (including contract assets), and current assets. All recognised financial assets are subsequently measured in their entirety at either amortised costs or fair value, depending on the classification of the financial assets.

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through profit and loss ("FVTPL")

Financial assets are not reclassified subsequent to their initial recognition unless The Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

2.4. Significant Accounting Policies (CONT'D)

(j) Financial instruments (CONT'D)

Classification and subsequent measurement (CONT'D)

Financial assets (CONT'D)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, AVI considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, AVI considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit AVI's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses are recognised in profit or loss any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.4. Significant Accounting Policies (CONT'D)

(j) Financial instruments (CONT'D)

Classification and subsequent measurement (CONT'D)

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

AVI derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which AVI neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

AVI enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

AVI derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. AVI also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of surplus or deficit and other comprehensive income.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, AVI currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.4. Significant Accounting Policies (CONT'D)

(k) Impairment

Non-derivative financial assets

Financial instruments and contracts assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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 Group' historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset**.**

AVI has used the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. AVI has determined the probability of non-payment of the receivable and contract asset 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 the result for the year. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

2.4. Significant Accounting Policies (CONT'D)

(k) Impairment (CONT'D)

Non-derivative financial assets (CONT'D)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

Impairment indicators over property, plant and equipment, right-of-use assets and intangible assets are considered at each reporting date. If indicators exist, then the recoverable amount of the relevant asset / cash-generating unit is determined. The recoverable amount of these assets is the higher of fair value less costs of disposal and value in use.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, right-of-use assets and intangible assets, impairment losses are recognised in the statement of surplus or deficit and other comprehensive income. Impairment losses on land and buildings are treated as a revaluation decrement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.4. Significant Accounting Policies (CONT'D)

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

(m) Assets classified as held for sales

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale is regarded as met only when the sale is highly probable, and the asset is available for immediate sale. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made. Management must be committed to the sale within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale or distribution. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

(n) Provisions

Provisions are recognised when AVI has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When AVI expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

(o) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of surplus or deficit and other comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Long service and annual leave

AVI recognises a liability for long service leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimate future cash outflows.

2.4 Significant Accounting Policies (CONT'D)

(o) Employee benefits (CONT'D)

Redundancy

AVI recognises a liability for redundancy payments only when a detailed plan identifies the area of the organisation to be affected. The provision is based on a detailed estimate of the costs based on the employees affected.

(p) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020, and have not been applied in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's financial statements:

- Amendments to References to Conceptual Framework in AASB Standards
- Definition of a Business (Amendments to AASB 3)
- Definition of Material (Amendment to AASB 101 and AASB 108)
- AASB 17 Insurance Contracts

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of AVI's financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. Specific accounting judgements and estimates are discussed in the relevant note.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. AVI based its assumptions and estimate on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of AVI. Such changes are reflected in the assumptions when they occur.

i) Revaluation of property, plant and equipment

AVI measures land and buildings at fair value with changes in fair value being recognised in the Revaluation Reserve. Land and buildings were revalued in line with the executed contract of sale less selling costs before being transferred to Assets classified as held for sale. The AVI constitution requires revaluation bi-annually.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

Estimates and assumptions (CONT'D)

ii) Impairment of non-financial assets other than indefinite life intangibles.

AVI assess impairment of all assets at each reporting date by evaluating conditions specific to AVI and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined.

iii) Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. A degree of judgement is required in establishing fair value. Judgement includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv) Right-of-use assets and lease liabilities

The Group has entered into leases of premises, IT equipment and motor vehicles as disclosed in Note 15. Management has applied reasonably certain lease terms in the lease calculation

v) Development costs

Development software costs are capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 30 June 2020, the carrying amount of capitalised developments costs was $1,917,635 (2019: $2,044,237).

4. TOTAL REVENUE AND OTHER INCOME

	Notes	2020 $	2019 $
(a) Revenue under AASB 15 *Revenue from Contracts with Customers*			
Grants:			
- DFAT		42,666,202	35,194,634
- Other Australian		100,000	164,451
- Other Overseas		201,284	111,547
Commercial Activities Income		853,652	879,608
Rental income	4.2	55,481	-
Gain on disposal of property, plant and equipment	4.2	35,937	-
Others	4.2	10,548	37,522
		43,923,104	**36,387,762**
(b) Revenue under AASB 1058 Income for Not-for-Profit Entities			
Other income: COVID-19 Supports, including JobKeeper Payment and ATO cash flow boost	4.2	203,000	-
Donations and gifts - monetary	4.1	32,003	44,525
		235,003	**44,525**
Total Revenue and Other Income		**44,158,107**	**36,432,287**

4.1 DONATIONS AND GIFTS - MONETARY

Total donations and gifts - monetary received during 2019/20 were $49,257, of which $17,254 was not recognised in 2019/20 and carried forward to 2020/21 as it was a tied donation.

4.2 OTHER INCOME

	2020 $	2019 $
COVID-19 Supports, including JobKeeper Payment and ATO cash flow boost	203,000	-
Rental income	55,481	-
Net gain on disposal of property, plant and equipment	35,937	-
Others	10,548	37,522
Total Other Income	**304,966**	**37,522**

5. TOTAL OPERATING EXPENDITURE

International Programs - Program support costs, Accountability and administration and Commercial Activities Expenditure is reclassified in the comparative FY19/20 to ensure they are aligned with classification for the current period.

5. TOTAL OPERATING EXPENDITURE (CONT'D)

5.1 INTERNATIONAL AID AND DEVELOPMENT PROGRAMS EXPENDITURE

International programs have been separated into "Funds to International Programs" and "Program Support Costs".

5.2 OTHER OPERATING EXPENSES INCLUDED IN THE TOTAL OPERATING EXPENDITURE

	2020 $	2019 $
Audit fees and other services	63,291	58,480
Lease expense (rental)	-	434,525
Impairment loss on trade receivables and contract assets	11,275	-
Written off of plant and equipment	15,691	-
Depreciation of property, plant and equipment:		
- owned	199,334	178,773
- right-of-use assets	500,818	-
Amortisation of intangible assets	289,098	250,355
Employee expenses		
- wages and salaries, excluding superannuation	8,894,504	7,961,127
- superannuation	732,606	649,083

5.3 NET FINANCE COSTS

	2020 $	2019 $
Finance income		
- Interest income	651	15,204
Finance costs		
- Foreign currency exchange loss, net	(78,268)	(221,775)
- Interest expense on lease liabilities	(25,265)	-
Total Finance Costs	(103,533)	(221,775)
Total Net Finance Costs	**(102,882)**	**(206,571)**

6. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank and in hand	5,541,821	2,912,545
Total Cash and Cash Equivalents	**5,541,821**	**2,912,545**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of AVI, and earn interest at the respective short-term deposit rates.

Bank overdrafts and credit card facilities

At 30 June 2020, AVI had $950k of overdraft and $500k of business credit card facilities. They are secured by a charge over freehold land and buildings in Note 11.

7. TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Trade and sundry receivables	150,841	560,496
Total Trade and Other Receivables	**150,841**	**560,496**

Trade receivables are non-interest bearing and generally on 30 day terms. AVI does not have credit insurance. Trade and other receivables include $nil (2019: $290k) of services rendered to Australian Volunteers Program Management fees yet to be paid by DFAT. At 30 June 2020, management fees receivable from DFAT of $423k is classified as contract assets in accordance with AASB 15.

8. CONTRACT ASSETS / LIABILITIES

(a) Contract assets

	2020 $	2019 $
Grants Received in Arrear		
Australian Volunteers Program - DFAT Funded Projects	1,159,852	-
Total Grants Received in Arrear / Contract Assets	**1,159,852**	**-**

Australian Volunteers Program - DFAT Funded Projects was under contract liabilities in FY2019.

(b) Contract liabilities

	2020 $	2019 $
Grants Received in Advance		
Solomon Island Graduate Internship (Enhanced)	732,993	1,332,733
Child Protection and Safe Volunteering Hub	1,404,724	1,763,805
Australian Humanitarian Partnership	125,731	217,361
Australian Volunteers Program - DFAT Funded Projects	-	967,335
Other DFAT Funded Projects	-	24,466
Total Grants Received in Advance	**2,263,448**	**4,305,700**
Income Received in Advance		
Macquarie Participation and Community Engagement	(28,465)	86,640
Myanmar Business Platform Partnership	2,096	42,257
Melbourne University Community Volunteering	684	26,747
In-Country Communication Officer Network	5,266	-
Others	4,500	4,017
Tied donations	59,640	42,386
Total Income Received in Advance	**43,721**	**202,047**
Total Contract Liabilities	**2,307,169**	**4,507,747**

Where funds are received in advance of expenditure on contracts, the surplus or deficit reflects income based on the contractual terms and in accordance with AASB 15 or AASB 1058 where applicable. Further information is provided on this policy in Note 2.4(d).

9. PREPAYMENTS

	2020 $	2019 $
Volunteer allowances and bonds	105,549	1,392,519
Insurance premiums	21,973	2,790,047
Other prepayments	745,617	1,302,927
Total Prepayments	**873,139**	**5,485,493**

10. ASSETS CLASSIFIED AS HELD FOR SALE

	2020 $	2019 $
Freehold land and building	-	7,224,063
Total Assets Classified as Held for Sale	**-**	**7,224,063**

The Company entered into a contract of sale for the property 88 Kerr Street, Fitzroy, VIC 3065 in May 2018 at the value of $7.2 million. As such the freehold land and building has been classified as held for sale as at 30 June 2019. The property was settled in November 2019. A deposit was received in June 2018 of $726k and was recognised in trade and other payables as at 30 June 2019. The remaining proceeds of $6.534 million was received during 2019/20.

11. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount of property, plant and equipment - owned

	Land At fair value $	Buildings At fair value $	Building Improvements At cost $	Office Equipment At cost $	Furniture and Fittings At cost $	Motor Vehicles At cost $	Computer Hardware At cost $	Total $
At Cost / Fair value								
Year ended 30 June 2019								
Balance at 1 July 2018	**-**	**-**	**391,764**	**141,955**	**137,005**	**56,245**	**695,609**	**1,422,578**
Additions	5,050,000	-	52,484	-	9,142	-	81,883	5,193,509
Disposals	-	-	-	(8,429)	-	(17,240)	(33,677)	(59,346)
Balance at 30 June 2019	**5,050,000**	**-**	**444,248**	**133,526**	**146,147**	**39,005**	**743,815**	**6,556,741**
Year ended 30 June 2020								
Balance at 1 July 2019	**5,050,000**	**-**	**444,248**	**133,526**	**146,147**	**39,005**	**743,815**	**6,556,741**
Additions	-	1,827,665	-	-	385,047	-	99,151	2,311,863
Reclassification between land, buildings and building improvements	(150,000)	181,335	(31,335)	-	-	-	-	-
Written off	-	-	-	-	(39,902)	-	-	(39,902)
Balance at 30 June 2020	**4,900,000**	**2,009,000**	**412,913**	**133,526**	**491,292**	**39,005**	**842,966**	**8,828,702**

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Reconciliation of carrying amount of property, plant and equipment - owned (CONT'D)

	Land At fair value $	Buildings At fair value $	Building Improvements At cost $	Office Equipment At cost $	Furniture and Fittings At cost $	Motor Vehicles At cost $	Computer Hardware At cost $	Total $
Accumulated depreciation and impairment loss								
Year ended 30 June 2019								
Balance at 1 July 2018	**-**	**-**	**248,266**	**84,678**	**85,446**	**53,967**	**524,333**	**996,690**
Depreciation for the year	-	-	80,960	13,372	10,661	2,278	71,502	178,773
Disposals	-	-	-	(8,429)	-	(17,240)	(33,677)	(59,346)
Balance at 30 June 2019	**-**	**-**	**329,226**	**89,621**	**96,107**	**39,005**	**562,158**	**1,116,117**
Year ended 30 June 2020								
Balance at 1 July 2019	**-**	**-**	**329,226**	**89,621**	**96,107**	**39,005**	**562,158**	**1,116,117**
Depreciation for the year	-	9,000	67,889	12,252	11,415	-	98,778	199,334
Written off	-	-	-	-	(24,211)	-	-	(24,211)
Impairment loss resulting from change in fair value	580,000	-	-	-	-	-	-	580,000
Balance at 30 June 2020	**580,000**	**9,000**	**397,115**	**101,873**	**83,311**	**39,005**	**660,936**	**1,871,240**
Carrying amounts								
At 30 June 2019	**5,050,000**	**-**	**115,022**	**43,905**	**50,040**	**-**	**181,657**	**5,440,624**
At 30 June 2020	**4,320,000**	**2,000,000**	**15,798**	**31,653**	**407,981**	**-**	**182,030**	**6,957,462**

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Reconciliation of carrying amount of property, plant and equipment - right-of-use assets

	Buildings $	IT equipment $	Motor vehicles $	Total $
Year ended 30 June 2020				
At Cost				
Balance at 1 July 2019				
- Recognition of ROU assets on initial application of AASB 16	869,092	67,310	-	936,402
Additions	138,851	-	29,151	168,002
Balance at 30 June 2020	**1,007,943**	**67,310**	**29,151**	**1,104,404**
Accumulated depreciation				
Balance at 1 July 2019	**-**	**-**	**-**	**-**
Depreciation for the year	454,865	19,231	26,722	500,818
Balance at 30 June 2020	**454,865**	**19,231**	**26,722**	**500,818**
Carrying amounts				
Balance at 30 June 2020	**553,078**	**48,079**	**2,429**	**603,586**

(c) Reconciliation of carrying amount - overview

	2020 $	2019 $
Carrying amounts		
Balance at 30 June		
Freehold Land	4,320,000	5,050,000
Other property, plant and equipment - owned	2,637,462	390,624
Property, plant and equipment - right-of-use assets	603,586	-
Total Carrying Amounts of Property, Plant and Equipment	**7,561,048**	**5,440,624**

(d) Measurement of fair value - valuation techniques

Level 3 fair values of freehold land and buildings in Australia are determined by an external and independent valuer every 2 years and a Director's valuation in the intervening years.

The Group engaged Marsh, external and independent accredited valuers, to determine the fair value of its land and buildings at 30 June 2020.

Fair value is the amount of "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The highest and best use of the land and buildings are considered in determining the valuation. The effective date of the revaluation was 30 June 2020. There is no change in the valuation technique since the prior years. There is no evidence to indicate that the current use of the freehold land and buildings is not the highest and best use.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Measurement of fair value - valuation techniques (CONT'D)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs are used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table shows the fair value of investments including their levels in the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2020				
Fair value of freehold land and building	-	-	**6,320,000**	**6,320,000**
2019				
Fair value of freehold land and building	-	-	**5,050,000**	**5,050,000**

12. INTANGIBLE ASSETS

Reconciliation of carrying amount of development costs which is in relation to capitalised software development costs at the beginning and end of the year is set out below.

	2020	2019
Development Costs	$	$
Cost		
Balance at 1 July	**3,073,450**	**1,864,267**
Additions	162,496	1,209,183
Balance at 30 June	**3,235,946**	**3,073,450**
Accumulated amortisation and impairment loss		
Balance at 1 July	**1,029,213**	**778,858**
Amortisation for the year	289,098	250,355
Balance at 30 June	**1,318,311**	**1,029,213**
Carrying amounts at 30 June	**1,917,635**	**2,044,237**

13. TRADE AND OTHER PAYABLES (CURRENT)

	2020 $	2019 $
Trade payables	149,170	409,320
Other payables and accruals	402,929	874,876
Total Trade and Other Payables	**552,099**	**1,284,196**

14. LEASE LIABILITIES

	2020 $	2019 $
Current - lease liabilities	367,224	-
Non-current - lease liabilities	242,649	-
Total Lease Liabilities	**609,873**	**-**

15. LEASES

The Group leases a number of offices locally and overseas under operating lease. The lease typically run for a period of 1 to 5 years, some with an option to renew the lease for one year after that date. Lease payments are renegotiated every 1 to 2 years or at the end of the lease term to reflect market rentals. The lease provides for additional rent payments that are based on changes in local price indices.

The Group leases IT equipment with contract terms of 4 years.

The Group also leases motor vehicles with contract terms of 1 year. The Group has elected to recognise right-of-use assets and lease liabilities for these leases even they are short-term leases in nature.

Information about leases for which the Group is a lessee is presented below.

15.1 Right to use assets

Refer Note 11(b) for the Group's right-of-use assets related to leased properties, IT equipment and motor vehicles.

15.2 Amounts recognised in the consolidated statement of surplus or deficit and other comprehensive income

	Note	$
For the year ended 30 June 2020 - Leases under AASB 16		
Interest expense on lease liabilities	**5.3**	25,265
For the year ended 30 June 2019 - Operating Leases under AASB 117		
Lease expense	**5.2**	434,525

15. LEASES (CONT'D)

15.3 Amounts recognised in the consolidated statement of cash flows

	2020 $
Total cash outflow for leases	519,796

15.4 Extension options

A property lease contains extension options exercisable by the Group up to 3 years before the end of the non-cancellable contract period. The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $127,030.

15.5 Changes in liabilities arising from financing activities in the consolidated statement of cash flows

	Lease liabilities $	Borrowings $	Total $
Balance at 1 July 2019	-	1,995,004	1,995,004
Non-cash changes	1,129,669	-	1,129,669
Net cash flows used in financing activities	(519,796)	(1,995,004)	(2,514,800)
Balance at 30 June 2020	**609,873**	**-**	**609,873**

16. PROVISIONS

	2020 $	2019 $
Current - Employee entitlements		
Annual leave	385,476	475,754
Long service leave	119,172	215,382
Redundancy provision	-	55,000
Total Provisions Current	**504,648**	**746,136**
Non-Current - Employee entitlements		
Long service leave	166,838	107,217
Total Provisions Non-current	**166,838**	**107,217**
Total Provisions	**671,486**	**853,353**

(a) **Long Service Leave**

Refer to Note 2.4(o) for the relevant accounting policy and a discussion of the significant estimates and assumptions applied in the measurement of this provision.

17. RELATED PARTY DISCLOSURE

Compensation of Key Management Personnel of AVI

The amounts disclosed in the table below are the amounts recognised as an expense during the reporting period related to Key Management Personnel.

	2020 $	2019 $
Short-term employee benefits (including reportable fringe benefits)	827,379	721,929
Post-employment benefits	35,343	21,588
Total Key Management Personnel Compensation	**862,722**	**743,517**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

AVI's principal financial liabilities comprise trade and other payables and borrowings. The main purpose of these financial liabilities is to finance AVI's operations. AVI has trade and other receivables, and cash and cash equivalents that arrive directly from its operations.

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	5,541,821	2,912,545
Trade and other receivables	573,706	560,496
Contract assets	736,987	-
Other current asset	231,433	69,758
Total Financial Assets	**7,083,947**	**3,542,799**
Finance liabilities		
Trade and other payables	552,099	1,284,196
Net GST/VAT payables	194,109	556,434
Borrowings	-	1,995,004
Lease liabilities	609,873	-
Total Financial Liabilities	**1,356,081**	**3,835,634**

AVI is exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk.

AVI's senior management oversees the management of these risks. AVI's senior management is supported by the Finance, Audit and Risk Management Committee (FARM) that advises on financial risks and the appropriate financial risk governance framework for AVI. FARM provides assurance to AVI's board that AVI's financial risk-taking activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with AVI's policies and risk appetite.

The board of directors reviews and agrees policies for managing each of these risks.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Balances held in overseas bank accounts are regularly reviewed to minimise foreign currency risk, and are held by reputable banks. The following table summarises the balances in overseas bank accounts (including petty cash), held in currencies other than Australian Dollars.

	Note	2020 $	2019 $
Financial Assets			
Cash assets	*(i) See below*		
Cambodia (USD)		44,585	15,720
East Africa (USD)		12,000	2,700
Fiji (FJD)		53,934	18,540
Indonesia (IDR)		13,773	26,485
Myanmar (USD)		38,788	52,315
North Pacific (USD)		8,246	3,217
Papua New Guinea (PGK)		58,916	7,495
Solomon Islands (SBD)		9,602	61,708
South Africa (ZAR)		13,646	10,769
Timor-Leste (USD)		20,376	9,499
Vietnam (VND)		2,593	1,495
Sri Lanka (LKR)		89,129	86,519
Bhutan (BTN)		6,407	5,084
Laos (LAK)		3,733	-
Mongolia (MNT)		1,989	3,707
Samoa (WST)		1,107	581
Tonga (TOP)		5,712	9,736
Vanuatu (VUV)		8,316	40,747
Mongolia (USD)		136	19
Total cash assets		**392,988**	**356,336**

(i) Amounts are shown in the Australian Dollar equivalent as at 30 June 2020 and 30 June 2019 respectively.

19. INFORMATION RELATING TO AUSTRALIAN VOLUNTEERS INTERNATIONAL (PARENT ENTITY DISCLOSURE)

	2020 $	2019 $
Financial Position of Parent Entity at Year End		
Current assets	7,868,232	16,252,355
Total assets	17,326,881	23,737,216
Current liabilities	3,523,480	9,089,517
Total liabilities	3,932,967	9,196,734
Total Equity of Parent Entity comprising of:		
Retained surplus	13,393,914	8,445,792
Revaluation reserve	-	6,094,690
Total equity	**13,393,914**	**14,540,482**
Result of Parent Entity		
Deficit for the year	(1,146,569)	(1,535,021)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(1,146,569)**	**(1,535,021)**

20. EVENTS AFTER THE REPORTING PERIOD

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020. This has led to the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The Group evaluated the impact of COVID-19 and the Directors are of the view that the Group has solid business continuity procedures in place and is addressing health and safety risks whilst continuing to service its staff, volunteers and partnering organisations. The Group's operations continues to be disrupted post year end and in its Australian Volunteers Program as the ability to send out volunteers overseas is still very limited at the time of this report. We have greatly increased the remote volunteering option. Our student placement programs have also partly moved to a virtual program. However there has been no material financial impact to the net deficit of the current financial year which has had the effect on the organisation as a whole.

The Group recognises that there is uncertainty over the future impact to revenue and expenditure and potential asset values but these cannot be reliably estimated at the present and are not currently expected to impact the ability of the Group to continue as a going concern.

20. EVENTS AFTER THE REPORTING PERIOD (CONT'D)

The Group continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Group's go forward consolidated results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Group's subsequent financial year.

Other than as disclosed above, there has not risen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group, in future financial years.

21. MEMBERS' GUARANTEE

Pursuant to the Constitution of AVI every ordinary member has undertaken that, during their membership or within one year afterwards, they shall, in the event of deficiency or winding up, contribute an amount not exceeding $20.

22. ECONOMIC DEPENDENCY

A significant portion of AVI's revenue is from the Australian Government Department of Foreign Affairs and Trade (DFAT).

Directors' Declaration

In the opinion of the directors of Australian Volunteers International (the Company):

(a) the Company is not publicly accountable;

(b) the consolidated financial statements and notes that are set out on pages 14 to 51 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Kathleen Townsend
Director

Dean Tillotson
Director

Place: Melbourne
4 December 2020

KPMG

Independent Auditor's Report

To the members of Australian Volunteers International

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report***, of the Australian Volunteers International and its controlled entity (the Group).

In our opinion, the accompanying ***Financial Report*** of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012,* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2020, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The ***Financial Report*** comprises:

i. Statement of financial position as at 30 June 2020;

ii. Statement of surplus or deficit and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;

iii. Notes including a summary of significant accounting policies; and

iv. Directors' declaration of the Company.

The Group comprises of Australian Volunteers International (the Company) and the entity it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Directors of Australian Volunteers International, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

KPMG

Other information

Other Information is financial and non-financial information in Australian Volunteers International's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. This includes the Corporate Information and Report of the Board.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.

ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

iii. Assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

ii. 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. They 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.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

Auditor's responsibilities for the audit of the Financial Report (continued)

We also:

i. 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.

ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Group's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Group 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.

KPMG

KPMG

Amanda Bond
Partner

Melbourne

11 December 2020

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Australian Volunteers International

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Volunteers International for the financial year ended 30 June 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Amanda Bond

Partner

Melbourne

4 December 2020

AVI

inviting change