

A photograph of two women, one younger and one older, both smiling and looking down at a document. The younger woman on the left has her hair in a bun and is wearing a light-colored jacket. The older woman on the right wears glasses and a dark top. The document they are looking at has a vibrant, geometric pattern in yellow, orange, and black. The background is slightly blurred, showing what appears to be a library or office setting with bookshelves.

**AVI**

*inviting change*

# FINANCIAL REPORT 2021 2022

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# 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 2022

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## Corporate Information

|  |  |
|--|--|
| <b>President</b>   | Sam Mostyn   |
| <b>Directors</b>   | Julie Hamblin (Chair from 17 February 2022)<br>(appointed on 22 October 2021)<br>Peter Wilkins (Co-Deputy Chair)<br>Dean Tillotson (Co-Deputy Chair)<br>Martine Letts<br>Lyma Nguyen<br>Jon Marcard<br>Brendon McNiven<br>Liza Coffey<br>Leanne Close (appointed on 17 February 2022)<br>Michael Batchelor (appointed on 17 February 2022)<br>Jennifer Johnston (retired on 3 December 2021)<br>Kathleen Townsend (Chair; retired on 17 February 2022) |
| <b>Company Secretary</b>                                 | Bruce Morrison   |
| <b>Registered office and principal place of business</b> | 160 Johnston Street<br>Fitzroy VIC 3065  |
| <b>Bankers</b>   | Westpac Banking Corporation  |
| <b>Auditors</b>  | KPMG   |

### 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; 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 2022 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.

#### **Julie Hamblin - Chair**

Julie's work has spanned health law, governance, disability and international development. A former partner of HWL Ebsworth, she has expertise in health regulation, clinical risk, privacy and bioethics. She also has a particular interest in global health and human rights having worked with the United Nations Development Programme and other organisations on projects relating to public health and HIV/AIDS in more than 20 countries in Asia, the Pacific, Africa and Eastern Europe. She has served on numerous government and other advisory bodies, including the Australian Research Integrity Committee, the NSW Health Ethics Advisory Panel, and the Attorney-General's International Pro Bono Advisory Group.

Julie is an experienced Non-Executive Director. Other roles have included Chair of Autism Spectrum Australia, Deputy Chair of Plan International Australia, and board member of the Telecommunications Industry Ombudsman and the Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

#### **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 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 Tillotson 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 of Registration and Licensing for the State of Victoria. He has held senior roles across Health and Financial Services including Executive Director Public Transport Victoria (PTV), Principal of Acumulus consulting and Executive General Manager/CEO Australian Health Management (AHM).

#### **Martine Letts - Director**

Ms Letts was appointed to the AVI Board in August 2015 and is a member and current chair of the Board Governance Committee. She has previously been Chief Executive Officer for Committee for Melbourne 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.

#### **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.

#### **Jon Marcard - Director**

Jon Marcard is the Chief Financial Officer - Hospital Division at St Vincents Health Australia and has had prior senior finance roles at The Royal Children's Hospital Melbourne, AustralianSuper and Medibank Private. Jon is an AVI representative on the Australian Volunteer Program Consortium Group.

Jon has more than 30 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.

#### **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.

#### **Liza Coffey - Director**

Liza is an Operational Advisor for Associated British Foods (Twinings). Over 15 years, Liza has held senior management roles in driving Supply Chain efficiencies and operational strategy within multinational consumer environments, retail businesses, and social enterprises. Having served as a Volunteer on an AVI assignment within the Pacific Region and research associate for UNDP (Sri Lanka) | Monash University, Liza also has practical development expertise in gender advocacy with sustainable livelihood programs, business development (SME), and resource management addressing key climate factors. Liza holds a Bachelor of Commerce (Marketing) and a Masters in International Development Practice (Sustainable Resources).

#### **Leanne Close - Director**

Leanne is the Chief Executive Government and Strategic Engagement at Risk 2 Solution. Leanne is a former police officer with 33 years policing, law enforcement and training experience in the Australian Federal Police, culminating as Deputy Commissioner from 2014-2019. During this time, as Deputy Commissioner National Security, Leanne was the AFP representative at the Australia /New Zealand Counter-Terrorism Committee.

From 2015 – 2019, Leanne co-chaired the Asia-Pacific Group on Money Laundering and Counter-Terrorism Financing. She was a member of the AFP Audit Committee and the Australian Electoral Commission Audit and Risk Committee. In 2016, she undertook a 12-month secondment to the Commonwealth Attorney-General's Department leading their Criminal Justice Group.

**Michael Batchelor - Director**

Michael's career spans 30 years including as a volunteer, director, operational executive and engineer. Recently, he provided volunteer support to the Independent Research Institute of Mongolia through the Australian Volunteers Program managed by AVI. Previously, he was director and joint founder of Nimbus Advisory Pty Ltd, a boutique management consultancy providing services to the infrastructure sector. Michael also had positions of increasing responsibility with AECOM / Maunsell over 25 years culminating in leadership of the Australian and New Zealand Geography as Chief Executive and Chair of the Australian and New Zealand boards

**Jennifer Johnston B.A. Comms and Eng, Comp Lit. (Retired)**

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).

**Kathleen Townsend M. Ed Studies; B.A.; Dip Ed: GAICD. – Chair (Retired)**

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.

**COMPANY SECRETARY**

Bruce Morrison

**KEY MANAGEMENT PERSONNEL**

**Melanie Gow, Chief Executive Officer**

Melanie has held senior leadership roles across international development and the Australian health sector. Her portfolio accountabilities have included research, policy and advocacy, international programs, corporate affairs, marketing, sales, strategy and governance.

Over the years Melanie has also served as a Board member on several not for profit Boards. including Hagar Australia, Intrepid Foundation, Business for Development, the Australian Council for International Development, Campaign for Australian Aid, the Coalition to the Stop the Use of Child Soldiers and Sorrento Pre-School. Melanie has a Master of Arts in International Development and a Master of Public and International Law.

**Zoe Mander - Jones, Program Director – Australian Volunteers Program**

**Ipsita Wright, Executive Manager – International Services (resigned on 27 July 2022)**

**Bruce Morrison – Chief Financial Officer**

**Fiona McDonald– People and Culture Manager (resigned on 19 November 2021)**

**Tamara Thomas, Executive Manager Business Development (appointed on 29 November 2021)**

**Alison Boundy, People and Culture Manager (appointed on 15 August 2022)**

## DIVIDENDS

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

## PRINCIPAL ACTIVITIES

AVI's principal activities during 2021/22 were to:

Provide technical assistance and specialist services towards poverty reduction and sustainable development outcomes for people in need through:

- placing a wide range of skilled Australians to work with communities in developing countries according to locally identified needs;
- implementing people-centered projects and programs in cooperation with Australian and overseas partners; 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 in need.

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

## REVIEW OF OPERATIONS

| Project                       | Status   |
|-------------------------------|--|
| Australian Volunteers Program | 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 2022, supported 519 assignments, of which 448 were remote assignments and 71 were in-country. AVI supported 387 volunteers during the year (remote and in-country) |
| Student programs              | AVI worked with a number of Australian Universities to mobilise 19 students participating in community development activities with 7 partner organisations in India, Indonesia, Fiji and Australia.  |
| 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.   |
| Mentors                       | AVI is providing skilled mentors in education and health for DFAT programs in the Solomon Islands.   |
| Pacific People                | AVI established AVI Pacific People in the year 2019 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 2021/22.

| Program                                   | Funder  | Total Assignments | New Volunteers |
|---|---|-------------------|----------------|
| Australian Volunteers Program             | DFAT, in-country and Australian partner organisations | 519               | 387            |
| Students                                  | Universities  | 19                | 19             |
| International Mentors and other deployees | Various   | 3                 | 0              |
| <b>2021/22 TOTAL VOLUNTEERS</b>           |   | <b>541</b>        | <b>406</b>     |
| <i>2020/21 TOTAL VOLUNTEERS</i>           |   | <b>391</b>        | <b>332</b>     |

## OUR STRATEGIC OBJECTIVES

AVI recognises that the most effective and sustainable change is locally owned and led. During 2021/22 AVI continues its 70 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 2022, AVI has continued to meet the contractual obligations of all contracts.

### OPERATING RESULTS FOR THE YEAR

AVI recorded a continuing deficit of \$0.59m for the 2021/22 year. This compared to a continuing operations net deficit of \$0.79m in the 2020/21 financial year. The 2021/22 year had a \$0.46m gain on revaluation of land & buildings.

## ANALYSIS OF REVENUE

AVI revenue totalled \$22.1m this financial year (a \$3.4 m increase from prior year). Revenue can be further analysed as follows:

- Total grant revenue increased by \$3.6m (21%) in 2021/22, primarily associated with an increase in expenditure on DFAT's Australian Volunteer Program, of which AVI is managing contractor in a consortium with DT Global and Alinea International. This was a direct result of a steady return to in-country volunteer deployments as COVID restrictions began to ease across countries AVI operates in.
- Commercial activities revenue increase by \$301k (48%), due to strong growth in AVI Pacific people business, winning additional commercial work (in particular the Reece Foundation) and also due to growth in existing programs such as AHP and ACIAR projects
- Other income decreased by \$470k as COVID support (Cashflow boost and Jobkeeper) payments concluded in the 2020/21 financial year.

## ANALYSIS OF EXPENDITURE

Operating expenditure in 2021/22 increased by \$3.3m from previous year's expenditure (after the revaluation gain on land and buildings by \$460k). Expenditure can be analysed as follows:

- Funds to international programs represent funds spent directly overseas and account for 55% of the total international aid expenditure compared to 44% in 2020/21. This was due to steady return to in-country volunteer deployments, as well as growth in remote volunteering and impact grant funding.
- Program support costs are incurred in Australia directly supporting AVI's overseas projects through incident management, recruitment, and briefing activities. These costs decreased by \$822k and accounted for 19% of total expenditure in 2021/22 compared to 26% in 2020/21.
- Community education costs are associated with increasing the Australian public's awareness of international volunteering for development, with an increase of expenditure of \$479k aligning with higher volunteer numbers both in country and remote.
- Accountability and administration are costs associated with maintaining the office in Australia (and overseas commercial offices) 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 \$30k in 2021/22, representing 17.5% of expenditure.

## INCOME TAX

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

## EMPLOYEES

At 30 June 2021 AVI employed 135 employees, full time equivalent (FTE) 129.4, compared to 145 employees (FTE 142.3) as at 30 June 2020.

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 ten 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 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 2021/22:

- i) Finance, Audit and Risk Management (FARM) Committee;
- ii) Governance & Quality Committee
- iii) People & Culture 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 meals.

### **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 an active Environmental Sustainability Committee and action plan, aimed at mitigating and reducing our environmental impact.

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 values and embraces 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 2021/22, AVI paid an insurance premium of \$6,842 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.

# AVI BOARD & SUB-COMMITTEE MEETINGS – 2021/22

During 2021/22, there were six AVI Board meetings and sixteen AVI Board Sub-Committee meetings.

The attendances at these meetings were as follows:

| Member      | AVI Board      |          | Finance, Audit & Risk Management (FARM) Committee |          | Governance & Quality Committee |          | People & Culture Committee |          |
|-------------|----------------|----------|---|----------|--------------------------------|----------|----------------------------|----------|
|             | Max # possible | Attended | Max # possible                                    | Attended | Max # possible                 | Attended | Max # possible             | Attended |
| K Townsend  | 4              | 4        | 4   | 4        | 3                              | 3        | 3                          | 3        |
| P Wilkins   | 6              | 6        | 6   | 5        |                                |          |                            |          |
| D Tillotson | 6              | 5        | 6   | 6        |                                |          |                            |          |
| L Nguyen    | 6              | 5        |   |          | 5                              | 4        |                            |          |
| M Letts     | 6              | 6        |   |          | 5                              | 5        |                            |          |
| J Johnston  | 3              | 2        |   |          |                                |          | 3                          | 3        |
| J Marcard   | 6              | 5        | 6   | 6        |                                |          |                            |          |
| B McNiven   | 6              | 6        |   |          |                                |          | 1                          | 1        |
| L Coffey    | 6              | 6        |   |          | 5                              | 4        | 5                          | 3        |
| J Hamblin   | 5              | 5        | 3   | 2        | 2                              | 1        | 2                          | 1        |
| M Batchelor | 3              | 2        |   |          |                                |          |                            |          |
| L Close     | 3              | 3        |   |          |                                |          | 3                          | 3        |

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

|           |  |  |  |  |   |   |  |  |
|-----------|--|--|--|--|---|---|--|--|
| H Lindsay |  |  |  |  | 5 | 4 |  |  |
|-----------|--|--|--|--|---|---|--|--|

As Board Chair, Kathy Townsend (up to February 2022) and Julie Hamblin (from February 2022 onwards) are invited ex-officio to all Board Committee meetings.

# Consolidated Statement of Surplus or Deficit and Other Comprehensive Income

| For the year ended 30 June 2022  | Note     | 2022<br>\$          | 2021<br>\$          |
|--|----------|---------------------|---------------------|
| <b>CONTINUING OPERATIONS</b>   |          |                     |                     |
| <b>REVENUE</b>   |          |                     |                     |
| Donations and gifts - monetary   | 4.1      | 110,447             | 106,753             |
| Grants:  |          |                     |                     |
| - DFAT   |          | 20,873,552          | 17,278,652          |
| - Other Overseas   |          | 118,686             | 127,179             |
| Commercial Activities Income   |          | 922,531             | 621,238             |
| Other income   | 4.2      | 67,663              | 537,303             |
| <b>TOTAL REVENUE AND OTHER INCOME</b>  | <b>4</b> | <b>22,092,879</b>   | <b>18,671,125</b>   |
| <b>EXPENDITURE</b>   |          |                     |                     |
| International aid and development program expenditure                                  |          |                     |                     |
| International Programs:  |          |                     |                     |
| - Funds to international programs  |          | (12,526,945)        | (8,491,501)         |
| - Program support costs  |          | (4,337,204)         | (5,158,971)         |
| Community education  |          | (1,782,279)         | (1,303,118)         |
| Accountability and administration  |          | (3,993,578)         | (3,963,486)         |
| <b>TOTAL International aid and development program expenditure</b>                     |          | <b>(22,640,006)</b> | <b>(18,917,076)</b> |
| Commercial Activities Expenditure  |          | (565,213)           | (484,655)           |
| Impairment gain / (loss) on trade receivables and contract assets                      |          | 14,697              | (42,207)            |
| Revaluation gain on Land & Buildings   | 10(a)    | 460,027             | -                   |
| <b>TOTAL OPERATING EXPENDITURE</b>   | <b>5</b> | <b>(22,730,495)</b> | <b>(19,443,938)</b> |
| <b>RESULTS FROM OPERATING ACTIVITIES</b>   |          | <b>(637,616)</b>    | <b>(772,813)</b>    |
| Finance income   |          | 8,173               | 47,239              |
| Finance costs  |          | 29,962              | (65,665)            |
| Net finance costs  | 5.2      | 38,135              | (18,426)            |
| <b>CONTINUING OPERATIONS DEFICIT FOR THE YEAR</b>                                      |          | <b>(599,481)</b>    | <b>(791,239)</b>    |
| <b>OTHER COMPREHENSIVE INCOME</b>  |          |                     |                     |
| Items that will not be reclassified subsequently to surplus or deficit                 |          | -                   | -                   |
| Items that will be reclassified to surplus or deficit when specific conditions are met |          | -                   | -                   |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>   |          | <b>-</b>            | <b>-</b>            |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>   |          | <b>(599,481)</b>    | <b>(791,239)</b>    |

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 2022                                  | Note  | 2022<br>\$        | 2021<br>\$        |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>                                       |       |                   |                   |
| <b>CURRENT ASSETS</b>                               |       |                   |                   |
| Cash and cash equivalents                           | 6     | 2,784,368         | 4,764,347         |
| Trade and other receivables                         | 7     | 155,910           | 142,769           |
| Contract assets                                     | 8(a)  | 2,476,965         | 1,035,995         |
| Prepayments   | 9     | 1,485,803         | 1,282,292         |
| Other current assets                                |       | 381,683           | 61,078            |
| <b>TOTAL CURRENT ASSETS</b>                         |       | <b>7,284,729</b>  | <b>7,286,481</b>  |
| <b>NON-CURRENT ASSETS</b>                           |       |                   |                   |
| Property, plant and equipment - owned               | 10(a) | 7,043,245         | 6,752,479         |
| Property, plant and equipment - right-of-use assets | 10(b) | 411,305           | 449,919           |
| Intangible assets                                   | 11    | 1,095,890         | 1,360,073         |
| <b>TOTAL NON-CURRENT ASSETS</b>                     |       | <b>8,550,440</b>  | <b>8,562,471</b>  |
| <b>TOTAL ASSETS</b>                                 |       | <b>15,835,169</b> | <b>15,848,952</b> |
| <b>LIABILITIES</b>                                  |       |                   |                   |
| <b>CURRENT LIABILITIES</b>                          |       |                   |                   |
| Trade and other payables                            | 12    | 1,735,153         | 1,120,952         |
| Net GST/VAT payables                                |       | 70,286            | 35,435            |
| Contract liabilities                                | 8(b)  | 1,389,568         | 1,571,617         |
| Lease liabilities                                   | 13    | 293,639           | 404,869           |
| Provisions  | 15    | 686,388           | 597,316           |
| <b>TOTAL CURRENT LIABILITIES</b>                    |       | <b>4,175,034</b>  | <b>3,730,189</b>  |
| <b>NON-CURRENT LIABILITIES</b>                      |       |                   |                   |
| Lease liabilities                                   | 13    | 109,879           | 43,188            |
| Provisions  | 15    | 261,067           | 186,905           |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                |       | <b>370,946</b>    | <b>230,093</b>    |
| <b>TOTAL LIABILITIES</b>                            |       | <b>4,545,980</b>  | <b>3,960,282</b>  |
| <b>NET ASSETS</b>                                   |       | <b>11,289,189</b> | <b>11,888,670</b> |
| <b>EQUITY</b>                                       |       |                   |                   |
| Revaluation reserves                                |       | -                 | -                 |
| Retained surplus                                    |       | 11,289,189        | 11,888,670        |
| <b>TOTAL EQUITY</b>                                 |       | <b>11,289,189</b> | <b>11,888,670</b> |

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 2022         | Retained<br>surplus<br>\$ | Revaluation<br>reserve<br>\$ | Total<br>equity<br>\$ |
|---|---------------------------|------------------------------|-----------------------|
| Balance at 1 July 2020                  | 12,679,909                |                              | 12,679,909            |
| Total comprehensive income for the year |                           |                              |                       |
| Deficit for the year                    | (791,239)                 | -                            | (791,239)             |
| Other comprehensive income              | -                         | -                            | -                     |
| Total comprehensive loss for the year   | (791,239)                 | -                            | (791,239)             |
| Balance at 30 June 2021                 | 11,888,670                | -                            | 11,688,670            |
| Balance at 1 July 2021                  | 11,888,670                | -                            | 11,888,670            |
| Total comprehensive income for the year |                           |                              |                       |
| Deficit for the year                    | (599,481)                 | -                            | (599,481)             |
| Other comprehensive income              | -                         | -                            | -                     |
| Total comprehensive loss for the year   | (599,481)                 | -                            | (599,481)             |
| Balance at 30 June 2022                 | 11,289,189                | -                            | 11,289,189            |

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 2022                                   | Note | 2022<br>\$         | 2021<br>\$       |
|---|------|--------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                                       |      |                    |                  |
| Government grants and other income                                |      | 22,349,052         | 20,004,113       |
| Payments to participants and suppliers                            |      | (13,820,912)       | (10,204,557)     |
| Payments to employees   |      | (9,888,302)        | (9,822,279)      |
| <b>Net Cash Flows (used) in Operating Activities</b>              |      | <b>(1,360,162)</b> | <b>(22,723)</b>  |
| <b>INVESTING ACTIVITIES</b>                                       |      |                    |                  |
| Interest received   |      | 8,173              | 11,052           |
| Purchase of property, plant and equipment and intangible assets   |      | (146,667)          | (217,594)        |
| <b>Net Cash Flows (used)/from in Investing Activities</b>         |      | <b>(138,494)</b>   | <b>(206,542)</b> |
| <b>FINANCING ACTIVITIES</b>                                       |      |                    |                  |
| Repayment of borrowings   |      | -                  | -                |
| Payments of lease liabilities                                     | 14.5 | (481,324)          | (548,209)        |
| <b>Net Cash Flows (used) in Financing Activities</b>              |      | <b>(481,324)</b>   | <b>(548,209)</b> |
| Net (decrease)/increase in cash and cash equivalents              |      | (1,979,979)        | (777,474)        |
| Cash and cash equivalents at the beginning of the financial year  |      | 4,764,347          | 5,541,821        |
| <b>Cash and cash equivalents at the end of the financial year</b> | 6    | <b>2,784,368</b>   | <b>4,764,347</b> |

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 2022

### 1. CORPORATE INFORMATION

The consolidated financial report of Australian Volunteers International (AVI) and its subsidiary (collectively, the Group) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 16 February 2023.

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 of 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 – Simplified disclosures and other authoritative pronouncements of the Australian Accounting Standards Board.

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.

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

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

The financial report is the first general purpose financial report prepared in accordance with the Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial report was general purpose financial report prepared in accordance with the Australian Accounting Standards- Reduced Disclosure Requirements. There has been no impact on the recognition and measurement of amounts recognised in the Consolidated Statement of Surplus or Deficit and other Comprehensive income, Consolidated Statement of Financial Position or Consolidated Statement of Cash Flows for the group as a result of the change in the basis of preparation.

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](http://www.acfid.asn.au).

## 2.3. Significant Accounting Policies

The group has initially adopted the following standard and amendments from 1 July 2021

- AASB 1060 General Purpose Financial Statements- Simplified disclosures for For-Profit and Non-for-Profit entities

The above standard and amendments did not have a significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

### (a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2022. 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.

## **2.3. 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**

Revenue is measured based on the consideration specified in a contract with a customer. The Group generally recognises revenue when it transfers control over a good or service to a customer.

#### **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.

## 2.3. 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  |
| <b>Government Grants Income</b><br>The Group's government grant agreements are enforceable contracts with specific outcome and performance obligations.<br>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.<br>The remaining amount is recognised as either a contract asset or a contract liability.  |
| <b>Commercial Activities Income</b><br>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.<br>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. |
| <b>Rental Income</b><br>Rental income with associated contractual arrangements.   | Revenue is recognised over time when services are provided.  |
| <b>Donations and gifts - monetary</b><br>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.                                    |

## 2.3. 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                       |
| <b>Other income</b><br>Other income which is received with associated performance obligations.    | Income is recognised at the point in time when services are provided. |
| <b>Other income</b><br>Other income which is received without associated performance obligations. | 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.

### (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. For PNG supplies they are recorded at GST exclusive amount with the amount recoverable from the PNG government.

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.

## 2.3. Significant Accounting Policies (CONT'D)

### (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 Group, 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:

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

### 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 Group. 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.

## 2.3. Significant Accounting Policies (CONT'D)

### (h) Leases

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.

#### • 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 and a lease liability at the lease commencement date. 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, at 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.

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 if 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-of-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.

## 2.3. Significant Accounting Policies (CONT'D)

### (h) Leases (CONT'D)

#### Short-term leases and leases of low-value assets

AVI 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.

- **As a lessor**

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.

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. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. 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.

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 2.3(l)). 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 'other income'.

### (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 statement of surplus or deficit and other comprehensive income as the expense category that is consistent with the function of the intangible assets.

The Group has capitalised its major customer relationship management system software development costs since 2017/18 and amortised it over the economic useful life of up to 10 years or up to 30 June 2027 to align with the term of the DFAT government grant contract service period. Other software development costs capitalised are amortised over the economic useful life of up to 3 years.

## 2.3. Significant Accounting Policies (CONT'D)

### (i) Intangible assets (CONT'D)

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 surplus or deficit and other comprehensive income when the asset is de-recognised.

### (j) Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

| Accounting policies   | Implementation activities / type of payment   |
|---|---|
| Recognise as an operating expense over the term of the service contract | <ul style="list-style-type: none"> <li>• Fee for use of application software</li> <li>• Customisation costs</li> </ul>  |
| Recognise as an operating expense as the service is received            | <ul style="list-style-type: none"> <li>• Configuration costs</li> <li>• Data conversion and migration costs</li> <li>• Testing costs</li> <li>• Training costs</li> </ul> |

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Refer to Note 2.3(i) for an outline of accounting for intangible assets.

### (k) 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.

## 2.3. Significant Accounting Policies (CONT'D)

### (k) 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 statement of surplus or deficit and other comprehensive income.

###### *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 statement of surplus or deficit and other comprehensive income.

## 2.3. 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 statement of surplus or deficit and other comprehensive income. 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 statement of surplus or deficit and other comprehensive income. Any gain or loss on derecognition is also recognised in statement of surplus or deficit and other comprehensive income.

#### ***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.

## 2.3. Significant Accounting Policies (CONT'D)

### (I) 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's 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.

## 2.3. Significant Accounting Policies (CONT'D)

### (I) 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.

## **2.3. Significant Accounting Policies (CONT'D)**

### **(m) 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.

### **(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.

#### **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.

### 2.3. Significant Accounting Policies (CONT'D)

#### (p) New standards and interpretations not yet adopted

There are no new or amended standards which are expected to have a significant impact on the groups financial report.

### 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 profit & loss or the Revaluation Reserve. The AVI constitution requires revaluation bi-annually.

#### 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.

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

#### *Estimates and assumptions (CONT'D)*

#### 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 14. 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 2022, the carrying amount of capitalised developments costs was \$1,095,890 (2021: \$1,360,073).

vi) Software-as-a-Service (SaaS) arrangements

Note 2.3(j) describes the Group's accounting policy in respect of configuration and customisation costs incurred in implementing SaaS arrangements. In applying the Group's accounting policy, the Directors made the following key judgements that may have the most significant effect on the amounts recognised in the consolidated financial statements.

*Capitalisation of configuration and customisation costs in SaaS arrangements*

In implementing SaaS arrangements, the Group has developed software code that either enhances, modifies or creates additional capacity to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*. As 30 June 2022, the carrying amount of capitalised development costs as intangible assets was \$962,784 (2021: \$1,112,911 in respect of customisation and configuration costs incurred in implementing SaaS arrangement).

#### 4. TOTAL REVENUE AND OTHER INCOME

|  | Note | 2022<br>\$        | 2021<br>\$        |
|--|------|-------------------|-------------------|
| <b>(a) Revenue under AASB 15 Revenue from Contracts with Customers</b>               |      |                   |                   |
| Grants:  |      |                   |                   |
| - DFAT   |      | 20,873,552        | 17,278,652        |
| - Other Australian   |      |                   |                   |
| - Other Overseas   |      | 118,686           | 127,179           |
| Commercial Activities Income   |      | 922,531           | 621,238           |
| Rental income  | 4.2  | 60,824            | 43,364            |
| Net gain on disposal of property, plant and equipment                                | 4.2  | 3,556             | 2,144             |
| Others   | 4.2  | 3,283             | 12,945            |
|  |      | <b>21,982,432</b> | <b>18,085,522</b> |
| <b>(b) Revenue under AASB 1058 Income for Not-for-Profit Entities</b>                |      |                   |                   |
| Other income: COVID-19 Supports, including JobKeeper Payment and ATO cash flow boost | 4.2  | -                 | 478,850           |
| Donations and gifts - monetary   | 4.1  | 110,447           | 106,753           |
|  |      | <b>110,447</b>    | <b>585,603</b>    |
| <b>Total Revenue and Other Income</b>  |      | <b>22,092,879</b> | <b>18,671,125</b> |

#### 4.1 DONATION INCOME

Total donations and gifts - monetary were \$110,447, of which \$86,520 was collected in 2021/22 while the remaining balance were recognising from the prior year brought forward campaigns. AVI received a bequest for \$9,598 and \$100,849 from various pledge donors and untied regular fundraising campaigns.

#### 4.2 OTHER INCOME

|  | 2022<br>\$    | 2021<br>\$     |
|--|---------------|----------------|
| COVID-19 Supports, including JobKeeper Payment and ATO cash flow boost | -             | 478,850        |
| Rental income  | 60,824        | 43,364         |
| Net gain on disposal of property, plant and equipment                  | 3,556         | 2,144          |
| Others   | 3,283         | 12,945         |
| <b>Total Other Income</b>  | <b>67,663</b> | <b>537,303</b> |

## 5. TOTAL OPERATING EXPENDITURE

### 5.1 OTHER OPERATING EXPENSES INCLUDED IN THE TOTAL OPERATING EXPENDITURE

|   | 2022<br>\$ | 2021<br>\$ |
|---|------------|------------|
| Audit fees and other services                                 | 95,985     | 56,204     |
| Write off of plant and equipment                              | -          | 11,824     |
| Unsubstantiated expenses                                      | 10,089     | 38,742     |
| Depreciation of property, plant and equipment:                |            |            |
| - owned   | 315,929    | 307,171    |
| - right-of-use assets   | 468,243    | 517,645    |
| Amortisation of intangible assets                             | 264,183    | 240,020    |
| Employee expenses   |            |            |
| - wages and salaries, excluding superannuation and equivalent | 9,263,361  | 9,224,143  |
| - superannuation and equivalent                               | 788,175    | 740,871    |

### 5.2 NET FINANCE COSTS

|  | 2022<br>\$    | 2021<br>\$      |
|--|---------------|-----------------|
| Finance income                                 |               |                 |
| - Interest income                              | 6,886         | 11,052          |
| - Foreign currency exchange gain, net          | 1,287         | 36,187          |
| <b>Total Finance Income</b>                    | <b>8,173</b>  | <b>47,239</b>   |
| Finance costs                                  |               |                 |
| - Interest Expense                             | (5,958)       |                 |
| - Interest expense on lease liabilities        | (7,156)       | (22,415)        |
| - Foreign currency exchange loss, net          |               | -               |
| - Late payments interest charges and penalties | 43,077        | (43,250)        |
| <b>Total Finance Costs</b>                     | <b>29,962</b> | <b>(65,665)</b> |
| <b>Total Net Finance Costs</b>                 | <b>38,135</b> | <b>(18,426)</b> |

## 6. CASH AND CASH EQUIVALENTS

|  | 2022<br>\$       | 2021<br>\$       |
|--|------------------|------------------|
| Cash at bank and in hand               | 2,784,368        | 4,764,347        |
| <b>Total Cash and Cash Equivalents</b> | <b>2,784,368</b> | <b>4,764,347</b> |

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are in a Notice saver account (earns interest based on current short-term rates) which requires 30 days notice to withdraw funds.

(Bank overdrafts and credit card facilities)

At 30 June 2022, 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 10.

## 7. TRADE AND OTHER RECEIVABLES

|  | 2022<br>\$     | 2021<br>\$     |
|--|----------------|----------------|
| Trade and sundry receivables             | 155,910        | 142,769        |
| <b>Total Trade and Other Receivables</b> | <b>155,910</b> | <b>142,769</b> |

Trade receivables are non-interest bearing and generally on 30 day terms. AVI does not have credit insurance. At 30 June 2022, management fees receivable from DFAT of \$238k (2021: \$472k) is classified as contract assets in accordance with AASB 15.

## 8. CONTRACT ASSETS / LIABILITIES

### (a) Contract assets

|   | 2022<br>\$       | 2021<br>\$       |
|---|------------------|------------------|
| Grants Received in Arrears                                |                  |                  |
| Australian Volunteers Program - DFAT Funded Projects      | 2,470,419        | 1,035,995        |
| Doherty Project   | 6,546            | -                |
| <b>Total Grants Received in Arrears / Contract Assets</b> | <b>2,476,965</b> | <b>1,035,995</b> |

### (b) Contract liabilities

|   | 2022<br>\$       | 2021<br>\$       |
|---|------------------|------------------|
| <b>Total Grants Received in Advance</b> | <b>1,277,782</b> | <b>1,455,152</b> |
| <b>Total Income Received in Advance</b> | <b>111,786</b>   | <b>116,465</b>   |
| <b>Total Contract Liabilities</b>       | <b>1,389,568</b> | <b>1,571,617</b> |

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 2.3(d).

## 9. PREPAYMENTS

|                                | 2022<br>\$       | 2021<br>\$       |
|--------------------------------|------------------|------------------|
| Volunteer allowances and bonds | 182,635          | 77,409           |
| Insurance premiums             | 798,800          | 483,559          |
| Other prepayments              | 504,368          | 721,324          |
| <b>Total Prepayments</b>       | <b>1,485,803</b> | <b>1,282,292</b> |

# 10. PROPERTY, PLANT AND EQUIPMENT

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

|                                | Land<br>At fair value | Buildings<br>At fair value | Building<br>Improvements<br>At cost | Office<br>Equipment<br>At cost | Furniture<br>and Fittings<br>At cost | Motor<br>Vehicles<br>At cost | Computer<br>Hardware<br>At cost | Total     |
|--------------------------------|-----------------------|----------------------------|-------------------------------------|--------------------------------|--------------------------------------|------------------------------|---------------------------------|-----------|
|                                | \$                    | \$                         | \$                                  | \$                             | \$                                   | \$                           | \$                              | \$        |
| <b>At Cost / Fair value</b>    |                       |                            |                                     |                                |                                      |                              |                                 |           |
| <b>Year ended 30 June 2021</b> |                       |                            |                                     |                                |                                      |                              |                                 |           |
| Balance at 1 July 2020         | 4,900,000             | 2,009,000                  | 412,913                             | 133,526                        | 491,292                              | 39,005                       | 842,966                         | 8,828,702 |
| Additions                      | -                     | -                          | 17,033                              | 3,490                          | 4,864                                | -                            | 88,625                          | 114,012   |
| Disposals                      | -                     | -                          | -                                   | -                              | -                                    | -                            | (11,824)                        | (11,824)  |
| Balance at 30 June 2021        | 4,900,000             | 2,009,000                  | 429,946                             | 137,016                        | 496,156                              | 39,005                       | 919,767                         | 8,930,890 |
| <b>Year ended 30 June 2022</b> |                       |                            |                                     |                                |                                      |                              |                                 |           |
| Balance at 1 July 2021         | 4,900,000             | 2,009,000                  | 429,946                             | 137,016                        | 496,156                              | 39,005                       | 919,767                         | 8,930,890 |
| Revaluation Gain               | 460,027 (1)           | -                          | -                                   | -                              | -                                    | -                            | -                               | 460,027   |
| Additions                      | -                     | -                          | -                                   | 4,415                          | -                                    | -                            | 142,253                         | 146,667   |
| Disposals                      | -                     | (25,882)                   | (10,460)                            | (41,670)                       | (70,044)                             | -                            | (430,566)                       | (578,622) |
| Year ended 30 June 2022        | 5,360,027             | 1,983,118                  | 419,486                             | 99,761                         | 426,112                              | 39,005                       | 631,453                         | 8,958,962 |

(1) Reversal of previous decrement in the fair value of land, taken to the statement of surplus or deficit and other comprehensive income

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

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

|   | Land<br>At fair value | Buildings<br>At fair value | Building<br>Improvements<br>At cost | Office<br>Equipment<br>At cost | Furniture<br>and Fittings<br>At cost | Motor<br>Vehicles<br>At cost | Computer<br>Hardware<br>At cost | Total     |
|---|-----------------------|----------------------------|-------------------------------------|--------------------------------|--------------------------------------|------------------------------|---------------------------------|-----------|
|   | \$                    | \$                         | \$                                  | \$                             | \$                                   | \$                           | \$                              | \$        |
| Accumulated depreciation and<br>impairment loss |                       |                            |                                     |                                |                                      |                              |                                 |           |
| <i>Year ended 30 June 2021</i>                  |                       |                            |                                     |                                |                                      |                              |                                 |           |
| Balance at 1 July 2020                          | 580,000               | 9,000                      | 397,115                             | 101,873                        | 83,311                               | 39,005                       | 660,936                         | 1,871,240 |
| Depreciation for the year                       | -                     | 126,532                    | 2,701                               | 10,928                         | 50,467                               | -                            | 116,542                         | 307,171   |
| Balance at 30 June 2021                         | 580,000               | 135,532                    | 399,816                             | 112,801                        | 133,778                              | 39,005                       | 777,478                         | 2,178,411 |
| <i>Year ended 30 June 2022</i>                  |                       |                            |                                     |                                |                                      |                              |                                 |           |
| Balance at 1 July 2021                          | 580,000               | 135,532                    | 399,816                             | 112,801                        | 133,778                              | 39,005                       | 777,478                         | 2,178,411 |
| Depreciation for the year                       | -                     | 142,634                    | 1,502                               | 10,821                         | 47,757                               | -                            | 113,215                         | 315,929   |
| Disposals                                       | -                     | (25,882)                   | (10,460)                            | (41,670)                       | (70,044)                             | -                            | (430,566)                       | (578,622) |
| Balance at 30 June 2022                         | 580,000               | 252,284                    | 390,858                             | 81,952                         | 111,491                              | 39,005                       | 460,128                         | 1,915,718 |
| Carrying amounts                                |                       |                            |                                     |                                |                                      |                              |                                 |           |
| At 30 June 2021                                 | 4,320,000             | 1,873,468                  | 30,130                              | 24,215                         | 362,378                              | -                            | 142,288                         | 6,752,479 |
| At 30 June 2022                                 | 4,780,027             | 1,730,834                  | 28,629                              | 17,809                         | 314,621                              | -                            | 171,326                         | 7,043,245 |

# 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

|                                 | Buildings<br>\$ | IT<br>equipment<br>\$ | Motor<br>vehicles<br>\$ | Total<br>\$ |
|---------------------------------|-----------------|-----------------------|-------------------------|-------------|
| <b>At Cost</b>                  |                 |                       |                         |             |
| <i>Year ended 30 June 2021</i>  |                 |                       |                         |             |
| Balance at 1 July 2020          | 1,007,943       | 67,310                | 29,151                  | 1,104,404   |
| Additions                       | 300,458         | -                     | 63,520                  | 363,978     |
| Balance at 30 June 2021         | 1,308,401       | 67,310                | 92,671                  | 1,468,382   |
| <i>Year ended 30 June 2022</i>  |                 |                       |                         |             |
| Balance at 1 July 2021          | 1,308,401       | 67,310                | 92,671                  | 1,468,382   |
| Additions                       | 400,462         | -                     | 29,167                  | 429,629     |
| Balance at 30 June 2022         | 1,708,863       | 67,310                | 121,838                 | 1,898,011   |
| <b>Accumulated depreciation</b> |                 |                       |                         |             |
| <i>Year ended 30 June 2021</i>  |                 |                       |                         |             |
| Balance at 1 July 2020          | 454,865         | 19,231                | 26,722                  | 500,818     |
| Depreciation for the year       | 464,766         | 19,231                | 33,648                  | 517,645     |
| Balance at 30 June 2021         | 919,631         | 38,462                | 60,370                  | 1,018,463   |
| <i>Year ended 30 June 2022</i>  |                 |                       |                         |             |
| Balance at 1 July 2021          | 919,631         | 38,462                | 60,370                  | 1,018,463   |
| Depreciation for the year       | 411,598         | 26,628                | 30,017                  | 468,243     |
| Balance at 30 June 2022         | 1,331,229       | 65,090                | 90,387                  | 1,486,706   |
| <b>Carrying amounts</b>         |                 |                       |                         |             |
| Balance at 30 June 2021         | 388,770         | 28,848                | 32,301                  | 449,919     |
| Balance at 30 June 2022         | 377,634         | 2,220                 | 31,451                  | 411,305     |

## (c) Reconciliation of carrying amount - overview

|  | 2022<br>\$       | 2021<br>\$       |
|--|------------------|------------------|
| <b>Carrying amounts</b>  |                  |                  |
| <b>Balance at 30 June</b>                                      |                  |                  |
| Freehold Land  | 4,780,027        | 4,320,000        |
| Other property, plant and equipment - owned                    | 2,263,218        | 2,432,479        |
| Property, plant and equipment - right-of-use assets            | 411,305          | 449,919          |
| <b>Total Carrying Amounts of Property, Plant and Equipment</b> | <b>7,454,550</b> | <b>7,202,398</b> |

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (d) Measurement of fair value - valuation techniques

Fair value 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 2022.

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 2022. 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. 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.

|   | 2022             | 2021             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>Development Costs</b>                            |                  |                  |
| <b>Cost</b>   |                  |                  |
| Balance at 1 July                                   | 2,844,161        | 2,740,579        |
| Additions   | -                | 103,582          |
| Disposals   | -                | -                |
| <b>Balance at 30 June</b>                           | <b>2,844,161</b> | <b>2,844,161</b> |
| <b>Accumulated amortisation and impairment loss</b> |                  |                  |
| Balance at 1 July                                   | 1,484,088        | 1,244,068        |
| Amortisation for the year                           | 264,183          | 240,020          |
| Disposals   | -                | -                |
| <b>Balance at 30 June</b>                           | <b>1,748,271</b> | <b>1,484,088</b> |
| <b>Carrying amounts at 30 June</b>                  | <b>1,095,890</b> | <b>1,360,073</b> |

# 12. TRADE AND OTHER PAYABLES (CURRENT)

|                                       | 2022             | 2021             |
|---------------------------------------|------------------|------------------|
|                                       | \$               | \$               |
| Trade payables                        | 1,348,951        | 614,572          |
| Other payables and accruals           | 386,202          | 506,380          |
| <b>Total Trade and Other Payables</b> | <b>1,735,153</b> | <b>1,120,952</b> |

# 13. LEASE LIABILITIES

|                                 | 2022           | 2021           |
|---------------------------------|----------------|----------------|
|                                 | \$             | \$             |
| Current - lease liabilities     | 293,639        | 404,869        |
| Non-current - lease liabilities | 109,879        | 43,188         |
| <b>Total Lease Liabilities</b>  | <b>403,518</b> | <b>448,057</b> |

# 14. 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.

# 14. LEASES (CONT'D)

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

## 14.1 Right to use assets

Refer Note 10(b) for the Group's right-of-use assets related to leased properties, IT equipment and motor vehicles.

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

|  | 2022<br>\$ | 2021<br>\$ |
|--|------------|------------|
| Depreciation on right-of-use assets (Note 5.1)   | 468,243    | 517,645    |
| Interest expense on lease liabilities (Note 5.2) | 7,156      | 22,415     |

## 14.3 Amounts recognised in the consolidated statement of cash flows

|                               | 2022<br>\$ | 2021<br>\$ |
|-------------------------------|------------|------------|
| Total cash outflow for leases | 481,324    | 548,209    |

## 14.4 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 \$133,162.

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

|   | Lease liabilities<br>\$ | Total<br>\$    |
|---|-------------------------|----------------|
| <b>For the year ended 30 June 2021</b>      |                         |                |
| Balance at 1 July 2020                      | 609,873                 | 609,873        |
| Non-cash changes                            | 386,393                 | 386,393        |
| Net cash flows used in financing activities | (548,209)               | (548,209)      |
| <b>Balance at 30 June 2021</b>              | <b>448,057</b>          | <b>448,057</b> |
| <b>For the year ended 30 June 2022</b>      |                         |                |
| Balance at 1 July 2021                      | 448,057                 | 448,057        |
| Non-cash changes                            | 436,785                 | 436,785        |
| Net cash flows used in financing activities | (481,324)               | (481,324)      |
| <b>Balance at 30 June 2022</b>              | <b>403,518</b>          | <b>403,518</b> |

## 15. PROVISIONS

|  | 2022<br>\$     | 2021<br>\$     |
|--|----------------|----------------|
| <b>Current - Employee entitlements</b>     |                |                |
| Annual leave                               | 541,929        | 457,136        |
| Long service leave                         | 144,459        | 140,180        |
| <b>Total Provisions Current</b>            | <b>686,388</b> | <b>597,316</b> |
| <b>Non-Current - Employee entitlements</b> |                |                |
| Long service leave                         | 261,067        | 186,905        |
| <b>Total Provisions Non-current</b>        | <b>261,067</b> | <b>186,905</b> |
| <b>Total Provisions</b>                    | <b>947,455</b> | <b>784,221</b> |

### (a) Long Service Leave

Refer to Note 2.3(o) for the relevant accounting policy and a discussion of the significant estimates and assumptions applied in the measurement of this provision.

## 16. 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.

|   | 2022<br>\$     | 2021<br>\$     |
|---|----------------|----------------|
| Short-term employee benefits (including reportable fringe benefits) | 962,870        | 980,444        |
| Post-employment benefits  | 15,607         | 17,814         |
| <b>Total Key Management Personnel Compensation</b>                  | <b>978,477</b> | <b>998,258</b> |

## 17. AUDITORS REMUNERATION

|                                    | 2022<br>\$    | 2021<br>\$    |
|------------------------------------|---------------|---------------|
| KPMG Australia Audit Services      | 95,985        | 56,204        |
| Other Services                     | -             | -             |
| <b>Total Auditors Remuneration</b> | <b>95,985</b> | <b>56,204</b> |

## 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.

|                                    | 2022<br>\$       | 2021<br>\$       |
|------------------------------------|------------------|------------------|
| <b>Financial Assets</b>            |                  |                  |
| Cash and cash equivalents          | 2,784,368        | 4,764,347        |
| Trade and other receivables        | 155,910          | 142,769          |
| Contract assets                    | 2,476,965        | 1,035,995        |
| Other current asset                | 381,683          | 61,078           |
| <b>Total Financial Assets</b>      | <b>5,798,926</b> | <b>6,004,189</b> |
| <b>Finance liabilities</b>         |                  |                  |
| Trade and other payables           | 1,735,153        | 1,007,942        |
| Net GST/VAT payables               | 70,286           | 148,445          |
| Lease liabilities                  | 403,518          | 448,057          |
| <b>Total Financial Liabilities</b> | <b>2,208,957</b> | <b>1,604,444</b> |

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                 | 2022<br>\$     | 2021<br>\$     |
|-------------------------------|----------------------|----------------|----------------|
| <b>Financial Assets</b>       |                      |                |                |
| <i>Cash assets</i>            | <i>(i) See below</i> |                |                |
| <i>Cambodia (USD)</i>         |                      | 15,110         | 4,693          |
| <i>East Africa (USD)</i>      |                      | 230            | 1,802          |
| <i>Fiji (FJD)</i>             |                      | 21,421         | 17,962         |
| <i>Indonesia (IDR)</i>        |                      | 3,749          | 6,685          |
| <i>Myanmar (USD)</i>          |                      | 27,784         | 30,570         |
| <i>North Pacific (USD)</i>    |                      | 14,934         | 3,900          |
| <i>Papua New Guinea (PGK)</i> |                      | 17,113         | 93,527         |
| <i>Solomon Islands (SBD)</i>  |                      | 18,777         | 22,622         |
| <i>South Africa (ZAR)</i>     |                      | 5,792          | 6,703          |
| <i>Timor-Leste (USD)</i>      |                      | 1,407          | 10,908         |
| <i>Vietnam (VND)</i>          |                      | 539            | 2,167          |
| <i>Sri Lanka (LKR)</i>        |                      | 4,101          | 63,997         |
| <i>Bhutan (BTN)</i>           |                      | 2,501          | 4,748          |
| <i>Laos (LAK)</i>             |                      | 1,347          | 1,909          |
| <i>Mongolia (MNT)</i>         |                      | 10,026         | 2,184          |
| <i>Samoa (WST)</i>            |                      | 2,426          | 2,206          |
| <i>Tonga (TOP)</i>            |                      | 2,962          | 6,099          |
| <i>Vanuatu (VUV)</i>          |                      | 5,995          | 10,819         |
| <i>Mongolia (USD)</i>         |                      | 115            | 112            |
| <i>Vietnam (USD)</i>          |                      | 6,929          | 8,841          |
| <i>Philippines (PHP)</i>      |                      | 5,289          | 51,930         |
| <b>Total cash assets</b>      |                      | <b>168,547</b> | <b>354,383</b> |

- (i) Amounts are shown in the Australian Dollar equivalent as at 30 June 2022 and 30 June 2021 respectively.

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

|  | 2022<br>\$        | 2021<br>\$        |
|--|-------------------|-------------------|
| <b>Financial Position of Parent Entity at Year End</b> |                   |                   |
| Current assets   | 7,195,956         | 7,182,777         |
| Total assets   | 15,733,423        | 15,723,874        |
| Current liabilities                                    | 3,492,678         | 3,141,912         |
| Total liabilities                                      | 3,863,624         | 3,372,005         |
| <b>Total Equity of Parent Entity comprising of:</b>    |                   |                   |
| Retained surplus                                       | 11,869,790        | 12,351,869        |
| Revaluation reserve                                    | -                 | -                 |
| <b>Total equity</b>                                    | <b>11,869,790</b> | <b>12,351,869</b> |
| <b>Result of Parent Entity</b>                         |                   |                   |
| Deficit for the year                                   | (482,079)         | (620,921)         |
| Other comprehensive income                             | -                 | -                 |
| <b>Total comprehensive loss for the year</b>           | <b>(482,079)</b>  | <b>(620,921)</b>  |

## 20. EVENTS AFTER THE REPORTING PERIOD

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 46 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 2022 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements 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:



**Julie Hamblin**  
Director



**Dean Tillotson**  
Director

Place: Melbourne

16 February 2023

