



**volunteering**  
queensland

# 2020 ANNUAL FINANCIAL STATEMENT

**Volunteering Queensland Inc.**

## **ANNUAL FINANCIAL STATEMENT**

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30 June 2020

# **Volunteering Queensland Inc.**

**30 June 2020**

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**Statement by Volunteering Queensland Inc.**

The Committee of Volunteering Queensland Inc. declare that:

1. The Financial Statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and Accompanying Notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - b. give a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the year ended on that date.
  
2. In the Committee's opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of members of the Committee of Volunteering Queensland Inc.

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**Brett Williamson OAM**  
Volunteering Queensland President  
Brisbane  
7 October 2020

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**Julie-Anne Mee**  
Volunteering Queensland Treasurer  
Brisbane  
7 October 2020

## Statement of Profit or Loss and Other Comprehensive Income

### For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from Ordinary Activities	2	2,233,677	1,660,451
Employee Expenses	3	(1,536,463)	(1,236,844)
Operational Expenses		(503,093)	(390,702)
<b>Surplus for the Year before Income Tax</b>		194,120	32,905
<b>Surplus Attributable to Members</b>		194,120	32,905
<b>Other Comprehensive Income for the Year</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>194,120</b>	<b>32,905</b>

This Financial Statement should be read in conjunction with the Accompanying Notes.

## Statement of Financial Position

### As at 30 June 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	5	1,990,710	511,086
Trade and Other Receivables	6	52,232	97,086
Prepayments	7	16,495	14,371
<b>Total Current Assets</b>		<b>2,059,437</b>	<b>622,542</b>
<b>Non-Current Assets</b>			
Right of Use Asset	8	763,054	-
<b>Total Non-Current Assets</b>		<b>763,054</b>	<b>-</b>
<b>Total Assets</b>		<b>2,822,491</b>	<b>622,542</b>
<b>Current Liabilities</b>			
Trade and Other Payables	9	151,904	62,309
Employee Benefit Provision	10	145,282	114,146
Revenue in Advance	11	128,150	15,667
Grants in Advance	11	1,001,000	-
Lease Liability	12	122,511	-
<b>Total Current Liabilities</b>		<b>1,548,846</b>	<b>192,122</b>
<b>Non-Current Liabilities</b>			
Provisions	10	13,991	12,262
Lease Liability	12	647,374	-
<b>Total Non-Current Liabilities</b>		<b>661,365</b>	<b>12,262</b>
<b>Total Liabilities</b>		<b>2,210,211</b>	<b>204,384</b>
<b>Net Assets/ (Liabilities)</b>		<b>612,280</b>	<b>418,159</b>
<b>Equity</b>			
Accumulated Funds	13	612,280	418,159
<b>Total Equity</b>		<b>612,280</b>	<b>418,159</b>

This Financial Statement should be read in conjunction with the Accompanying Notes.

## Statement of Changes in Equity

### For the year ended 30 June 2020

	Accumulated Funds	Total
	\$	\$
	Accumulated Surplus	Total Accumulated Funds
<b>Balance at 01 July 2018</b>	<b>385,254</b>	<b>385,254</b>
<b>Total Comprehensive Income for the Period</b>		
Net Surplus for the Period 30 June 2019	32,905	32,905
<b>Total Comprehensive Income for the Period</b>	<b>32,905</b>	<b>32,905</b>
<b>Balance at 30 June 2019</b>	<b>418,159</b>	<b>418,159</b>
<b>Total Comprehensive Income for the Period</b>		
Net Surplus for the Period 30 June 2020	194,120	194,120
<b>Total Comprehensive Income for the Period</b>	<b>194,120</b>	<b>194,120</b>
<b>Balance at 30 June 2020</b>	<b>612,280</b>	<b>612,280</b>

This Financial Statement should be read in conjunction with the Accompanying Notes.

## Statement of Cash Flows

### For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Operating Activities		3,388,019	1,539,729
Payments to Suppliers and Employees		(1,805,449)	(1,662,281)
Interest Received		1,871	5,736
Net Cash Provided by Operating Activities	<b>15(b)</b>	<b>1,584,440</b>	<b>(116,816)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Lease Liability		(104,816)	-
Proceeds from Borrowings		-	-
Net Cash Provided by Financing Activities		(104,816)	-
Net Increase/ (Decrease) in Cash		1,479,624	(116,816)
Cash and Cash Equivalents at the Beginning of the Financial Year		511,086	627,902
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	<b>15(a)</b>	<b>1,990,710</b>	<b>511,086</b>

This Financial Statement should be read in conjunction with the Accompanying Notes.

# Notes to the Financial Statements

## For the year ended 30 June 2020

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### About this Report

#### Corporate Information

Volunteering Queensland Inc. (the Association) is a non-government charitable organisation incorporated under the Associations Incorporated Act (1981) Qld (with amendments). The Financial Report covers the economic activities of the Association which is domiciled in Australia.

The Association receives a principal part of its income as cash for services with some services such as volunteer time in kind and is a deductible gift recipient (DGR).

The Financial Statement, which is presented in Australian dollars, is authorised for issue by the Committee of the Association.

The Association is a non-profit entity for financial reporting purposes under Australian Accounting Standards.

#### Organisation Details

The registered office of the Association is:

Volunteering Queensland Inc.  
Level 12, 127 Creek Street  
Brisbane, Queensland, 4000

#### Principal Activities:

The principal activities of the Association during the year were:

- To encourage people to participate in volunteering.
- To enable volunteers and community organisations to develop the structure, skills and capacity to better the quality of volunteering for the benefit of the community.
- To engage in advocacy and policy development with government, other institutions and organisations on issues relevant to volunteering.

### Note 1: Summary of Significant Accounting Policies

#### Basis of Preparation

##### Statement of Compliance

The Financial Statement is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (RDR), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC). The Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Due to the application of Australian specific provisions for not-for-profits entities contained only within Australian Accounting Standards the Financial Statement and notes thereto are not necessarily compliant with all International Financial Reporting Standards.

Although the members of the Committee of the Association have previously determined that the Association is not a reporting entity, they also concurred that a change from special purpose financial statements to general purpose financial statements using the Reduced Disclosure Requirements would allow the Association to be consistent with the updated recommendations of the Australian Charities and Not-for-profit Commission (ACNC).

## Notes to the Financial Statements

### For the year ended 30 June 2020

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#### Note 1: Summary of Significant Accounting Policies (Continued)

##### New Accounting Standards and Impact on Accounting Policies

There have been no significant changes to the Association's financial performance and position as a result of the adoption of the new and other amended accounting standards and interpretations effective for reporting periods beginning on or after 01 January 2019.

New accounting standards and interpretations that are not mandatory for the reporting period have not been early adopted.

##### The Association Adopted AASB 16 Leases (applicable to annual reporting periods beginning on or after 01 January 2019)

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its Statement of Financial Position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its Statement of Financial Position for most leases.

The Association has limited leases. Right-of-use assets are recognised for the amount of the unamortised portion of the useful life, and lease liabilities are recognised at the present value of the outstanding lease payments.

The Association has adopted AASB 16 from 01 July 2019 using the modified retrospective approach. Accordingly, the information presented for 2019 has not been restated and is presented, as previously reported, under AASB 117 Leases.

##### Impacts on Transition

On adoption of AASB 16, the Association recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 01 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 01 July 2019 was 3%.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments and lease incentives relating to fit-out contributions received relating to that lease recognised in the balance sheet as at 30 June 2020 and are set out in Note 8. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on 01 July 2019:

- \* Right-of-use assets - increase by \$858,435; and
- \* Lease liabilities - increase by \$858,435.

There was no impact on retained earnings on 01 July 2019.

In applying AASB 16 for the first time, the Association used the following practical expedients permitted by the standard: the use of a single discount rate to a portfolio of leases with reasonably similar characteristics, reliance on previous assessments on whether leases are onerous, the accounting for operating leases with a remaining lease term of less than 12 months as at 01 July 2019 as short-term leases, the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

## Notes to the Financial Statements

### For the year ended 30 June 2020

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#### Note 1: Summary of Significant Accounting Policies (Continued)

##### **AASB 1058 Income of Not-For-Profit Entities** (applicable to annual reporting periods beginning on or after 01 January 2019)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These standards supersede all the income recognition requirements relating to private sector not-for-profit entities, and the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a not-for-profit transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a not-for-profit to further its objectives; and
- The receipt of volunteer services.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

Although the Association anticipates that the adoption of AASB 1058 may have an impact on the Association's financial statement, it has been deemed impracticable to provide or calculate the size of the Association's total volunteer base for the Income and Expenditure. However, where a true estimate can be nominated e.g. such as pro-bono professional fees, these figures are included in the notes and have no impact is anticipated on net surplus.

##### **AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities**

The Association has adopted AASB 15 and AASB 1058, which replace AASB 118 Revenue, from 01 July 2019 using the modified retrospective approach. Accordingly, the information presented for 2019 has not been restated and is presented, as previously reported, under AASB 118 Revenue.

##### **Impacts on Transition**

There has been no impact of the adoption of AASB 15 and AASB 1058, with revenue recognised being consistent with that under AASB 118.

##### **Reporting Basis and Conventions**

The Financial Statement has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of consideration given for the exchange of assets.

##### **Key Judgements and Estimates**

In the process of applying the Association's accounting policies, the Committee has made a number of judgements and applied estimates for future events. There are no judgements or estimates material to the Financial Statement.

## Notes to the Financial Statements

### For the year ended 30 June 2020

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#### Note 1: Summary of Significant Accounting Policies (Continued)

##### Fair Values of Assets and Liabilities

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair value is 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. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Association.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Association uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

##### Income Tax and Fringe Benefit Tax

The Association is exempt from the payment of Income Tax under the *Income Tax Assessment Act (1997)* as it is a Public Benevolent Institution. The Association is entitled to a partial exemption from fringe benefits tax.

##### Comparative Figures

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year for any substantial changes.

##### Current and Non-Current Classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 2: Revenue

	2020	2019
	\$	\$
<b>Revenue:</b>		
Service Agreements	1,436,570	1,040,456
Projects and Events	212,472	191,020
Training Courses	241,219	311,463
Donations	35,701	7,434
Membership and Subscriptions	54,080	47,200
Interest Received	1,871	5,736
	<b>1,981,912</b>	<b>1,603,309</b>
<b>Other Income</b>		
- Other Revenue	105,765	57,142
- Government Stimulus	146,000	-
<b>Revenue from Ordinary Activities</b>	<b>2,233,677</b>	<b>1,660,451</b>

#### Accounting Policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Association recognises revenue when it transfers control over a product or service to a customer.

In the comparative period, revenue was recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

#### Goods and Services Tax

Revenues are recognised net of the amount of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities. The Association operates on a cash basis for GST.

#### Donations and Bequests

Revenue or capital assets arising from donations and bequests is recognised when control is obtained, as it is impossible for the Association to reliably measure these prior to this time.

#### Gifts In Kind

Gifts in kind obtained for charitable purposes have a nil replacement value (that is they would be replaced by other donated goods), and as such revenue from the donations of these goods are not included in the Financial Statement other than as defined under donations and bequests.

#### Government Grants (Service Agreements)

Grants are principally of a recurrent or capital nature and intended to fund ongoing operations or asset acquisitions.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the Association obtains control of the funds.

#### Interest Revenue

Revenue is recognised as the interest accrues for the accounting period.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 3: Operating Expenses

	2020	2019
	\$	\$
<b>Specific required disclosures are:</b>		
Employee Expenses	1,536,463	1,236,844
Office Lease Amortisation and Interest	111,647	-
Rent and Outgoings	11,918	97,931
Motor Vehicle Expenses	18,989	19,388
Number of employees at the end of the year	20	16
Number of volunteers at the end of the year	40	37

#### Accounting Policy

##### Goods and Services Tax

Expenses are recognised net of the amount of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers. The Association operates on a cash basis for GST.

#### Note 4: Professional Fees: Pro Bono

	2020	2019
	\$	\$
Legal Services	5,000	-
Audit Services (Auditor Remuneration)	10,000	10,000

#### Accounting Policy

The fair value of pro bono professional services can be measured reliably based on the services provided.

#### Note 5: Cash and Cash Equivalents

	Note	2020	2019
		\$	\$
Cash at Bank		1,913,845	346,189
Cash on Deposit (Restricted)		76,865	164,897
	15	<u>1,990,710</u>	<u>511,086</u>

#### Accounting Policy

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and deposits at call or with an original maturity of less than three months, which are subject to insignificant risks of changes in their value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### Note 6: Trade and Other Receivables

	2020	2019
	\$	\$
Trade & Other Receivables	52,232	97,086
	<u>52,232</u>	<u>97,086</u>

#### Accounting Policy

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

##### Impairment

The Association applies the simplified approach for trade receivables as permitted by AASB 9. The Association has determined that expected lifetime losses associated with trade receivables is immaterial.

##### Goods and Services Tax

Receivables in the Statement of Financial Position are shown inclusive of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities. The Association operates on a cash basis for GST.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 7: Other Assets

	2020	2019
	\$	\$
<b>Current</b>		
Prepayments	16,495	14,371
	<u>16,495</u>	<u>14,371</u>

#### Accounting Policy

Prepayments and other receivables are financial assets with fixed or determinable payments in the next period. No gains and losses are recognised in profit or loss. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current.

#### Note 8: Right of Use Asset

	2020	2019
	\$	\$
<b>Right of Use Asset</b>		
Transition Opening Balance	858,435	-
Less: Accumulated Amortisation on Right of Use Asset	(95,382)	-
Carrying Amount at the End of the Financial Year	<u>763,054</u>	<u>-</u>

#### Accounting Policy

##### Right of Use Assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Association has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 9: Trade and Other Payables

	2020	2019
	\$	\$
Accounts Payable	6,714	10,309
Superannuation Payable	12,110	8,631
GST Payable	103,268	25,075
PAYG Withholding	26,422	17,386
Other Payables	3,389	908
<b>Trade and Other Payables</b>	<b>151,904</b>	<b>62,309</b>

#### Accounting Policy

Trade and other payables represent unpaid liabilities for goods received by and services provided to the Association prior to the end of the financial year. The amounts are unsecured and are normally settled within 14-30 days.

#### Goods and Services Tax

Payables in the Statement of Financial Position are shown inclusive of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers. The Association operates on a cash basis for GST.

#### Note 10: Provisions

	2020	2019
	\$	\$
Provision for Long Service Leave	49,643	37,134
Provision for Annual Leave	95,639	77,012
<b>Current Provisions</b>	<b>145,282</b>	<b>114,146</b>
Provision for Long Service Leave	13,991	12,262
<b>Non-Current Provisions</b>	<b>13,991</b>	<b>12,262</b>

#### Accounting Policy

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date including on-costs.

#### Employee Entitlements

Sick leave is non-vesting and no provision has been made.

The provision for annual leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date. The liability is recognised as current and non-current provisions dependent on the unconditional right to settlement of the liability within 12 months after the reporting date. The provision is calculated using current wage and salary rates at reporting date.

The provision for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date. The liability for long service leave is recognised as current and non-current provisions, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The provision is calculated using current wage and salary rates (adjusted at least annually) including related on-costs and expected settlement dates based on experience of employee departures and periods of service at reporting date which most closely match the terms of maturity of the related liabilities.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 10: Provisions (Continued)

##### Other Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Association has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### Note 11: Revenue and Grants in Advance

	2020	2019
	\$	\$
Revenue in Advance	128,150	15,667
Grants in Advance	1,001,000	-
	<u>1,129,150</u>	<u>15,667</u>

##### Accounting Policy

Grants are principally of a recurrent or capital nature and intended to fund ongoing operations or asset acquisitions.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the Association obtains control of the funds.

#### Note 12: Lease Liability

	2020	2019
	\$	\$
Lease Liability: Current	122,511	-
Lease Liability: Non-Current	647,374	-
	<u>769,885</u>	<u>-</u>

##### Accounting Policy

##### Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 13: Retained Profits

	2020	2019
	\$	\$
Retained profits at the beginning of the financial year	418,159	385,254
Net profit (loss) attributable to the association	194,120	32,905
Retained profits at the end of the financial year	<u>612,280</u>	<u>418,159</u>

#### Note 14: Contingent Assets and Contingent Liabilities

The Association not aware of any currently no contingent assets or liabilities.

#### Note 15: Notes to the Statement of Cash Flows

##### (a) Reconciliation of Cash

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2020	2019
		\$	\$
Cash and Cash Equivalent		1,913,845	346,189
Cash on Deposit (Restricted)		76,865	164,897
Cash and Cash Equivalents	5	<u>1,990,710</u>	<u>511,086</u>
Balance per Statement of Cash Flows		<u>1,990,710</u>	<u>511,086</u>

##### (b) Reconciliation of Cash Flow from Operations with the Net Surplus

<b>Net Surplus</b>	<b>194,120</b>	<b>32,905</b>
<b>Non-Cash Flows in Operating Surplus</b>		
Amortisation of Right of Use Asset	95,382	-
Interest Expenses - Lease Liability	16,265	-
<b>Changes in Assets and Liabilities</b>		
(Increase)/ Decrease in Trade and Other Receivables	44,853	(31,093)
(Increase)/ Decrease in Prepayments	(2,124)	(2,981)
Increase/ Decrease in Trade and Other Payables	1,203,078	(111,874)
Increase/ Decrease in Provisions	32,865	(3,773)
<b>Cash Flows from Operations</b>	<u><b>1,584,440</b></u>	<u><b>(116,816)</b></u>

# Notes to the Financial Statements

For the year ended 30 June 2020

## Note 16: Financial Risk Management

### General Objectives, Policies and Processes

In common with similar organisations, the Association is exposed to risks that arise from its use of financial instruments. This note describes the Association's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Association's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises:

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The Committee of the Association has overall responsibility for the determination of the Association's risk management objectives and policies.

### (a) Credit Risk

Credit risk is the risk that the other Party to a financial instrument will fail to discharge their obligations resulting in the Association incurring a financial loss. This usually occurs when debtors or counter Parties to contracts fail to settle their obligations owing to the Association.

The maximum exposure to credit risk at balance date, without taking into account the value of any collateral or other security, in the event other Parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the Statement of Financial Position and is as follows:

	Note	2020 \$	2019 \$
		<u>                    </u>	<u>                    </u>
Cash and Cash Equivalents	5	1,990,710	511,086
Trade and Other Receivables	6	52,232	97,086
		<u><b>2,042,942</b></u>	<u><b>608,172</b></u>

## Notes to the Financial Statements

### For the year ended 30 June 2020

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#### **Note 16: Financial Risk Management (Continued)**

##### **(a) Credit Risk (Continued)**

###### **Cash and Cash Equivalents**

Cash and cash equivalents are deposited with Westpac Banking Corporation (Queen St Brisbane Branch).

###### **Trade and Other Receivables**

Within Trade and Other Receivables the Commonwealth and State Governments are the largest debtors through GST and government funding receivables. Credit risk associated with trade and other receivables is monitored by the monthly review of trade debtor listings.

##### **(b) Market Risk**

The Association does not have any material exposure to market risks other than interest rate risks.

The policies and procedures for managing price risk are similar to those for managing credit risk as detailed in Note 15(a)

###### **Interest Rate Risk**

Interest rate risk arises from the use of interest bearing financial instruments. It is the risk that fair value for future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Association monitors its interest rate exposure continuously. Total financial assets that earned interest at a floating rate is \$1,990,710 as at 30 June 2020 (2019: \$511,086).

#### **Note 17: Events Subsequent to Reporting Date**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Association up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

As at the date of this report, there are no other matters or circumstances that have significantly affected, or may significantly affect, the Association's operations in future financial years, the Association's results in future financial years, or the Association's state of affairs during future financial years.

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 18: Related Party Transactions

The names of persons who were Committee members of Volunteering Queensland Inc. at any time during the financial year are as follows:

Office Bearers	Members
Brett Williamson OAM (President)	Scott Black
Brett Johnson (Vice President)	Natasha Doherty
Julie-Anne Mee (Treasurer)	Linda Lavarch
Jane Hedger (Secretary)	Deborah Nisbet
	Peter Tragardh

No Committee member has entered into a material contract with the Association since the end of the previous financial year and there were no material contracts involving Committee members' interests subsisting at year end. Committee members may have family members or relatives who utilise the services that the Association or its members provide. Such transactions are conducted at arms length. Committee members do not receive any direct remuneration.

#### Other Key Management Personnel as at 30 June 2020 were:

Mara Basanovic (Chief Executive Officer)

Key management personnel remuneration includes reportable fringe benefits on motor vehicles supplied.

	2020 \$	2019 \$
The bands of remuneration (including reportable fringe benefits) are as follows:		
\$0-50k	5	7
\$51-200k	15	11

#### Intra-Volunteering Network

The Association is an independent incorporated not-for-profit organisation and as such does not pay net intra-network payments to any other entity.

## Auditor's Independence Declaration



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Australia

### DECLARATION OF INDEPENDENCE BY P A GALLAGHER TO THE DIRECTORS OF VOLUNTEERING QUEENSLAND INC

As lead auditor of Volunteering for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Volunteering Queensland Inc during the period.

A handwritten signature in black ink, appearing to read 'P A Gallagher', with a long horizontal flourish extending to the right.

**P A Gallagher**  
Director

**BDO Audit Pty Ltd**

Brisbane, 7 October 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Volunteering Queensland Inc.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Volunteering Queensland Inc (the Entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and Certificate by Members of the Committee.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2020 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards - Reduced Disclosure Requirements. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of Committee Members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Committee's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of management and those charged with governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of Association Corporation Act of 1981 and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

**P A Gallagher**  
Director

Brisbane, 7 October 2020