

AUSTRALIAN BUSINESS VOLUNTEERS LIMITED
as Trustee for AESOP Foundation

ABN 89 008 612 431

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

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Australian Business Volunteers Limited as Trustee for the AESOP Foundation

Directors' Report

For the Year Ended 30 June 2014

Australian Business Volunteers Limited, the Trustee Company for the AESOP Foundation (the trust), provides this report for the financial year ended 30 June 2014.

1. General information

Information on directors

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

Fiona Jolly
Chair since 25/11/2013

Director since: 15/11/2010
CEO Advertising Standards Bureau
Deputy Convenor, Classification Review Board
Qualifications: BA, LLB, LLM, GAICD

Ross Johnston
Chair, Finance Committee

Director since: 21/11/2011
Head of Finance, Finance Transformation, Westpac Banking Corporation
Director of Sydney Music Project
Qualifications: BBusAccting, Grad Dip Advanced Accting, CA

Des Walsh
Chair, Governance Committee

Director since: 18/11/2008
Regional Development Australia (ACT) Committee Member to 30/6/14
Director Rotary Club of Belconnen ACT Inc
Qualifications: Dip of Public Admin (part completed)

Linda Echentille

Director since: 25/11/2013
Principle - Linda E Speaks Consultancy and Leadership
Qualifications: B. Bus (Hospitality and Tourism Mgmt); Dip Advanced Bus Facilitation

Jonathan Pinshaw

Director since: 15/11/2010 Ceased: 25/11/2013
Adviser Burger King NZ
Mentor, Stephenson Mansell
Qualifications: B Bus Sc (Hons), Hons B Comm.

Sarah-Jane Christensen

Director since: 15/11/2010 Ceased: 11/03/2014
Director, Coulson Tiles Pty Ltd
Director, Sarjan Consulting Pty Ltd
Qualifications: LLB, BEc, LLM, MBA

Professor Bruce Young

Director since: 15/11/2010 Ceased: 25/11/2013
Principal of Belhaven Farms
Professor Emeritus of the University of Queensland
Qualifications: MRurSc, PhD

Australian Business Volunteers Limited as Trustee for the AESOP Foundation

Directors' Report

For the Year Ended 30 June 2014

Raymond Jones

Director since: 25/11/2013 Ceased: 7/3/2014
Non-Executive Director RACQ Insurance
Executive Director G4S Compliance and Investigations

Ilan Rimmer

Director since: 28/07/2014
Group General Manager, Strategy, Stellar Asia-Pacific
Qualifications BCom (Hons), MBA, GAICD

Susan Kluss

Director since: 28/07/2014
Barrister Maurice Byers Chambers
Qualifications: BA/LLB, GAICD

Emma Street

Company Secretary

Company Secretary since: 2/10/2012
General Manager Finance and Operations ABV
Director/Secretary Pocket Diva Pty Ltd
Director/Secretary Business Life Network Ltd
Qualifications: AdvDipBus(Accounting), B Com, CPA

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

Principal activities

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

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

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

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

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

Short and long term objectives and strategic direction

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

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

Directors' Report

For the Year Ended 30 June 2014

Performance measures

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

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

2. Operating results and review of operations for the year

Review of operations

For 2013-14 the Trust provided services in Cambodia, China, East Timor, Fiji, Indonesia, Lao PDR, Papua New Guinea, Philippines, Samoa, Solomon Islands, Thailand, Vanuatu and Vietnam. This included the continued delivery of the Australian Government Volunteer Program (Australian Volunteers for International Development) in a consortium with Scope Global. ABV continued to run IBM programs (Corporate Service Corps and Smarter Cities Challenge) in designated developing countries.

3. Other items

After balance date events

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

The continued operations of the Foundation rely substantially on the ongoing revenue of a Consortium led by Scope Global as well as IBM and other corporate sponsorship. The services agreement with Scope Global ends in December 2015, with annual funding determined on a yearly basis subject to funding levels determined by the Australian Government through the Department of Foreign Affairs and Trade. The contract provides for an annual funding review and negotiations between Scope Global and ABV have been finalised post balance date with respect to operations and funding from 1 July 2014.

Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Jonathan Pinshaw	4	4
Sarah-Jane Christensen	7	7
Des Walsh	9	9
Ross Johnston	9	9
Fiona Jolly	9	9
Professor Bruce Young	4	4
Linda Echentille	5	4
Raymond Jones	3	2

Directors' Report

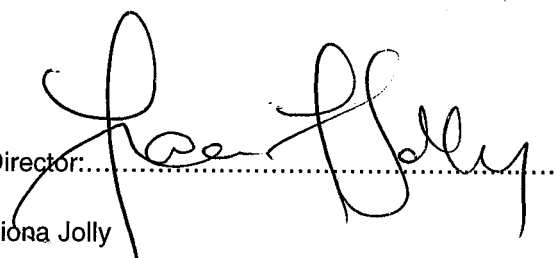
For the Year Ended 30 June 2014

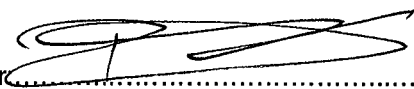
Indemnification and insurance of officers and auditors

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

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

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

Director: 
Fiona Jolly

Director: 
Ross Johnston

13 October 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Report

We have audited the accompanying financial report of Australian Business Volunteers Limited as trustee for AESOP Foundation (the trust), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014, notes comprising a summary of significant accounting policies and other explanatory information, and the trustee company's directors' declaration.

Trustee's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion the financial report of Australian Business Volunteers Limited as trustee for AESOP Foundation gives a true and fair view of the trust's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with Australian Accounting Standards and the trust deed.

A handwritten signature in dark ink, appearing to read 'Selina Stanford', with a stylized flourish at the end.

Selina Stanford
Director

Dated: 13 October 2014

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,031,799	863,747
Trade and other receivables	4	560,250	603,116
Other assets	5	42,298	92,394
TOTAL CURRENT ASSETS		1,634,347	1,559,257
NON CURRENT ASSETS			
Property, Plant and equipment	6	42,731	65,252
Intangibles	6	-	-
TOTAL NON CURRENT ASSETS		42,731	65,252
TOTAL ASSETS		1,677,078	1,624,509
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	298,062	155,800
Unearned revenue	8	372,574	700,068
Provisions		63,023	57,101
TOTAL CURRENT LIABILITIES		733,659	912,969
NON CURRENT LIABILITIES			
Provisions	9	37,071	25,515
TOTAL NON CURRENT LIABILITIES		37,071	25,515
TOTAL LIABILITIES		770,730	938,484
NET ASSETS		906,348	686,025
EQUITY			
Settlement capital		10	10
Retained earnings		906,338	686,015
TOTAL EQUITY		906,348	686,025

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
REVENUE		
Donations and gifts		
Non-monetary	37,918	73,146
Donations and gifts - Australian Business Volunteers Ltd	<u>47,318</u>	<u>13,167</u>
	85,237	86,313
Grants		
AusAID (AVID)	2,762,434	2,612,146
Other	<u>1,063,207</u>	<u>1,036,815</u>
	3,825,642	3,648,961
Other Income		
Investment income (interest received)	7,503	6,853
Other income	60,045	232,802
Unrealised gain on foreign exchange	<u>0</u>	<u>68,972</u>
	67,548	308,627
TOTAL REVENUE	<u><u>3,978,427</u></u>	<u><u>4,043,901</u></u>
EXPENDITURE		
International Aid and Development Program Expenditure		
International programs		
Funds to International programs (AVID)	1,520,652	1,446,508
Other program expenses	<u>500,331</u>	<u>608,697</u>
	2,020,983	2,055,205
Accountability and administration		
Administrative expenses	458,799	388,685
Employee expenses	<u>1,240,403</u>	<u>1,177,680</u>
	1,699,202	1,566,365
Non-monetary expenditure	37,918	73,146
Total International Aid and Development Program Expenditure	<u>3,758,104</u>	<u>3,694,716</u>
TOTAL EXPENDITURE	<u><u>3,758,104</u></u>	<u><u>3,694,716</u></u>
Surplus/(Deficit) for the period	<u><u>220,323</u></u>	<u><u>349,185</u></u>
Other Comprehensive income	-	-
Total comprehensive income (loss)	<u><u>220,323</u></u>	<u><u>349,185</u></u>

During the financial year ended 30 June 2014, there were no amounts received or incurred by the Trust for the following categories: Bequests and Legacies, Grants (Other Australian), Revenue or expenses for International Political or Religious Programs, International programs (Program support costs and Community Education), Fundraising costs (Public costs or Government, multilateral and private) and Domestic programs expenditure.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Retained Earnings \$	Settlement Capital \$	Total \$
Balance for 1 July 2012	<u>336,830</u>	<u>10</u>	<u>336,840</u>
Net surplus/ (deficit) for the year	349,185	-	349,185
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>349,185</u>	<u>-</u>	<u>349,185</u>
Balance as at 30 June 2013	<u>686,015</u>	<u>10</u>	<u>686,025</u>
Net surplus/ (deficit) for the year	220,323	-	220,323
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>220,323</u>	<u>-</u>	<u>220,323</u>
Balance as at 30 June 2014	<u>906,338</u>	<u>10</u>	<u>906,348</u>

During the financial year ended 30 June 2014, there were no adjustments or changes in Equity , other than the surplus for the year.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
OPERATING ACTIVITIES			
Government grants and other receipts		4,013,301	4,509,203
Payments to suppliers and employees		(3,840,505)	(4,374,220)
Interest received		7,935	6,853
Financial charges and taxes		-	-
Net cash generated (used)	11(a)	<u>180,731</u>	<u>141,836</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(12,679)</u>	<u>(43,098)</u>
Net cash generated (used)		<u>(12,679)</u>	<u>(43,098)</u>
FINANCING ACTIVITIES			
Payment of finance lease liabilities		-	-
Net cash generated (used)		-	-
Net movement in cash and cash equivalents		168,052	98,738
Cash and cash equivalents at beginning of year		863,747	765,009
Cash and cash equivalents at end of year	3	<u>1,031,799</u>	<u>863,747</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of significant accounting policies

(a) Basis of Preparation

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

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

(b) Comparative figures

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

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

(c) Property, Plant and equipment

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

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

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

Depreciation

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of significant accounting policies, continued

(d) Financial instruments

Recognition

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

Loans and receivables

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

Financial liabilities

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

(e) Impairment

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

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(g) Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

The Trust classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Trust's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligations is recognised in profit or loss classified under employee benefits expense.

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

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Trust receive defined contribution superannuation entitlements, for which the Trust pays the fixed superannuation guarantee contribution (9.25% of the employee's average ordinary salary in 2014) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contributions entitlements are recognised as an expense when they become payable. The Trust's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Trust's statement of financial position.

(h) Provisions

Provisions are recognised when the Trust has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of significant accounting policies, continued

(i) Trade and other payables

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

(j) Revenue and other income

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

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

Grant revenue

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

When grant revenue is received whereby the Trust incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability (unearned revenue) until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Non monetary donations

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

Interest revenue

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

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

(k) Trade and other receivables

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

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(m) Foreign currency transactions and balances

Transaction and balances

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of significant accounting policies, continued

(n) Critical accounting estimates and judgments

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

Key estimates :

Impairment

The Trustee Company's directors assesses the impairment at each reporting date by evaluating conditions specific to the trust that may lead to impairment of assets. Should an impairment exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2014.

Liability for long service leave

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

(o) Imputed value of contributed services

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

(p) New and amended accounting policies

Employee benefits

During the year, the Trust adopted AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards, which are mandatorily applicable from 1 January 2013. The Trust has applied these standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119 (September 2011).

Among other things, the main changes introduced by AASB 119 (September 2011) relate to defined benefit plans and termination benefits, which have no impact on the Trust's financial statements as the Trust has no defined benefit obligations or termination benefits at present. Additionally, AASB 119 (September 2011) has introduced revised definitions for "short-term employee benefits" and "other long-term employee benefits". These revisions cause a change in accounting policy for the annual leave provision amounts recognised in the financial statements as explained below.

Provision for employee benefits: annual leave

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, annual leave satisfied the definition of short-term employee benefits and therefore the leave liability was measured on an undiscounted basis at the amounts expected to be paid when the liability was settled. However, under AASB 119 (September 2011), as the Trust expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, obligations for annual leave entitlements now meet the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees. Note, however, that these changes do not impact the classification of leave entitlements between current and non-current liability in the statements of financial position. No material adjustments to the carrying amounts of the Trust's annual leave provision were required as a consequence of applying AASB 119.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Note 2: Net result from ordinary activities		
Net result has been determined after:		
<i>(a) Expenses</i>		
Depreciation of non-current assets:		
- furniture, fixtures and fittings	1,088	2,216
- office equipment	34,113	34,303
Total depreciation	<u>35,201</u>	<u>36,519</u>
Rental expense on operating leases:		
- minimum lease payments	78,196	38,316
<i>(b) Auditor's remuneration</i>		
- auditing the financial report	11,688	18,193
- other services	1,500	2,070
	<u>13,188</u>	<u>20,263</u>
<i>(c) Net gains (losses)</i>		
Proceeds from the sale of assets	-	-
Carrying amount of assets disposed of	-	(3,426)
	<u>-</u>	<u>(3,426)</u>

Note 3: Cash and Cash Equivalents

Cash on hand	101	350
Cash at bank	1,031,698	863,397
	<u>1,031,799</u>	<u>863,747</u>

Code of Conduct Summary -

(a) Table of Cash Movements

	Cash available at the beginning of the year \$	Cash raised during the year \$	Cash disbursed during the year \$	Cash available at the end of the year \$
AVID funding of overseas volunteer program	634,974	2,384,022	(2,682,910)	336,086
Total for other purposes	228,773	1,107,417	(640,477)	695,713
Total	<u>863,747</u>	<u>3,491,439</u>	<u>(3,323,387)</u>	<u>1,031,799</u>

	2014 \$	2013 \$
Note 4: Trade and Other Receivables		
CURRENT		
Trade receivables	81,542	286,814
Receivable - Australian Business Volunteers Limited	478,708	315,870
Interest receivable	-	432
	<u>560,250</u>	<u>603,116</u>

Note 5: Other Assets

CURRENT		
Prepayments	42,298	92,394
	<u>42,298</u>	<u>92,394</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 6: Property, Plant & Equipment and Intangibles

	2014	2013
Property, Plant & Equipment -	\$	\$
Furniture, fixtures and fittings - at cost	3,002	1,914
Accumulated depreciation	(3,002)	(1,914)
	-	-
Office equipment - at cost	83,884	139,293
Accumulated depreciation	(41,153)	(74,041)
	42,731	65,252
Total Property, Plant & Equipment	42,731	65,252
Intangibles -		
Computer software, internally generated - at cost	-	262,783
Accumulated amortisation and impairment	-	(262,783)
Total Intangibles	-	-

(a) Movements in carrying amounts

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

	Furniture, Fixtures and Fittings - at cost	Office equipment - at cost	Computer software, internally generated - at cost	Total
	\$	\$	\$	\$
Opening balance	-	65,252	-	65,252
Additions	1,088	11,592	-	12,680
Disposals	-	-	-	-
Other adjustments	-	-	-	-
Depreciation expense	(1,088)	(34,113)	-	(35,201)
Closing balance	-	42,731	-	42,731

	Furniture, Fixtures and Fittings - at cost	Office equipment - at cost	Computer software, internally generated - at cost	Total
	\$	\$	\$	\$
Opening balance	-	61,798	-	61,798
Additions	1,914	41,183	-	43,097
Disposals	302	(3,426)	-	(3,124)
Depreciation expense	(2,216)	(34,303)	-	(36,519)
Closing balance	-	65,252	-	65,252

Note 7: Trade and Other Payables

CURRENT

Unsecured liabilities:

Trade and Other Payables	246,471	72,753
Accrued expenses	24,942	52,650
Other employee benefits payable	26,649	30,397
	298,062	155,800

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Note 8: Unearned Revenue		
CURRENT		
Unexpended grants	336,086	637,702
Income in advance	36,488	62,366
	<u>372,574</u>	<u>700,068</u>
Note 9: Provisions		
CURRENT		
► Annual leave	63,023	57,101
	<u>63,023</u>	<u>57,101</u>
NON-CURRENT		
► Long service leave (non-vested)	37,071	25,515
	<u>37,071</u>	<u>25,515</u>

(a) Provision for employee benefits

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

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

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

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

Note 10: Leasing Commitments

(a) Operating Lease commitments

Operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments:

- no later than one year	100,299	10,000
- later than 1 but less than 5 years	325,972	-
	<u>426,271</u>	<u>10,000</u>

These amounts are inclusive of GST.

A lease for new premises was entered into in September 2013 operating for 5 years from 1 October 2013 to 30 September 2018 at an annual cost of \$100,299 from 1 September 2014 with a CPI review each year on 1 September.

Note 11: Cash flow information

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

Operating surplus / (deficit)	220,323	349,185
Non-cash flows in operating result:		
- Depreciation	35,201	36,519
- Net loss on disposal on property plant and equipment	-	3,426
- Other fixed asset adjustment	-	(302)
Changes in assets and liabilities:		
- Trade and other receivables	42,865	115,235
- Other current assets	50,096	58,797
- Trade and other payables	142,262	(102,543)
- Unearned revenue	(327,494)	(312,197)
- Provisions	17,478	(6,284)
Net cash relating to operating activities	<u>180,731</u>	<u>141,836</u>

(b) Non-cash transactions

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

(c) Unused credit facilities

The Trust has no credit facilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Note 12: Interests of Key Management Personnel		
Short-term employee benefits	321,290	402,894
Post-employment benefits	0	36,567
	<u>321,290</u>	<u>439,461</u>

Note 13: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no related party transactions during the year other than the following transactions with ABV Ltd, the Trustee: purchase of administrative support \$59,557, Donation from the Trustee to the Trust \$47,318.

Note 14: Events after the end of the Reporting Period

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

Note 15: Economic Dependency

The continued operations of the Trust rely substantially on the ongoing revenue of a Consortium led by Scope Global and IBM and other corporate sponsorship. The services agreement with Scope Global ends in December 2015, with annual funding determined on a yearly basis subject to funding levels determined by the Australian Government through the Department of Foreign Affairs and Trade. The contract provides for an annual funding review and a new contract has been signed post balance date with respect to operations and funding for the year ending 30 June 2015.

Note 16: Trust Details

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

Level 4, 33 Ainslie Ave
Canberra ACT 2601

Note 17: Imputed Value of Contributed Services

	2014 \$	2013 \$
The following is a summary of the value of services contributed to projects		
Value of services donated by volunteers or clients	<u>2,765,743</u>	<u>3,055,200</u>

Note 18: Financial Risk Management

(a) Financial Risk Management Policies

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

The Trust does not have any derivative instruments at 30 June 2014.

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

Financial Risk Exposures and Management

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

Interest rate risk

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

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

Credit risk

The Trust does not provide credit.

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

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

Liquidity risk

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 18: Financial Risk Management (continued)

Foreign exchange risk

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

The Trust receives foreign currency through a bank account held by the Trustee, ABV Ltd, holding USD \$448,175 valued at AUD \$476,073 as at balance date all of which was held on behalf of the Trust. Expenditure outside Australia is predominantly in USD, and USD receipts provide a cash reserve for overseas expenditure without the requirement to exchange currency. Holding USD currency mitigates the risk of loss on exchanging large amounts of US currency.

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

(b) Net Fair Values

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 18: Financial Risk Management (continued)

(c) Financial Instrument Composition and Maturity Analysis

	Weighted average effective interest rate		Variable interest rate		Fixed interest rate, maturing within 1 year		Non-interest bearing		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:										
Cash at bank	0.85%	0.50%	324,057	191,003	34,204	10,351	673,538	662,393	1,031,799	863,747
Receivables	na	na	-	-	-	-	560,250	287,245	560,250	287,245
Total financial assets			324,057	191,003	34,204	10,351	1,233,788	949,638	1,592,049	1,150,992
Financial liabilities:										
Payables	na	na	-	-	-	-	298,062	125,403	298,062	125,403
Total financial liabilities			-	-	-	-	298,062	125,403	298,062	125,403

Australian Business Volunteers Limited as Trustee for AESOP Foundation

ABN 89 008 612 431

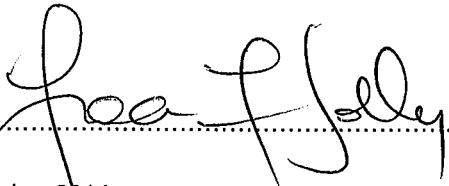
DIRECTORS' DECLARATION

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

1. The financial statements and notes present fairly the Trust's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards, and the requirements of the Australian Charities and Not-for profits Commission Act 2012; and
2. In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

Director



13 October 2014

Director

