# The School Volunteer Program Ltd

Trading As

# EdConnect Australia

ACN 109 551 966

# Financial Statements

# For the Year Ended

# 30 June 2021

# Contents

# Directors’ Report

The Board of The School Volunteer Program Ltd t/a EdConnect Australia present their report together with the financial statements for the year ended 30 June 2021 and the Independent Audit Report thereon.

## Directors details

The following persons were Directors and Members of The School Volunteer Program Ltd t/a EdConnect Australia during or since the end of the financial year:

| | |
|---|---|
| Norma Jeffery (Chair) | resigned October 2020 |
| Elena Mogilevski (Chair) | elected November 2020 (formerly Deputy Chair) |
| Margaret Banks (Deputy Chair) | elected November 2020 |
| Joseph Hoe (Company Secretary) | |
| Dr Anne Matthews | |
| Ian Hasleby | resigned October 2020 |
| David Barwise | |
| Ben Peacock | |
| Sam Rosevear | |
| John Inverarity | appointed June 2021 |

## Directors’ meetings

The number of meetings of Directors (including meetings of Committees) held during the year and the number of meetings attended by each Director is as follows:

| | Number eligible to attend | Number attended |
|---|---|---|
| Norma Jeffery | 2 | 2 |
| Elena Mogilevski | 6 | 6 |
| Margaret Banks | 6 | 6 |
| Joseph Hoe | 12 | 8 |
| Dr Anne Mathews | 6 | 4 |
| Ian Hasleby | 2 | 2 |
| David Barwise | 12 | 12 |
| Ben Peacock | 6 | 4 |
| Sam Rosevear | 6 | 5 |
| John Inverarity | 1 | 1 |

## Contact Officer

EdConnect Australia's contact officer is the Chief Executive Officer Mrs Gerri Clay who was appointed on 5th February 2018.

## Principal Activity

EdConnect Australia's principal activity is to recruit, train and support skilled volunteers to provide life-changing mentoring and learning support to students in the school community.

## Significant changes in the state of affairs

Covid-19 continued to impact the placement of volunteers in school settings during the 2021 financial year, particularly during the extended lockdown in Victoria. EdConnect's activity in Western Australia has been affected for brief periods when Perth lockdowns have been imposed, including closure of Head Office in Maylands. EdConnect staff continue to operate with a blend of office based and work from home modes. This enables a rapid response to revert to a work-from-home footing for all staff when required. EdConnect received government assistance through JobKeeper and Cash Boost funding programs in the financial year.

EdConnect continues to follow government advice to ensure the safety and wellbeing of students, volunteers and staff.

## Strategy for achieving short and long-term objectives

EdConnect's strategy is outlined in the Strategic Plan 2020-2025 which is available to view on the 'Our Work' section of our website at www.edconnectaustralia.org.au.

The Directors also hold an annual strategy meeting.

## Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee.

If the Company is wound up, the constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the entity. At 30 June 2021 the total amount that members of the Company are liable to contribute if the Company wound up is $80 (2020: $90).

## Auditor Independence

The Company's auditor is Armada Audit & Assurance Pty Ltd, represented by Nigel Dias. The auditor was not engaged to provide any non-audit related services during the period.

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 6 of this financial report and forms part of this Director's Report.

Signed in accordance with a resolution of the Directors.

Director
Dated this 23rd day of September 2021

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*strength in numbers*

## AUDITOR'S INDEPENDENCE DECLARATION
## UNDER SECTION DIVISION 60 OF *THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012*

## TO THE DIRECTORS OF THE SCHOOL VOLUNTEER PROGRAM LTD TRADING AS ED CONNECT AUSTRALIA

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not Profits Commission Act 2012* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Armada Audit & Assurance

**Armada Audit & Assurance Pty Ltd**

NDias

**Nigel Dias**
**Director**

**Dated this 24 September 2021, Perth**



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# Statement of Profit or Loss and Other Comprehensive Income

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | $ | $ |
| **Revenue** | | | |
| Government grants/service agreements | | 711,770 | 683,831 |
| Private sector grants | | 428,604 | 346,953 |
| Other revenue | 4 | 561,824 | 371,185 |
| | | 1,702,198 | 1,401,969 |
| **Expenses** | | | |
| Employee benefits expense | 5 | (1,017,070) | (961,091) |
| Depreciation and amortisation expenses | | (31,323) | (20,150) |
| Other expenses | 5 | (185,532) | (225,416) |
| Finance cost | | (3,737) | (4,706) |
| | | (1,237,662) | (1,211,363) |
| **Total income for the year** | | 464,536 | 190,606 |
| **Other comprehensive income** | | - | - |
| **Total comprehensive income for the year** | | **464,536** | **190,606** |

# Statement of Financial Position

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 6 | 1,265,873 | 848,582 |
| Trade and other receivables | 7 | 13,673 | 48,406 |
| Other current assets | 8 | 25,019 | 23,602 |
| **TOTAL CURRENT ASSETS** | | 1,304,565 | 920,590 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment and intangible assets | 9 | 95,748 | 42,279 |
| Right of use assets | 10 | 35,038 | 48,892 |
| **TOTAL NON-CURRENT ASSETS** | | 130,786 | 91,171 |
| **TOTAL ASSETS** | | 1,435,351 | 1,011,761 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 11 | 59,033 | 58,235 |
| Unearned Revenue | | 457,121 | 504,249 |
| Provisions | 12 | 101,367 | 91,550 |
| Leases | 13 | 13,256 | 12,757 |
| **TOTAL CURRENT LIABILITIES** | | 630,777 | 666,791 |
| **NON-CURRENT LIABILITIES** | | | |
| Provisions | 12 | 13,792 | 10,858 |
| Leases | 13 | 23,810 | 37,066 |
| **TOTAL NON-CURRENT LIABILITES** | | 37,602 | 47,924 |
| **TOTAL LIABILITIES** | | 668,379 | 714,715 |
| **NET ASSETS** | | 766,972 | 297,046 |
| **EQUITY** | | | |
| Retained earnings | 16 | 766,972 | 297,046 |
| **TOTAL EQUITY** | | 766,972 | 297,046 |

# Statement of Changes in Equity

| | Retained Earnings | Total |
|---|---|---|
| | $ | $ |
| **Balance at 1 July 2019** | 71,440 | 71,440 |
| Donation held in reserves (previously part of adjustment on transition to AASB 15 and AASB 1058) | 30,000 | 30,000 |
| Adjustment on transition to AASB 15 and AASB 1058 | 5,000 | 5,000 |
| Surplus for the year | 190,606 | 190,606 |
| **Balance at 30 June 2020** | 297,046 | 297,046 |
| | | |
| Donation held in reserves | 5,390 | 5,390 |
| Surplus for the year | 464,536 | 464,536 |
| **Balance at 30 June 2021** | 766,972 | 766,972 |

# Statement of Cash Flows

| | Note | 2021<br>$ | 2020<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from government supporters and customers | | 1,781,192 | 1,610,268 |
| Payments to suppliers and employees | | (1,278,508) | (1,225,363) |
| Interest received | | 2,039 | 2,970 |
| **Net cash provided by operating activities** | 17 | 504,723 | 387,875 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and Intangibles | 9 | (70,937) | (26,599) |
| Proceeds from disposal of property, plant and equipment | | - | - |
| **Net cash used in investing activities** | | (70,937) | (26,599) |
| **Cash flows from financing activities** | | | |
| Repayment of lease liabilities | | (12,758) | (7,422) |
| Lease interest paid | | (3,737) | (4,706) |
| **Net cash used in financing activities** | | (16,495) | (12,128) |
| **Net increase in cash and cash equivalents held** | | 417,291 | 349,148 |
| Cash and cash equivalents at beginning of financial year | | 848,582 | 499,434 |
| **Cash and cash equivalents at end of financial year** | 6 | 1,265,873 | 848,582 |

# Notes to the Financial Statements

## Note 1 Reporting Entity

The School Volunteer Program Ltd t/a EdConnect Australia is a not-for-profit entity incorporated under the Corporations Act 2001 on 24 September 2014. The address of the registered office is Unit 4, The Rise, 28 Eighth Avenue Maylands WA 6051.

## Note 2 Basis of Preparation

(a) Statement of compliance

The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs), adopted by the Australian Accounting Standards Board, under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements are prepared on an accrual 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. They are presented in Australian dollars ($AUD) and are rounded to the nearest dollar.

This annual financial report was authorised for issue by the Board of Directors on the date that the Directors Declaration was signed.

(b) Use of estimates and judgements

The preparation of financial statements in conformity with AASB-RDRs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(c) Financial Position

The Company is dependent on State Government funding and philanthropic grants to operate. The Directors are confident that the Company will continue to receive funding for a period of at least 12 months from the date of this financial report.

EdConnect continues to update funders on the impact of Covid-19 and any resulting delay to delivery of program outcomes and considers that specific grant program outcomes remain achievable.

## Note 3 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### (a) Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (b) Trade and Other Receivables

Trade and other receivables are recognised at fair value as measured at the original invoice amount. Trade receivables have been reviewed and no material bad or doubtful debts have been identified.

### (c) Plant and Equipment

(i) Recognition and Measurement
Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment that has been contributed at no cost or for nominal cost is valued at the fair value of the asset at the date it is acquired.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included net in Other Revenue in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Subsequent Costs
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day to day servicing and maintenance of property, plant and equipment is recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

(iii) Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the pattern of consumption of future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative period are as follows:

| | |
|---|---|
| Motor Vehicles | 5 years |
| Plant and equipment | 3-5 years |
| Leasehold Improvements | life of lease |
| Computers and office equipment | 3 years |

## (d) Financial Instruments

### (i) Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 paragraph 63.

### (ii) Classification and Subsequent Measurement

Financial Liabilities:

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

The Company does not measure any financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the Statement of Profit or Loss and Other Comprehensive Income over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition. A financial liability cannot be reclassified.

Financial Assets:

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income (debt instruments);
- fair value through other comprehensive income (equity – no recycling); or
- fair value through profit or loss, based on the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Company only has financial assets that are measured at amortised cost including trade and other receivables and cash at bank (including term deposits).

(iii) De-recognition

Financial Liabilities:

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Financial Assets:

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for de-recognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

(iv) Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument. The Company uses the simplified approach to impairment, as applicable under AASB 9.

### (e) Impairment of Non-Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset with reference to the fair value measurement guidance contained in AASB 13, rather than the not-for-profit (NFP) specific guidance previously contained in AASB 136 and value in use to the asset's carrying value. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Where the future economic benefits of an asset are not primarily dependant on the asset's ability to generate net cash inflows, the recoverable amount of the asset is determined using the current replacement cost approach as per AASB 13. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Many assets of NFP entities that are not held primarily for their ability to generate net cash inflows are typically specialised assets held for continuing use of their service capacity. Furthermore, as these types of assets are rarely sold, their cost of disposal is typically negligible. Consequently, the recoverable amount of such assets is expected to be materially the same as fair value, as determined under AASB 13.

### (f) Non-Current Assets Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are re-measured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Gains are not recognised in excess of any cumulative impairment loss.

The fair value of non-current assets held for sale is based on market values. The market value of items of plant and equipment is based on quoted market prices for similar items where available, or alternatively, replacement cost when appropriate.

### (g) Provisions

Provisions are recognised when there is a present legal obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

## (h) Employee Benefits

(i) Long-term employee benefits:
The Company's net obligation for long-term employee benefits is the amount of the future benefit that employees have earned in return for their service in the current and prior periods plus any related on-costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the Commonwealth bond yield at the reporting date. The calculation is made using the projected unit credit method. Any actuarial gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

(ii) Short-term employee benefits:
Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

## (i) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including other financial assets), dividend income, gains on the disposal of other financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognised on financial assets at fair value. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

## (j) 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 these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities.

## (k) Leases

The Company, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. 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. If the contract is assessed to be, or contains, a lease, the Comapny will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

*Initial Measurement and Subsequent Measurement:*

(i) Measurement of Lease Liability:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Association uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(ii) Measurement of Right-of-Use Asset:

The Right of Use Asset is initially measured at cost comprising the initial measurement of the lease liability. Subsequent to initial recognition the right of use asset is amortised over the shorter of the assets useful life and the lease term on a straight line basis.

*Recognition exemption - Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for low-value assets. The Association will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term

## (l) Revenue Recognition

To determine whether and when to recognise revenue, the Company follows a 5-step process:

(1) Identifying the contract with a customer;
(2) Identifying the performance obligations;
(3) Determining the transaction price;
(4) Allocating the transaction price to the performance obligations; and
(5) Recognising revenue when/as the performance obligation(s) are satisfied.

The Association's main revenue sources and accounting policies are listed below:

*Grant Revenue Contracts: Government Grants and Private Grants*

Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the new accounting standard *AASB 15 Revenue from Contracts with Customers.* If revenue or grant funding is a result of a contract with customer with enforceable rights, and obligations that as are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than *AASB 1058 Income for Not-For-Profit Entities*. Income from grant agreements are recognised in the period in which the sufficiently specific criteria are met either at a point in time or over time depending on the nature and substance of the agreement. If the agreement is not enforceable and/or does not contain sufficiently specific performance obligations, revenue is recognised on receipt in accordance with *AASB 1058 Income for Not for Profit Entities*.

The Company's material contracts primarily contain one performance obligation and that is to provide learning support and mentoring programs for disadvantaged students through the support of intergenerational volunteers. Revenue from such contracts is recognized over time as the services (i.e. learning support and mentoring programs) are provided to the customers being the students.

Furthermore, if the contract contains a requirement to return unspent funds such amounts are recognised as a provision in accordance with AASB 137 *Provisions, Contingent Asset and Liabilities.*

*Volunteer Services*

A not-for-profit entity may in accordance with AASB 1058, as an accounting policy choice, elect to recognise volunteer services, as revenue, 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 provided. The Company does receive services from volunteers to deliver the various programs. The Company has elected not to recognise volunteer services as revenue, as the fair value cannot be measured reliably in accordance with AASB 13 Fair Value.

*Capital Grants*

The Company may receive cash or other financial assets to construct or acquire a non-financial asset (e.g. building) for its own use i.e. a capital grant. Such capital grants can be received from Government departments, private sector entities or individuals. The Company initially recognises a liability representing the Company's obligation to acquire or construct the non-financial asset.

The liability in relation to acquiring or constructing the non-financial asset is initially measured at the carrying amount of the financial asset received from the transferor that is not attributable to related amounts for performance obligations under AASB 15, contributions by owners, etc. The liability is recognised until such time when (or as) the entity satisfies its obligations under the transfer.

*Donations*

Donations and grants that are not enforceable and/or do not contain sufficiently specific performance obligations are recognised on receipt in accordance with AASB 1058.

*Interest and dividend income*

Interest income is recognised on an accrual basis using the effective interest method. Dividend income are recognised at the time the right to receive payment is established.

## (m) Impact of New Standards

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

## (n) Income Tax

The company is a public benevolent institution and is endorsed to access the following tax concessions:

- Income tax exemption from 1 July 2000 under Subdivision 50-B of the Income Tax Assessment Act 1997
- GST concessions from 1 July 2005 under Division 176 of the Goods and Services Tax Act 1999
- FBT exemption from 1 July 2005 under Section 123C of the Fringe Benefits Tax Assessment Act 1986

### (o) New Standards Not Yet Effective

*AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. Management of the Company has assessed that this standard is unlikely to have a material impact on the financial report.

Other than the above management assessment indicates that there are no other new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Company's financial report in the period of initial application.

## Note 4 Revenue

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| School program membership | 82,195 | 87,163 |
| Donations | 4,001 | 9,248 |
| Sponsorship | 87,694 | 95,278 |
| Other sundry income | 385,895 | 176,821 |
| Non-operating Income | | |
| Interest income | 2,039 | 2,675 |
| Total revenue | 561,824 | 371,185 |

## Note 5 Expenses

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Employee expenses | (931,194) | (879,987) |
| Superannuation | (85,876) | (81,104) |
| Total employee benefits expense | (1,017,070) | (961,091) |
| | | |
| Administration expenses | (74,541) | (74,785) |
| Consultancy expenses | (3,774) | (41,357) |
| Operating expenses | (107,217) | (109,274) |
| Total other expenses | (185,532) | (225,416) |

## Note 6 Cash and cash equivalents

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Cash on hand | 1,485 | 920 |
| Cash at bank | 33,612 | 29,877 |
| Short term bank deposits | 1,230,776 | 817,785 |
| Total cash and cash equivalents | 1,265,873 | 848,582 |

## Note 7 Trade and other receivables

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Trade debtors | 2,170 | 1,733 |
| GST refund receivable | 6,063 | 85 |
| Other | 5,440 | 46,588 |
| Total trade and other receivables | 13,673 | 48,406 |

## Note 8 Other current assets

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Prepayments | 24,219 | 22,615 |
| Bonds | 800 | 987 |
| Total other current assets | 25,019 | 23,602 |

## Note 9 Plant and equipment and intangible assets

| | 2021 | 2020 |
|---|---|---|
| Office Equipment | $ | $ |
| At cost | 17,694 | 10,948 |
| Accumulated depreciation | (7,199) | (2,191) |
| Total Office Equipment | 10,495 | 8,757 |
| Motor Vehicles | | |
| At Cost | 20,500 | 20,500 |
| Accumulated Depreciation | (9,897) | (5,808) |
| Total Motor Vehicles | 10,603 | 14,692 |
| Intangibles | | |
| At Cost | 83,236 | 19,045 |
| Accumulated Depreciation | (8,586) | (215) |
| Total Intangibles | 74,650 | 18,830 |
| Total property, plant and equipment | 95,748 | 42,279 |

| **Movements in carrying amounts** | **Office Equipment** | **Motor Vehicles** | **Intangibles** | **Total** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Balance at 1 July 2020 | **8,757** | **14,692** | **18,830** | 42,279 |
| Additions | 6,746 | - | 64,191 | 70,937 |
| Revaluation | - | - | | - |
| Reclassified to assets available-for-sale | - | - | | - |
| Disposals | | | | - |
| Acc.Depreciation / Amortisation | (5,008) | (4,089) | (8,371) | (17,468) |
| Balance at 30 June 2021 | 10,495 | 10,603 | 74,650 | 95,748 |

## Note 10 Right-of-use assets

| | **2021** | **2020** |
|---|---|---|
| | **$** | **$** |
| Vehicle Lease | 14,345 | 14,345 |
| Accumulated depreciation | (9,836) | (4,918) |
| Total Vehicle Lease | 4,509 | 9,427 |
| Property Lease | 48,400 | 48,400 |
| Accumulated depreciation | (17,871) | (8,935) |
| Total Property leases | 30,529 | 39,465 |
| Total Right of use assets | 35,038 | 48,892 |

## Note 11 Trade and other payables

| | **2021** | **2020** |
|---|---|---|
| | **$** | **$** |
| Trade Creditors | 24,799 | 17,528 |
| GST payable/receivable | 10,388 | - |
| Other | 23,846 | 40,707 |
| Total trade and other payables | 59,033 | 58,235 |

## Note 12 Provisions

| | **2021** | **2020** |
|---|---|---|
| | **$** | **$** |
| Current provisions | | |
| Provision for annual leave | 48,270 | 39,750 |
| Provision for superannuation | 23,536 | 25,527 |
| Provision for long service leave | 29,561 | 26,273 |
| Total current provisions | 101,367 | 91,550 |

| | | |
|---|---|---|
| Non-current provisions | | |
| Provision for long service leave | 13,792 | 10,858 |
| Total non-current provisions | 13,792 | 10,858 |

## Note 13 Leases

| | Motor Vehicle | Property | Total |
|---|---|---|---|
| Lease liability at 01/07/2020 (being the present value of lease payments on initial application of AASB 16) | 9,469 | 40,354 | 49,823 |
| Lease payments to 30 June 2021 | (5,494) | (11,000) | (16,494) |
| Interest paid to 30 June 2021 | 710 | 3,027 | 3,737 |
| Adjustment for rent free period | - | - | - |
| Lease Liability at 30 June 2021 | 4,685 | 32,381 | 37,066 |
| Current | 4,685 | 8,571 | 13,256 |
| Non Current | - | 23,810 | 23,810 |
| | 4,685 | 32,381 | 37,066 |

| | Minimum Lease Payments Due | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | After 5 years | Total |
| 30-Jun-21 | | | | | | | |
| Lease Payments | 16,036 | 11,000 | 11,000 | 5,042 | - | - | 43,078 |
| Finance Charges | (2,780) | (1,786) | (1,095) | (351) | - | - | (6,012) |
| Net Present Values | 13,256 | 9,214 | 9,905 | 4,691 | - | - | 37,066 |

*Nature of leases*

| **Right-of-use asset** | **Motor Vehicle** | **Property** |
|---|---|---|
| No of right-of-use assets leased | 1 | 1 |
| Lease term ends | 30/06/2022 | 30/06/2025 |
| Extension option | No | Yes |
| Purchase option | No | No |
| Variable payments linked to index | No | No |

*Lease payments not recognised as a liability:*

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less), periodic leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. Periodic leases have not been recognised as a lease liability where the lease agreement can be terminated by the Company or the lessor at any time (i.e. both parties can terminate the lease) and where there is no more than an insignificant penalty.

The expense relating to payments not included in the measurement of the lease liability is as follows:

| | **2021** |
|---|---|
| | **$** |
| Leases of low value assets | 1,632 |

## Note 14 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise) of the Company, is considered key management personnel.

The totals of remuneration paid to key management personnel of the Company during the year is as follows:

| | **2021** | **2020** |
|---|---|---|
| | **$** | **$** |
| Key management personnel compensation | $283,766 | $244,268 |
| Number of Key management personnel | 3 | 3 |

## Note 15 Related Party Transactions

The Company's main related parties are as follows:

Key Management Personnel:
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company, is considered key management personnel.

Other Related Parties:
Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, either individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Directors are not paid a fee and are engaged on a voluntary basis with expense reimbursement where required.

Other than remuneration of Key Management Personnel there are no related party transactions during the year to 30 June 2021.

## Note 16 Retained Earnings

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Balance at beginning of year | 297,046 | 71,440 |
| Donations held in reserves | 5,391 | 30,000 |
| Adjustment on transition to AASB 115 and AASB 1058 | | 5,000 |
| Net surplus | 464,535 | 190,606 |
| Balance at end of year | 766,972 | 297,046 |

## Note 17 Reconciliation of cash flows from operating activities

| | 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Profit for the period | 464,536 | 190,606 |
| Add back: | | |
| Donations held in reserves | 5,390 | 30,000 |
| Adjustment on transition to AASB 115 and AASB 1058 | - | 5,000 |
| Lease adjustment for rent concession | - | (5,500) |
| Lease interest paid | 3,737 | 4,706 |
| Depreciation & amortisation | 31,323 | 20,150 |
| | 504,986 | 244,962 |
| (Increase) / Decrease in trade and other receivables | 34,733 | (43,659) |
| (Increase) / Decrease in other current assets | (1,417) | (19,375) |
| Increase / (decrease) in trade and other payables | 798 | 41,686 |
| Increase / (decrease) in unearned revenue | (47,128) | 150,315 |
| Increase / (decrease) in provisions | 12,751 | 13,946 |
| Net cash provided by operating activities | 504,723 | 387,875 |

## Note 18 Contingent liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2021 or 2020.

## Note 19 Financial Risk Management

| | | 2021 | 2020 |
|---|---|---|---|
| | | $ | $ |
| **Financial Assets** | | | |
| Cash and Cash Equivalents | 6 | 1,265,873 | 848,582 |
| Trade and Other Receivables | 7 | 13,673 | 48,406 |
| | | 1,279,546 | 896,988 |
| **Financial Liabilities** | | | |
| Financial Liabilities at Amortised Cost: | | | |
| Trade and Other Payables | 11 | 59,033 | 58,235 |
| Unearned Revenue | | 457,121 | 504,249 |
| Lease Liabilities | 13 | 37,066 | 49,823 |
| | | 553,220 | 612,307 |

**Credit risk**

Credit risk is the risk of financial loss to the Company is a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables from customers.

(i) Cash and cash equivalents
The Association limits its exposure to credit risk by only investing in liquid securities and only with major Australian financial institutions.

(ii) Trade and other receivables
The Association's trade and other receivables relate to financial grants and other income.

The Association has determined that its credit risk exposure on all other trade receivables is low, as customers are considered to be reliable and have short contractual payment terms. Management does not expect any of these counterparties to fail to meet their obligations.

The carrying amount of the Association's financial assets represents the maximum credit exposure. The Association's maximum exposure to credit risk at the reporting date was:

| | Carrying Amount | |
|---|---|---|
| | 2021 | 2020 |
| | $ | $ |
| Cash and cash equivalents | 1,265,873 | 848,582 |
| Trade and other receivables | 13,673 | 48,406 |
| **Total** | **1,279,546** | **896,988** |

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Board aims at maintaining flexibility in funding through management of its cash resources.

## Note 20 Post-reporting date events

Ongoing lockdown conditions in Victoria due to the community spread of Covid-19 infection further tightening of restrictions have again impacted the Company's ability to place volunteers in schools to provide learning and mentoring support.

EdConnect remains a going concern and stands ready to place volunteers in Victorian schools to support students as and when restrictions are lifted.

## Note 21 Member's guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum $10 each towards meeting any outstanding obligations of the entity. At 30 June 2021 the total amount that members of the Company are liable to contribute if the Company wound up is $80 (2020: $90).

# Directors' Declaration

In the opinion of the Directors of The School Volunteer Program Ltd t/a EdConnect Australia:

a) The consolidated financial statements and notes of are in accordance with the Australian Charities and Non-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Non-for-profits Commission Regulation 2013; and

b) 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 Responsible Entities.

Director

Dated this 23rd day of September 2021

## Independent Audit Report on the Financial Report
## To The School Volunteer Program Ltd trading as Ed Connect Australia

### Opinion

We have audited the financial report of The School Volunteer Program Ltd trading as Ed Connect Australia ("the Company"), which comprises the statement of financial position as at 30 June 2021, 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of The School Volunteer Program Ltd trading as Ed Connect Australia is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance and cash flows for the year then ended; and

b) Complying with Australian Accounting Standards Reduced Disclosure Requirements (RDR) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to directors, would be in the same terms if given to the director's as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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## Responsibilities of Management and the Directors for the Financial Report

The Board of Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board of Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board are also responsible for overseeing the 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

Armada Audit & Assurance

**Armada Audit & Assurance Pty Ltd**

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**Nigel Dias**
**Director**
**Dated 24 September 2021, Perth**



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