

**WORLD EDUCATION AUSTRALIA LIMITED**

**ABN 39 106 279 225**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

**WORLD EDUCATION AUSTRALIA LIMITED**  
**ABN 39 106 279 225**

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**WORLD EDUCATION AUSTRALIA LIMITED**  
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**DIRECTORS' REPORT**

Your directors present this report on World Education Australia Limited (the Company), and its controlled entity World Education Australia Overseas Relief Fund (WEAORF), collectively the consolidated Group, for the financial year ended 30 June 2018.

Below are listed the names of the company's directors in office throughout the financial year until the date of this report (unless otherwise stated), their specific roles, qualifications, and experience:

**Kathryn Jordan, Chair**

B.Com, LL.B, LL.M.

Kate is a Corporate and Mergers & Acquisitions lawyer. She is the Deputy Chief Executive Partner of Clayton Utz.

**Sondra Cortis, Treasurer**

B.Com, CA, GAICD

Sondra has over 25 years of experience in the financial services industry. After qualifying as a chartered accountant with Deloitte, she joined Westpac in 1995. She has filled various roles in the bank's finance area, and serves as Deputy CFO for Westpac International.

**Gordon Cairns**

M.A. (Hons)

Gordon has had an executive career with several global companies, latterly as CEO of Lion Nathan. He now acts as chair of Woolworths, Origin Energy and Quick Service Restaurants, and as a non-executive director of Macquarie Group.

**Pamela Jonas**

B.A. (Hons), M.A. (Public Policy & Management)

Pam worked for more than two decades in education, training, and employment policy. She applied this expertise as an education and community consultant, and now splits her time between Australia and France.

**Daniel James MacNeil**

B.A., M.Ed., Ed. D.

James has worked for World Education Inc. (WEI) on education and livelihoods development programs in Indonesia, Cambodia, Nepal and India. He is based in Boston where he is Vice President of WEI's Asia Division.

# **WORLD EDUCATION AUSTRALIA LIMITED**

**ABN 39 106 279 225**

## **DIRECTORS' REPORT**

### **William Pigott**

B.S., M.B., formerly FRACP

Bill is a former education and public health practitioner, working with WHO for 21 years, latterly in Nepal and Cambodia. He is now involved in community support with Landcare in NSW.

### **Damien Woods**

B.Sc., MBA

Damien has worked for more than 25 years as a management consultant, mostly with Accenture, specialising in the healthcare field. He is presently Managing Director at Tingari Consulting.

### **Sonia Higgins**

B. Soc. Sc.

Appointed 1 March 2017

Sonia has been a senior HR executive for Cisco and Hewlett Packard, and more recently at Lendlease, with responsibility for its sustainability program and Foundation. Currently she consults to corporate and not-for-profits in her areas of expertise.

### **Joanna Ledgerwood**

B. Sc., MBA

Appointed 19 May 2017

Joanna is a microfinance specialist with extensive experience working for a range of international development agencies. Her book Microfinance Handbook is used extensively by development practitioners. Joanna lives in Vancouver.

### **Guy Winship**

B.Soc.Sc. B.Com (Hons), M.Sc. (Town & Regional Planning)

Guy Winship served as a director of the company from its founding in 2003 until he passed away on 20 September 2018.

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**DIRECTORS' REPORT**

The consolidated surplus for the year was \$20,604 (2017: \$46,253). This comprises a surplus of \$18,653 (2017: surplus of \$5,396) from World Education Australia Limited (WEAL) and a surplus of \$1,951 (2017: \$40,858) from the controlled entity World Education Australia Overseas Relief Fund (WEAORF). The Company is limited by guarantee, with the liability of each member in respect of liabilities of the Company, as specified in the Constitution, being restricted to \$10. During the year, net membership of the company remained at 272.

**Key Compliances**

The Company is a Public Benevolent Institution approved by the Australian Taxation Office (ATO) and enjoys tax exempt status. The company is a Deductible Gift Recipient (DGR) entity approved by the ATO for programs in Australia. The NSW Office of Charities has authorised the company to fundraise under the Charitable Fundraising Act 1991. Authorisation (or reciprocal exemption) has also been obtained to raise funds in all other states and Territories where required to do so. The company received a licence from the Australian Securities and Investments Commission (ASIC) with regard to the primary requirements of an Australian Financial Services Licence. The Company (along with the Good Return and World Education Australia business names) is registered and complies with the Australian Charities and Not-for-profits Commission (ACNC) requirements. The Company is a reporting entity to the Australian Transaction Reports and Analysis Centre (AUSTRAC). The Company was fully accredited by the Department of Foreign Affairs & Trade (DFAT, formerly the Australian Agency for International Development) in 2017 for a five year period.

The purpose of the controlled entity WEAORF is exclusively to provide relief to persons in a developing country certified as such by the DFAT, and to raise funds for this by way of tax deductible donations. WEAORF, a Deductible Gift Recipient entity, approved as such by the ATO, continues to raise donations from the public. Funds held by WEAORF continue to be applied to the Company's projects that are compatible with the purpose of WEAORF.

**Key Objectives**

The vision of the company and its controlled entity is a world without poverty where people have access to resources and opportunities to improve their lives. The mission of the company is to enable those living in poverty to achieve economic empowerment through responsible financial inclusion and capability development. This mission describes both the long term and short term objectives of the organisation.

**Strategy for achieving these objectives**

The Company contributes to pursue its poverty reduction objectives by engaging strategically with partners to help them expand the provision of responsible financial services and create economic opportunities that benefit those living in poverty in the Asia-Pacific region.

In accordance with the Company's 2015-2018 Strategic Plan, its core programs include promoting responsible and inclusive finance; financial capability and consumer empowerment; smallholder agribusiness solutions; and Good Return loans.

The Good Return loan program facilitates small loans from the Australian public to partner financial institutions targeting low-income communities overseas, and is a key community engagement mechanism in Australia. During the year the company was successful in obtaining an Australian Financial Services Licence (AFSL) which was granted in April 2018. In the leadup to the AFSL being granted, the company restricted its loan platform activities effective 1 January 2018 to receive donations only. All outstanding loans to partner financial institutions were repaid in full in May 2018. Public lender balances were reconciled in June 2018 and notices have been issued to these public lenders informing them of their balance. In September 2018 a new loan platform was launched and a number of the lenders have transferred their balance to the new platform.

There was no significant change to the activities of the consolidated group during the year. It continued to design, manage and implement international development programs and provide technical assistance to the Australian Government, Asian Development Bank, and other international development agencies during the financial year. The DFAT Laos project was completed in August 2017.

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**DIRECTORS' REPORT**

**Future plans**

The Company will continue to pursue its poverty reduction objectives by working with partners in Australia and abroad to promote responsible financial services and financial capability, and create economic opportunities that benefit those living in poverty in the Asia-Pacific region. The Company is continuing an overhaul of its IT systems over the year ahead.

The Chief Executive officer is Shane Nichols.

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

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State of NSW.

**Director attendance at board meetings**

Kathryn Jordan	4(4)
Sondra Cortis	3(4)
Guy Winship	4(4)
Gordon Cairns	2(4)
Pamela Jonas	2(4)
D James MacNeil	2(4)
William Pigott	4(4)
Damien Woods	4(4)
Sonia Higgins	4(4)
Joanna Ledgerwood	3(4)

**Auditor's Independence Declaration**


The auditor's independence declaration is on page 6.

Signed in accordance with a resolution of the board of directors:

Director

  
\_\_\_\_\_  
Kathryn Jordan (Chair)

Director

  
\_\_\_\_\_  
Sondra Cortis (Treasurer)

Date

16 November 2015



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

To: the Directors of World Education Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there have been:

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

KPMG

Julia Gunn

Partner

Sydney

16 November 2018

**WORLD EDUCATION AUSTRALIA LIMITED**  
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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Consolidated Group 2018 \$	Consolidated Group 2017 \$
<b>REVENUE</b>			
Donations & gifts - monetary & non-monetary	<b>2a</b>	1,048,612	1,300,308
Bequests & legacies		-	-
Grants	<b>2b</b>	1,275,223	2,108,610
Interest		4,225	7,695
Other income	<b>2c</b>	211,725	86,480
<b>TOTAL REVENUE</b>		<u>2,539,785</u>	<u>3,503,093</u>
<b>EXPENSES</b>			
Overseas projects			
Funds to overseas projects	<b>3a</b>	1,526,828	2,180,363
Other project costs	<b>3b</b>	474,966	627,572
Domestic projects		-	-
Community education	<b>3c</b>	7,150	2,107
Fundraising costs			
Public	<b>3d</b>	201,877	268,963
Government, multilateral and private	<b>3e</b>	56,897	43,539
Administration	<b>3f</b>	251,463	334,296
<b>TOTAL EXPENSES</b>		<u>2,519,181</u>	<u>3,456,840</u>
<b>Surplus/(deficit) of revenue over expenses</b>		20,604	46,253
Income tax expense	<b>1c</b>	-	-
<b>Surplus/(deficit) for the year</b>	<b>4</b>	20,604	46,253
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income/(loss)</b>		<u><u>20,604</u></u>	<u><u>46,253</u></u>

The accompanying notes form part of these financial statements.



**WORLD EDUCATION AUSTRALIA LIMITED**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	Consolidated Group 2018 \$	Consolidated Group 2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,278,349	1,460,914
Loans receivable	8	50,000	223,380
Trade and other receivables	7	102,710	87,344
Other current assets	9	45,821	74,135
<b>TOTAL CURRENT ASSETS</b>		<u>1,476,880</u>	<u>1,845,773</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	-	4,460
Intangible assets	11	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>-</u>	<u>4,460</u>
<b>TOTAL ASSETS</b>		<u><u>1,476,880</u></u>	<u><u>1,850,233</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	68,041	265,082
Special purpose funding	6	381,164	376,890
Loans payable	14	226,224	411,665
Provisions	13	52,978	51,212
<b>TOTAL CURRENT LIABILITIES</b>		<u>728,407</u>	<u>1,104,849</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	-	17,515
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>17,515</u>
<b>TOTAL LIABILITIES</b>		<u>728,407</u>	<u>1,122,364</u>
<b>NET ASSETS</b>		<u><u>748,473</u></u>	<u><u>727,869</u></u>
<b>EQUITY</b>			
Contributed equity	16	-	-
Reserve for designated purpose	17	720,372	718,421
Retained earnings/(deficit)	24	28,101	9,448
<b>TOTAL EQUITY</b>		<u><u>748,473</u></u>	<u><u>727,869</u></u>

The accompanying notes form part of these financial statements.

**WORLD EDUCATION AUSTRALIA LIMITED**  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Retained Earnings \$	Reserve For Designated Purposes \$	Total \$
<b>Consolidated Group</b>				
<b>Balance at 1 July 2016</b>		4,053	677,563	681,616
(Deficit) of revenue over expenses		46,253	-	46,253
Transfer (to)/ from reserve	17	(40,858)	40,858	-
<b>Balance at 30 June 2017</b>		9,448	718,421	727,869
Surplus of revenue over expenses		18,653	1,951	20,604
Transfer (to)/ from reserve	17	-	-	-
<b>Balance at 30 June 2018</b>		28,101	720,372	748,473

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	Consolidated Group 2018 \$	Consolidated Group 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Donations and grants		1,723,263	2,704,861
Customers		200,334	151,251
Suppliers and employees		(2,118,279)	(2,803,691)
Interest		4,225	7,695
<b>Net cash (used in)/provided by operating activities</b>	<b>18</b>	<u>(190,457)</u>	<u>60,116</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment	<b>10</b>	(47)	-
Capital WIP, Good Return software and web-site	<b>11</b>	-	-
Security deposits	<b>9</b>	20,000	(10,214)
<b>Net cash provided by/(used in) investing activities</b>		<u>19,953</u>	<u>(10,214)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Good Return - net loans movement with public	<b>14</b>	(185,441)	(62,775)
Good Return - net loans movement with microfinance institutions	<b>8</b>	173,380	(10,206)
<b>Net cash (used in)/provided by financing activities</b>		<u>(12,061)</u>	<u>(72,981)</u>
Net (decrease)/increase in cash held		(182,565)	(23,079)
Cash at beginning of financial year		<u>1,460,914</u>	<u>1,483,993</u>
Cash at end of financial year	<b>6</b>	<u><u>1,278,349</u></u>	<u><u>1,460,914</u></u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements are Tier 2 general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. These consolidated financial statements comply with the Australia Accounting Standards - Reduced Disclosure Requirements.

The financial report covers the consolidated group of World Education Australia Limited and its controlled entity. World Education Australia Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company and consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Principles of Consolidation**

A controlled entity is any entity in respect of which World Education Australia Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

The only controlled entity is World Education Australia Overseas Relief Fund (WEAORF), a trust. It has a June financial year end. World Education Australia Limited is the trustee of WEAORF. There is no minority equity interest in WEAORF.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of the controlled entity have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

**(b) Revenue recognition**

Monetary donations are recognised as revenue when the money is received.

Donations and grants with reciprocal requirements are treated as unearned until expensed in terms of those requirements.

Non-monetary donations are recognised as revenue when the donated goods or services are received. The donated goods or services are accounted for at their market value. The market value of services donated by volunteers is based on relevant DFAT tables.

Revenue from the rendering of services (project fees) is recognised upon completion which, depending on the terms of the contract, can be in measured stages or only when the whole project is completed.

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**(c) Income tax**

The Australian Taxation Office has endorsed the company, a charitable organisation, as being exempt from income tax.

**(d) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of one year or less.

**(e) Receivables and work in progress**

All trade debtors are recognised when the obligation of the debtor to pay the amount arises.

**(f) Property, Plant and Equipment**

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

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

**Depreciation and Amortisation**

The carrying amounts of plant and equipment are reviewed annually and, if appropriate, written down to their estimated recoverable amounts.

Depreciation of plant and equipment is calculated on the prime cost basis over its useful life to the company. The rates used range from 10% to 40%. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements on a prime cost basis.

**(g) Intangible Assets**

The Good Return web-site and the software required to run it are classified as intangible assets. Intangible assets are carried at the cost of development less, where applicable, accumulated amortisation and impairment losses. Costs of development are capitalised only in respect of identifiable new modules that are expected to deliver future economic benefits that can be measured reliably. Costs include materials and services provided by third parties. Salaries and related costs of employees involved in the development are expensed as incurred. Expenditure during the research phase of the development to maintain and update developed modules is expensed as incurred. Development costs are amortised on a straight line basis over the period that they are expected to deliver future economic benefits from when they are ready for use.

**(h) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

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Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property and the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**(i) Provisions**

Provisions are recognised when an entity 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.

**(j) Good 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.

**(k) Comparative figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy or presentation.

**(l) Foreign currency transactions and balances**

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction. Foreign currency balances are translated at the year end exchange rate. Exchange differences arising on the translation are recognised in the statement of comprehensive income to the extent they will be borne by the consolidated group.

**(m) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs.

**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 subsequently measured at amortised cost.

**Financial Liabilities**

Loans and payables are non-derivative financial liabilities and are subsequently measured at amortised cost.

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss. Also, any cumulative decline in cost previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss. Also, any cumulative decline in cost previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**Derecognition**

Financial assets are derecognised where the contractual rights to the receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(n) Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible 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. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(o) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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 company.

**Impairment**

The recoverability of trade receivables and loans to microfinance institutions was reviewed by the directors and provisions for impairment made where they considered it necessary.

**(p) Economic Dependence**

The company is dependent on the philanthropy of businesses and individuals in the community to provide donations and grants for its causes.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**(q) Impact of New/Revised Accounting Standards**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Company are set out below.

- i) AASB 15: Revenue from Contracts with Customer (effective 1 January 2018)
- ii) AASB 1058: Income for Not-for-Profit Entities (effective 1 January 2019)
- iii) AASB 16: Leases (effective 1 January 2019)
- iv) AASB 9: Financial instruments (1 January 2018)

The Company is currently assessing the impact of the new accounting standards



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**NOTES TO THE FINANCIAL STATEMENTS**  
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	Consolidated Group	Consolidated Group
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
<b>2. a Donation and gifts</b>		
Monetary donations	443,765	797,068
Non-monetary donations	604,847	503,240
	<u>1,048,612</u>	<u>1,300,308</u>
Monetary donations include \$133,813 (2017: \$210,911) received through the Good Return Program		
<b>b Grants</b>		
DFAT	975,785	1,595,784
Other Australian	232,533	181,333
Other Overseas	66,905	331,493
	<u>1,275,223</u>	<u>2,108,610</u>
<b>c Other income</b>		
Project fees:		
Good Return fees	4,224	11,218
World Education Inc project fees	-	-
Foreign exchange (loss)/gain	177	276
Other income	207,324	74,986
	<u>211,725</u>	<u>86,480</u>

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	Consolidated Group	Consolidated Group
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>3 EXPENSES</b>		
<b>a Funds to overseas projects</b>		
Project staff costs - overseas	539,103	604,361
Other costs	448,155	1,179,128
Volunteers	539,570	396,874
	<u>1,526,828</u>	<u>2,180,363</u>
<b>b Other project costs</b>		
Project staff costs - in Australia	332,127	460,348
Other costs	142,839	114,106
Volunteers	-	53,118
	<u>474,966</u>	<u>627,572</u>
<b>c Community education</b>		
Staff costs	3,703	1,239
Other costs	1,595	-
Volunteers	1,852	868
	<u>7,150</u>	<u>2,107</u>
<b>d Fundraising costs - public</b>		
Staff costs	100,209	76,225
Other costs	38,243	140,358
Volunteers	63,425	52,380
	<u>201,877</u>	<u>268,963</u>
<b>e Fundraising costs - government, multilateral and private</b>		
Staff costs	54,955	42,145
Other costs	1,942	1,394
	<u>56,897</u>	<u>43,539</u>
<b>f Administration</b>		
Staff costs	77,048	76,849
Other costs	174,415	257,447
	<u>251,463</u>	<u>334,296</u>

**WORLD EDUCATION AUSTRALIA LIMITED**  
**ABN 39 106 279 225**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Consolidated Group	Consolidated Group
	2018	2017
	\$	\$
<b>4 SURPLUS/(DEFICIT) FOR THE YEAR</b>		
Surplus/(deficit) for the year has been determined after:		
<b>a Income</b>		
Net foreign exchange (loss)/gain	177	276
<b>b Expenses</b>		
Depreciation and amortisation	4,208	47,589
Operating lease payments	84,280	44,454
Remuneration of auditor:		
- audit	-	-
	-	-
<b>5. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Short term benefits	425,498	365,865
	425,498	365,865
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	397	47
Cash at bank - for the Good Return program	583,978	455,999
- for other designated purposes	381,164	376,890
- other	312,810	627,978
	1,278,349	1,460,914

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Table of cash movements for designated purposes:

	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at the end of financial year
<b>Designated purposes</b>				
DFAT ANCP annual allocation	-	720,343	(720,343)	-
DFAT SPSL Laos project	196,179	-	(196,179)	-
Accenture Skills for Life	87,787	345,000	(232,534)	200,253
ADB Strengthening Financial Inclusion	54,621	53,727	(57,699)	50,649
DFAT Pacific RISE	-	200,262	(70,000)	130,262
CMA Learning Management System	16,059		(16,059)	-
Other	22,244		(22,244)	-
	<u>376,890</u>	<u>1,319,332</u>	<u>(1,315,058)</u>	<u>381,164</u>
Good Return	455,999	522,018	(394,039)	583,978
<b>Total for designated purposes</b>	<u>832,889</u>	<u>1,841,350</u>	<u>(1,709,097)</u>	<u>965,142</u>
<b>Other cash movement</b>	<u>628,025</u>	<u>278,557</u>	<u>(593,375)</u>	<u>313,207</u>
	<u><u>1,460,914</u></u>	<u><u>2,119,907</u></u>	<u><u>(2,302,472)</u></u>	<u><u>1,278,349</u></u>

Good Return: amounts indicated under cash raised include loans and donations from public lenders and cash disbursed include donations to Good Return and loans to partner microfinance institutions.

Consolidated Group      Consolidated Group

**2018**                      **2017**  
**\$**                                      **\$**

**7. TRADE AND OTHER RECEIVABLES**

Trade debtors	<u>102,710</u>	<u>87,344</u>
---------------	----------------	---------------

**Credit Risk – Trade Receivables**

The company's credit terms are 30 days. Overdue debts are pursued and monitored by management. They are assessed for impairment and provided for where specific circumstances indicate that the debt may not be paid in full to the company.

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon.

The balances of receivables that are both overdue and not due are considered to be of high credit quality.

**WORLD EDUCATION AUSTRALIA LIMITED**  
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	Total	Overdue and impaired	Overdue and not impaired	Not due, not impaired
<b>2018</b>				
<30 days	89,603	-	-	89,603
31-60 days	10,163	-	10,163	
>90 days	2,944	-	2,944	-
	<u>102,710</u>	<u>-</u>	<u>13,107</u>	<u>89,603</u>
<b>2017</b>				
<30 days	87,344	-	-	87,344
31-60 days		-	-	
61-90 days	-	-	-	
	<u>87,344</u>	<u>-</u>	<u>-</u>	<u>87,344</u>

Consolidated Group	Consolidated Group
<b>2018</b>	<b>2017</b>
\$	\$

**8. LOANS RECEIVABLE**

**Current**

Good Return loan portfolio with microfinance institutions

<u>50,000</u>	<u>223,380</u>
---------------	----------------

**9. OTHER CURRENT ASSETS**

Security deposits

19,677	39,678
--------	--------

Prepayments and accrued income

6,600	15,122
-------	--------

GST receivable

9,518	5,159
-------	-------

Other receivables

10,026	14,176
--------	--------

<u>45,821</u>	<u>74,135</u>
---------------	---------------

**10. PROPERTY, PLANT AND EQUIPMENT**

**Leasehold improvements**

At cost

33,661	33,661
--------	--------

Less accumulated depreciation

<u>(33,661)</u>	<u>(33,661)</u>
-----------------	-----------------

<u>-</u>	<u>-</u>
----------	----------

Movements in carrying amounts

Balance at 1 July 2017

0	5,611
---	-------

Additions

-	-
---	---

Depreciation

	(5,611)
--	---------

Carrying amount at 30 June 2018

<u>-</u>	<u>-</u>
----------	----------

**WORLD EDUCATION AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Consolidated Group	Consolidated Group
	2018	2017
	\$	\$
<b>Plant and equipment</b>		
At cost	44,755	44,708
Less accumulated depreciation	<u>(44,755)</u>	<u>(40,248)</u>
	<u>-</u>	<u>4,460</u>
Movements in carrying amounts		
Balance at 1 July 2017	4,460	7,462
Depreciation	<u>(4,460)</u>	<u>(3,002)</u>
Carrying amount at 30 June 2018	<u>-</u>	<u>4,460</u>
Total property, plant and equipment	<u>-</u>	<u>4,460</u>
<b>11. INTANGIBLE ASSETS</b>		
<b>Good Return software and web-site</b>		
At cost	340,579	340,579
Less accumulated amortisation	<u>(340,579)</u>	<u>(340,579)</u>
	<u>-</u>	<u>-</u>
Movements in carrying amounts		
Balance at 1 July 2017	-	-
Additions	-	-
Amortisation	<u>-</u>	<u>-</u>
Carrying amount at 30 June 2018	<u>-</u>	<u>-</u>
<b>12. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Payroll liabilities	7,294	3,996
Trade and other creditors	45,925	88,464
Accrued expenses	<u>14,822</u>	<u>172,622</u>
	<u>68,041</u>	<u>265,082</u>
<b>13. Provisions</b>		
<b>Current</b>		
Annual leave provision	<u>52,978</u>	<u>51,212</u>

**WORLD EDUCATION AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Consolidated Group	Consolidated Group
	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Non-Current</b>		
Long service leave provision	-	17,515
	<u>                    </u>	<u>                    </u>
<b>Provision for employee benefits</b>		
Balance at the beginning of the year	68,727	88,701
Additional provision raised during the year	65,298	71,215
Amounts used	<u>(81,047)</u>	<u>(91,189)</u>
Balance at the end of the year	<u>52,978</u>	<u>68,727</u>
<b>14. LOANS PAYABLE</b>		
<b>Current</b>		
Good Return loans from the public	<u>226,224</u>	<u>411,665</u>

The Company has no financial liability in respect of Good Return loans from the public in the event of repayment default by partner microfinance institutions.

**15. OPERATING LEASE COMMITMENTS**

Non-cancellable operating leases contracted for but not recognised in the financial statements  
 Payable - minimum lease payments

No later than 12 months	73,702	72,093
Later than 12 months but not later than 5 years	49,135	124,865
	<u>122,837</u>	<u>196,958</u>

The company has non cancellable operating lease agreements for equipment and for its office at Crows Nest. Renewal terms for the office lease are included within the agreements.

**16. CONTRIBUTED EQUITY**

There is no contributed equity. The members registered undertake to contribute to the property of the company, if required, in the event that it is wound up. The liability of each member is limited to \$10. There were 272 members at 30 June 2018 (2017: 272).

**17. RESERVE FOR DESIGNATED PURPOSES**

The excess of revenue over expenses from operations of the controlled entity, World Education Australia Overseas Relief Fund, is transferred to a Reserve for Designated Purposes to recognise that the net assets represented by this reserve cannot be used for any purpose other than providing relief to persons in a developing country certified as such by the Department of Foreign Affairs and Trade or, on winding up, must be transferred to some other fund qualifying under the Overseas Gift Fund Provisions of the Income Tax Assessment Act 1997.

# WORLD EDUCATION AUSTRALIA LIMITED

## ABN 39 106 279 225 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated Group	Consolidated Group
	2018	2017
	\$	\$
<b>18. CASH FLOW INFORMATION</b>		
<b>Reconciliation of cash flow from operations</b>		
Surplus/(deficit)	20,604	46,253
Non-cash flows in (deficit)/surplus:		
Depreciation and amortisation	4,508	47,587
Leave provisions	(15,751)	(19,972)
Changes in Assets & Liabilities:		
Receivables	(15,574)	64,605
Payables	(192,765)	(150,042)
Accruals and deferred income	8,521	71,681
<b>Cash flows (used in)/provided by operations</b>	<b>(190,457)</b>	<b>60,112</b>

### 19. RELATED PARTY DISCLOSURES

The Chief Executive Officer's remuneration is included in the disclosure relating to key employees (Note 5). No other directors receive any remuneration from the company. The directors make donations to the company on a personal basis.

### 20. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist of deposits with banks, loans to microfinance institutions and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139, are as follows:

#### Financial Assets

Cash and cash equivalents	1,278,349	1,460,914
Trade and other receivables	102,710	87,344
Good Return loans portfolio with microfinance institutions	50,000	223,380
Total financial assets	<u>1,431,059</u>	<u>1,771,638</u>

#### Financial Liabilities

Trade and other payables	60,747	261,086
Good Return loans from the public	226,224	411,665
Total financial liabilities	<u>286,971</u>	<u>672,751</u>



**WORLD EDUCATION AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk, foreign currency risk and market risk relating to interest rate risk.

**a. Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company's material credit risk exposures are receivables and cash deposited with banks.

The company's exposure to credit risk arising from trade receivables is dealt with in Note 7.

With regard to the Good Return loans portfolio in Note 8, credit risk exists on the loans donated to the company by the public, and advanced by Good Return to partner microfinance institutions. The company has made a provision for this risk.

The company deposits cash only with major banks. At the year end all cash at bank was with Westpac Banking Corporation.

**b. Liquidity Risk**

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk by preparing regular cash flow forecasts and managing credit risks.

The table below reflects undiscounted financial liabilities and cash flows from financial assets that reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

**Financial liability and financial asset maturity analysis**

	Within 1 year	1 to 5 years	Over 5 years	Total
<b>Financial liabilities due for payment</b>				
Trade and other payables	60,747	-	-	60,747
Loans	226,224	-	-	226,224
Total expected outflows	<u>286,971</u>	<u>-</u>	<u>-</u>	<u>286,971</u>
<b>Financial assets - cash flows realisable</b>				
Cash and cash equivalents	1,278,349	-	-	1,278,349
Trade and other receivables	102,710	-	-	102,710
Loans	50,000	-	-	50,000
Total anticipated inflows	<u>1,431,059</u>	<u>-</u>	<u>-</u>	<u>1,431,059</u>
<b>Net inflow on financial instruments</b>	<u><u>1,144,088</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,144,088</u></u>

**WORLD EDUCATION AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

The fair values of financial assets and financial liabilities are considered to be equal to their carrying values as presented in the statement of financial position.

**21. CAPITAL MANAGEMENT**

The directors control the capital of the entity to ensure that adequate cash flows are generated to fund its objectives. The objective is to maintain sufficient cash and cash equivalents to cover at least 3 months expenses. Risk management policies are approved and reviewed by the directors on a regular basis. These include credit risk policies and future cash flow requirements. The entity's capital consists of reserve and retained earnings.

**22. COMPANY INFORMATION**

The registered office and principal place of business of the company is:  
Level 1, 174 Willoughby Road  
Crows Nest NSW 2065

**23. CONTROLLED ENTITY**

World Education Australia Overseas Relief Fund (WEAORF) is a trust set up exclusively for the purpose of raising funds by donation for the provision of relief to persons in a developing country certified as such by the Department of Foreign Affairs and Trade. It has Deductible Gift Recipient status.

The company is the trustee of WEAORF. As such, the company controls WEAORF because, in addition to wide powers it has as trustee, it has the power to appoint a new trustee and/or vary the trust deed, subject only to ensuring that the purpose of WEAORF is not changed and that, on winding up, the net assets of WEAORF are transferred to some other fund qualifying under the Overseas Gift Fund provisions of the Income Tax Assessment Act 1997.

The company, as trustee, has the power to allocate cash raised by WEAORF to projects that the company undertakes provided such projects fit the purpose of WEAORF.

**24. PARENT COMPANY INFORMATION**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2018	2017
	\$	\$
<b>STATEMENT OF FINANCIAL POSITION</b>		
ASSETS		
Current assets	554,320	1,254,677
TOTAL ASSETS	<u>554,320</u>	<u>1,254,677</u>

**WORLD EDUCATION AUSTRALIA LIMITED**  
**ABN 39 106 279 225**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>LIABILITIES</b>		
Current liabilities	531,231	1,245,228
<b>TOTAL LIABILITIES</b>	<u>531,231</u>	<u>1,245,228</u>
<b>EQUITY</b>		
Issued capital	-	-
(Deficit)/retained earnings	23,089	9,449
	<u>23,089</u>	<u>9,449</u>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total comprehensive income/(loss)	<u>18,653</u>	<u>5,396</u>

The parent company acts as trustee of its controlled entity which is a trust and liabilities have been incurred on behalf of that trust in the parent company's capacity as trustee. To the extent that the trust is unable to meet any obligations, the parent company as trustee may be liable.

Liabilities incurred on behalf of the trust are not recognised in the financial statements of the parent company acting as trustee of the trust when it is not probable that the parent company will have to meet any of those trust liabilities from its own resources. When it is probable that the parent company will have to meet some trust liabilities, a provision for trust liabilities will be brought to account. In addition, the parent company as a trustee has a right to be indemnified out of trust assets for any obligation not met by the trust. Details of trust liabilities and offsetting right of indemnity are as follows:

Liabilities of the World Education Australia Overseas Relief Fund not recorded in the financial statements of the parent company were:

Rights to be indemnified from the trusts assets	<u>-</u>	<u>21,800</u>
-------------------------------------------------	----------	---------------

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the parent company acting in its own right. The assets of the trust were sufficient to discharge all liabilities of the trust at 30 June 2018 and 30 June 2017.

**WORLD EDUCATION AUSTRALIA LIMITED**  
**ABN 39 106 279 225**

**DECLARATION REQUIRED BY CHARITABLE FUNDRAISING REGULATIONS**  
**2008**

I declare that, in my opinion:

the statement of comprehensive income gives a true and fair view of all revenue and expenditure of the company with respect to fundraising appeals; and

the statement of financial position gives a true and fair view of the state of affairs of the company with respect to fundraising appeals; and

the provisions of the Charitable Fundraising Act 1991, the regulations under that Act and the conditions attached to the authority have been complied with by the company for the year ended 30 June 2018; and

the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.



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**Shane Nichols**  
**Chief Executive Officer**

Date 15/11/2018

**WORLD EDUCATION AUSTRALIA LIMITED**  
**ABN 39 106 279 225**

**DIRECTORS' DECLARATION**

In the opinion of the directors of World Education Australia Limited (the Company):

- (a) the consolidated financial statements and notes that are set out on pages 11 to 25 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - (iii) complying with the annual financial reporting requirements contained within the ACFID (Australian Council for International Development) Code of Conduct; 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 directors:

Director

  
\_\_\_\_\_  
Kathryn Jordon

Director

  
\_\_\_\_\_  
Sondra Cortis

Date:

15/11/18



# Independent Auditor's Report

To the members of World Education Australia Limited

## Report on the audit of the Financial Report

### Qualified Opinion

We have audited the **Financial Report**, of World Education Australia Limited (the Company).

In our opinion except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- giving a true and fair view of the Group's financial position as at 30 June 2018, and of its financial performance and its cash flows for the year ended on that date;
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013; and
- complying with the presentation and disclosure requirements of section 8.3.2 of the ACFID (Australian Council for International Development) Code of Conduct Quality Assurance Framework.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2018;
- Consolidated statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Director' declaration; and
- Declaration required by the Charitable Fund raising Regulation 2008.

The **Group** consists of World Education Australia Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.



### Basis for Qualified opinion

Fundraising revenue in the form of cash donations are a significant source of fundraising revenue for the Group. The Group has determined that it is not practicable to maintain controls over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations was restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the cash donations to the Group reported in the accompanying Financial Report is complete.

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

### Other information

Other Information is financial and non-financial information in Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report, including the Directors' Report. Directors are responsible for the Other Information.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified opinion section above, we were unable to obtain sufficient appropriate evidence about the completeness of cash donations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report in accordance with the basis of preparation that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC and that complies with the presentation and disclosure requirements of section 8.3.2 of the ACFID (Australian Council for International Development) Code of Conduct Quality Assurance Framework.



- Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations (the Act and Regulations);
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Group's and Company's ability to continue as a going concern This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

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

Our objective is:

- 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

We also:

- Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.





We communicate with the Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

- Obtained an understanding of the internal control structure for fundraising appeal activities; and
- Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

## Report on Other Legal and Regulatory Requirements

### Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 30 June 2018;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2017 and 30 June 2018, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2017 to 30 June 2018 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

KPMG

Julia Gunn

Partner

Sydney

16 November 2018