

WORLD EDUCATION AUSTRALIA LIMITED

Operating under the registered business name Good Return

ABN 39 106 279 225

CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

WORLD EDUCATION AUSTRALIA LIMITED

ABN 39 106 279 225

Consolidated Financial Report for the year ended 30 June 2022

Annual financial report

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WORLD EDUCATION AUSTRALIA LIMITED

ABN 39 106 279 225

Consolidated Financial Report for the year ended 30 June 2022

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 2022 and the auditor's report thereon.

Directors

The following directors were in office during the year and at the date of this report:

Kathryn Jordan (Chair)

Sondra Cortis

Gordon Cairns (resigned November 2021)

Clay O'Brien

D James MacNeil

Damien Woods

Shane Nichols (CEO)

Lisa Cotton

Leata Alaimoana-Roberts

Helene Ang

Maryanne Fernando

Company Secretary

Suma Tekkatte

Registered Office and principal place of business

50 Miller Street

North Sydney NSW 2060

Auditor

KPMG

Tower Three

International Towers Sydney

300 Barangaroo Avenue

Sydney NSW 2000

Directors' Report (continued)

Overview of the Group

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In prior years, the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

There was no impact on the amounts recognised, measured and classified in the statements of financial position, financial performance and cash flows of the Group as a result of the change in basis of preparation.

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. 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 is licenced by 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 business name) 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 in 2017 for a five-year period.

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 who are marginalised and excluded to achieve economic empowerment through responsible financial inclusion and capability development. This mission describes both the short and long term objectives of the organisation.

The Company continues to pursue its 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. It continued to design, manage and implement international development programs during the financial year.

Directors' Report (continued)

Review of Operations and results

The consolidated surplus for the year was \$179,281 (2021: \$176,771). This comprises a surplus of \$188,136 (2021: \$160,131) from World Education Australia Limited (WEAL) and a deficit of (\$8,855) (2021: surplus \$16,640) 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 was 269.

Significant changes in state of affairs

During the year, the company has participated in the NSW Government's JobSaver program and has therefore received payment subsidies.

The impacts of the COVID-19 pandemic have been felt in all the countries where the company operates. The UN estimates that the virus could increase the spread of poverty by as much as half a billion people, or 8% of the world's population.

The pandemic has greatly reduced the ability of staff to travel, and impeded the delivery of face-to-face training activities. This has stimulated an investment in our digital training offerings, and a shift towards greater online delivery of programs. This also means our local staff in each country are taking a stronger role in leading local strategies, relationships and decision making. We continue to strive for localisation of our activities to ensure they are firmly grounded in community needs and priorities, and are equitable and sustainable into the future.

During the year, the company expanded its Australian program that seeks to enable Kimberley Indigenous women to unlock their economic potential and self determination through entrepreneurship. Other than the matters discussed above, in the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the year under review.

Termination of WEAORF

On 30 June 2022, our managed trust, World Education Overseas Relief Fund, was terminated. A recent review demonstrated that as a result of regulatory changes a separate entity was no longer required. The Directors extend their deep appreciation to the McIntosh family who served as the initial benefactors of the Fund.

Events after the reporting period

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

Directors' Report (continued)

Future plans

Every three years or so we take stock of what we have learned, what has changed in our external environment, and how we can remain truly impactful. Our country teams led this process by exploring and defining the most pressing areas of financial and economic exclusion in their respective geographies. We then assessed how we could best address these, and determined the changes needed to our approach.

This work has culminated in a strategic plan that will guide our activities for the next three years to June 2025. The Company will continue to pursue its 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.

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

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

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the financial year ended 30 June 2022.



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 2022 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

7 November 2022

Statement of profit or loss and other comprehensive income

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
REVENUE			
Donations & Gifts	2.1a		
- Monetary		1,639,044	998,595
less: Funds raised for Designated Purposes		(76,498)	(288,833)
- Non-monetary Donations		417,133	612,350
- Non-monetary In Kind		25,000	-
- Bequests & legacies		29,945	-
Grants	2.1b		
- Department of Foreign Affairs and Trade		700,085	776,422
- Other Australian		419,187	333,804
- Other Overseas		380,289	480,253
Investment Income		472	17,244
Other income	2.1c	169,416	301,187
TOTAL REVENUE		3,704,073	3,231,022
EXPENDITURE			
International Aid and Development Program Expenditure			
International Programs			
- Funds to International Programs	2.2a	2,005,317	2,213,773
- Program Support Costs	2.2b	592,376	374,533
Fundraising costs			
- Public	2.2e	134,133	79,115
- Government, multilateral and private	2.2f	233,469	145,195
Domestic projects	2.2c	268,831	-
Community education	2.2d	84,295	31,832
Accountability and Administration	2.2g	197,509	209,803
Loss on Investment		8,862	-
TOTAL EXPENSES		3,524,792	3,054,251
Surplus/(deficit) of revenue over expenses	4	179,281	176,771
Surplus/(deficit) for the year		179,281	176,771
Other Comprehensive Income for the year		-	-
Total Comprehensive Income/(loss) for the year		179,281	176,771

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Statement of financial position

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2.3, 4.1	3,576,288	3,044,848
Short Term Deposits	4.1	50,000	50,000
Loans receivable	4.2.2	85,406	144,345
Trade and other receivables	4.2.1	356,786	246,849
Financial Instruments	4.3	119,675	118,584
Other current assets		16,967	22,001
TOTAL CURRENT ASSETS		4,205,122	3,626,627
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
Intangible assets		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		4,205,122	3,626,627
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4.4.1	220,941	140,729
Special purpose funding		1,533,830	1,809,541
Loans payable	4.4.2	146,058	131,107
Financial Liability	4.5	750,000	200,000
Provisions	3.1	132,746	88,715
TOTAL CURRENT LIABILITIES		2,783,575	2,370,092
NON-CURRENT LIABILITIES			
Provisions	3.1	14,145	28,415
TOTAL NON-CURRENT LIABILITIES		14,145	28,415
TOTAL LIABILITIES		2,797,720	2,398,506
NET ASSETS		1,407,402	1,228,121
EQUITY			
Contributed equity			
Reserve for designated purpose		743,856	743,856
Retained earnings/(deficit)		663,546	484,265
TOTAL EQUITY		1,407,402	1,228,121

The statement of financial position is to be read in conjunction with the attached notes.

Statement of changes in funds

	Retained Earnings	Reserve for Designated Purposes	Total
	\$	\$	\$
Balance at 1 July 2020	324,134	727,216	1,051,350
Surplus of revenue over expenses	176,771	-	176,771
Transfer (to) / from reserve	(16,640)	16,640	-
Balance at 30 June 2021	484,265	743,856	1,228,121
Contributed Capital			
Surplus of revenue over expenses	179,281	-	179,281
Transfer (to) / from reserve	-	-	-
Balance at 30 June 2022	663,546	743,856	1,407,402

The statement of changes in funds is to be read in conjunction with the attached notes

Statement of cash flows

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations and grants		2,816,634	2,588,633
Customers		421,905	238,155
Payments to suppliers and employees	2.3	(3,321,460)	(2,425,612)
Interest Received		472	685
Net cash (used in)/provided by operating activities		(82,449)	401,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment		-	-
Capital WIP, Good Return software and web-site		-	-
Payments for Investments		(10,000)	-
Security deposits		-	-
Net cash provided by/ (used in) investing activities		(10,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Good Return Loan Program - net loans movement with public		58,938	(77,972)
Good Return Loan Program - net loans movement with microfinance institutions		14,951	(31,296)
Good Return Impact Investment Fund	2.3	550,000	200,000
Net cash (used in)/provided by financing activities		623,889	90,732
Net (decrease)/increase in cash held		531,441	492,593
Cash at beginning of financial year		3,044,848	2,552,255
Cash at end of financial year	4.1	3,576,289	3,044,848

The statement of cash flows is to be read in conjunction with the attached notes

Index to notes to and forming part of the financial report

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Notes to and forming part of the financial report (continued)

Section 1: About World Education Australia Limited

1.1 Corporate Information

World Education Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. It operates under its registered business name of Good Return.

The purpose of the company is to enable those who are marginalised and excluded to achieve economic empowerment through access to responsible inclusive finance and capability development.

The principal activities of the Company include:

- training and technical assistance support to offshore financial service provider partners to promote the delivery of responsible and inclusive finance
- design and provision of financial capability and small business management training to individuals
- financing of loans and loan guarantees to offshore financial service provider partners to stimulate lending to small and medium enterprises that generate jobs and income for people living in poverty

The company is a registered charity with the Australian Charity and Not for Profit Commission, and holds deductible gift recipient status and is exempt from income tax. The NSW Office of Charities has authorised the company to fundraise under the Charitable Fundraising Act 1991. Authorisation (or reciprocal exemption) has been obtained to raise funds in all other states and Territories where required to do so. The Company is licenced by 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 in 2018 for a five year period.

On 30 June, 2022 World Education Overseas Relief Fund (WEAORF) was terminated. A recent review demonstrated that as a result of regulatory change it was no longer required. The Directors extend their deep appreciation to the McIntosh family who served as the initial benefactors of the Trust.

The consolidated financial report for World Education Australia Limited (the company) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 1 November 2022.

Notes to and forming part of the financial report (continued)

Members guarantee

The company is limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June 2022, the number of members was 269 (2021: 250).

1.2 Basis of preparation

These consolidated financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, Australian Accounting Standards – Simplified Disclosures, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Group as a result of the change in the basis of preparation.

Historical cost convention

The consolidated financial report has been prepared on the basis of historical cost (based on the fair value of the consideration given in exchange for assets) except for Equity instruments that are measured at fair value.

Currency and rounding of amounts

The consolidated financial report is presented in Australian dollars, which is the company's functional and presentation currency.

1.3 Significant accounting policies

The significant accounting policies documenting the measurement basis used in preparing the financial information and other accounting information relevant to an understanding of the consolidated financial report are discussed in the relevant note.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Notes to and forming part of the financial report (continued)

Receivables and payables are recognised inclusive of GST

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

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 was World Education Australia Overseas Relief Fund (WEAORF), a trust. It had a June financial year end. World Education Australia Limited was the trustee of WEAORF and on 30 June 2022 World Education Overseas Relief Fund, was terminated.

All intercompany 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 consistency with those policies applied by the parent entity.

1.4 Significant accounting judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Specific accounting judgements and estimates are discussed in the relevant note.

Notes to and forming part of the financial report (continued)

Section 2: Programs, Goods and Services**2.1 Revenue****(a) Disaggregation of revenue**

Revenue has been disaggregated based on type of goods or services provided and source of funds in accordance with ACFID guidelines.

	Consolidated Group 2022 \$	Consolidated Group 2021 \$
REVENUE		
a Donation and gifts		
Monetary donations	1,639,044	998,595
less: Funds raised for Designated Purposes	(76,498)	(288,833)
Non-monetary Donations	417,133	612,350
Non-monetary Gifts in Kind	25,000	-
Bequests & legacies	29,945	-
	2,034,624	1,322,122
b Grants		
DFAT	700,085	776,422
Other Australian	419,187	333,804
Other Overseas	380,289	480,253
	1,499,561	1,590,479
c Other income		
Interest Received	472	17,244
Other overseas project fees	81,138	132,178
Government COVID 19 Stimulus	81,301	169,450
Foreign exchange (loss)/gain	6,977	(441)
Other income	-	-
	169,888	318,431

(b) Revenue from Government sources - Economic dependency

The company is dependent upon the ongoing receipt of grants from the Department of Foreign Affairs and Trade (DFAT) shown in the table above to ensure the continuance of its education services. The contract in place with this department is renewed annually and expires in 2023.

Government funding not yet recognised as revenue – refer to note 2.3.

Notes to and forming part of the financial report (continued)

(c) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service (performance obligations) is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is usually the fund provider.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

(d) Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the company at significantly below its fair value.

Once the asset has been recognised, the Company recognises any related liability amounts (e.g., provisions, financial liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control of the asset.

Legacies

Legacies are recognised when the company is notified of an impending distribution or the legacy is received, whichever occurs earlier.

Revenue from legacies comprising bequests of shares or other property is recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.

In-kind donations

Professional services donated for software development by Accenture are included at the fair value to the company where this can be quantified, and a third party is bearing the cost. The market value of services donated by volunteers is based on relevant DFAT tables.

Notes to and forming part of the financial report (continued)

Significant estimates and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in this consolidated financial report.

Notes to and forming part of the financial report (continued)

2.2 Expenditure

	Consolidated Group 2022 \$	Consolidated Group 2021 \$
EXPENDITURE		
a Funds to international programs		
Program staff costs - international	1,019,961	1,208,326
Other costs	615,624	402,334
Volunteers	344,732	603,113
Non-monetary Gifts in Kind	25,000	-
	2,005,317	2,213,773
b Program Support Costs		
Program staff costs - in Australia	515,914	307,805
Other costs	15,645	64,265
Volunteers	60,817	2,463
	592,376	374,533
c Domestic Programs		
Domestic Program staff costs	117,485	-
Domestic Program Other costs	151,346	-
	268,831	-
d Community education		
Staff costs	60,636	15,993
Other costs	22,211	9,066
Volunteers	1,448	6,774
	84,295	31,832
e Fundraising costs - public		
Fundraising costs - public	99,467	62,247
Other costs	24,530	16,868
Volunteers	10,136	-
	134,133	79,115
f Fundraising costs - government, multilateral and private		
Staff costs	180,597	121,141
Other costs	52,872	24,053
	233,469	145,195
g Administration		
Staff costs	168,631	148,685
Other costs	28,878	61,118
	197,509	209,803
h Loss on Investment	8,862	-

Notes to and forming part of the financial report (continued)

Expenses accounting policy

All expenditure is accounted for on an accruals basis and has been classified under headings reflecting ACFID's guidelines. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources, for example, overheads have been allocated on a labour allocation basis. Fundraising and appeal costs are those incurred in seeking voluntary contributions through donation and do not include costs of disseminating information relating to the activities carried out by the company.

Program costs are those costs directly incurred in providing programs to support the objectives of the company other than those specified.

Administration costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements including investment management fees.

2.3 Contract balances

(a) Contract assets and liabilities

The Company has recognised the following contract assets and liabilities from contracts with customers:

	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Contract assets		
Work performed on programs not yet invoiced	11,941	18,574
Contract liabilities		
Grant monies received in advance	1,495,771	2,028,115

Contract asset and liabilities accounting policy

Contract assets

Contract assets arise when work has been performed on a particular program and goods or services have been transferred to the customer, but the invoicing milestone has not been reached and the rights to the consideration are not unconditional.

If the rights to the consideration are unconditional then a receivable is recognised.

Notes to and forming part of the financial report (continued)

As the counterparties to the agreements are Government departments or large philanthropic organisations, the credit risk of these organisations is deemed to be low and therefore the expected credit loss is nil. No impairment losses were recognised in relation to these assets during the year (2021: \$nil).

Contract liabilities

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant/fees.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Revenue recognised during the year that was included in the contract liability balance at the beginning of the period		
Grant monies received in advance	1,471,254	858,635

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the applicable accounting standard; otherwise if the costs:

- relate directly to a contract;
- generate or enhance resources that will be used to satisfy performance obligations in the future and
- are expected to be recovered

then they are capitalised as contract cost assets. The contract cost asset is released to expenses on the same basis as the associated revenue is recognised.

These costs would include items such as expenses to set up programs, employ relevant staff, prepare and print materials and information portals.

Notes to and forming part of the financial report (continued)

	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
Designated purposes				
DFAT: ANCP	88,958	791,578	(699,998)	180,538
DFAT: Impact Connect	413,944	-	(413,944)	-
Good Return Impact Invest Capacity Building Fund		5,000	-	5,000
Accenture: Skills for a Digital Life	172,099	150,000	(236,100)	85,999
ADB: Strengthening Financial Inclusion	18,624	37,004	(55,628)	-
Chamreoun: Access Program	12,049	-	(12,049)	-
National Bank Cambodia: Consumer Awareness	38,191	-	(38,191)	-
Good Return: Solukhumbu Nepal	9,448	-	(9,448)	-
Menzies Found'n: Indigenous Women's Empowerment	(18,574)	300,000	(293,367)	(11,941)
UNESCAP: Catalysing Women's Entrepreneurship	147,300		(147,300)	-
English Family Found'n & Mundango Abroad: PNG Scoping	40,000	-	-	40,000
EBF: Responsible Investment in Pacific Livelihoods & Enterprises	441,242	500,000	(374,381)	566,861
Pacific RISE: Gender Lens MSME financing in Fiji		5,260	(5,260)	-
Atlassian: Supporter Journey Mapping	7,080	-	(7,080)	-
UNESCAP: Financial Solutions for Women Entrepreneurs	41,347	9,578	(50,925)	-
ACCESS		52,710	(47,725)	4,985
Macquarie Group Services		150,000	-	150,000
Good Business Foundation		50,000	-	50,000
Helping Hand: Impact Investment Capacity Building	2,000	-	(2,000)	-
Other	145,833	212,388	(145,833)	212,388
	1,559,541	2,813,518	(2,539,229)	1,283,830
Good Return Impact Investment Fund:				
- First loss pool	250,000			250,000
- Senior debt - funds Held in Trust	200,000	550,000	-	750,000
	450,000	550,000	-	1,000,000
Good Return Loan Program	90,171	304,874	(246,005)	149,040
Total for designated purposes	2,099,712	3,118,392	(2,785,234)	2,432,870
Other cash movement	945,136	744,508	(546,226)	1,143,418
	3,044,848	3,862,900	(3,331,460)	3,576,288

Notes to and forming part of the financial report (continued)

Good Return Loan Program: amounts indicated under cash raised include loans and donations from public lenders and corporate partners. Cash disbursed represents loans to partner microfinance institutions.

At year-end Good Return held \$1,000,000 in the Good Return Impact Investment Fund. \$250,000 of this comprises grant funds from DFAT and CAGES set aside as a first loss pool to be drawn down in the event of a claim by a counterparty, whereby the Fund covers a portion of any losses up to an agreed limit. The remaining \$750,000 is senior debt from various investors that will absorb losses if the first loss tranche is exhausted.

On maturity of the Fund in 2025, the balance of the first pool loss will revert to a grant, and the balance of the senior debt will be repaid to the contributors.

Section 3: Governing body, employees and other related parties

3.1 Employee provisions

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Annual Leave - current		105,388	88,715
Long Service Leave - current		27,358	-
Long service leave - non current		14,145	28,415
Total employee provisions		146,891	117,130

The entire annual leave balance has been classified as a current liability since the company does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period. The company expects that 50% of the annual leave liability and 70% of the long-service liability will be paid after 12 months following the end of the reporting period.

Employee benefits accounting policy

Employee benefits comprise wages and salaries, annual leave, non-accumulating sick leave, long-service leave and contributions to superannuation plans.

Liabilities for short-term employee benefits expected to be wholly settled within 12 months of the reporting date in respect of employees' services up to the reporting date are recognised at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long-term benefits is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Notes to and forming part of the financial report (continued)

Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. The company has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

3.2 Related party transactions

(a) Directors' compensation

The directors act in an honorary capacity and receive no compensation for their services. During the year, no travel expenses were reimbursed to the directors in fulfilling their role.

(b) Transactions with director-related entities

There are no transactions with director-related entities to report. No amounts are payable to or receivable from directors or director-related entities at the reporting date.

(c) Key management personnel compensation

The compensation paid to key management personnel during the year was \$539,893 (2021: \$454,972).

Section 4: Financial assets and liabilities (excluding lease liabilities)

4.1 Cash and cash equivalents

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Cash at bank		3,576,288	3,044,848
Short term deposits		50,000	50,000
		3,626,288	3,094,848

Notes to and forming part of the financial report (continued)

Cash accounting policy

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of twelve months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between one day and twelve months, depending on the company's cash requirements.

These deposits earn interest at market rates.

4.2 Trade and other receivables

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Trade receivables		356,786	246,849
Less: Provision for impairment		-	-
		356,786	246,849
Other debtors			
Security deposit		16,966	22,001
		373,752	268,850

Trade receivables, which comprise amounts due work performed under grant agreements and from services provided to third parties are unconditional amounts owed and carried at original invoice amount less an allowance for any uncollectible amounts.

Normal terms of settlement vary from seven to 90 days.

No collateral is held in respect of these receivables.

4.2.1 Loans Receivable

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Loans Receivable			
Micro Finance Institutions		101,410	181,137
Less: Provision for impairment		(16,004)	(36,792)
		85,406	144,345

Notes to and forming part of the financial report (continued)

The company has determined the ECLs for the portfolio by determining the expected loss based on the PD of the country of exposure. The Weighted Average Loss Rate has been revised to 30% as a result of the current economic conditions. The following table provides information about the exposure to credit risk and ECL's for the company's loan portfolio as at 30 June 2022:

	Weighted Average Loss Rate %	Gross Carrying Amount \$	Less Allowance \$
Loans to Microfinance institutions	30	53,343	16,004

The public lender is liable for any credit losses arising from any payment default from the Loan Program.

Credit risk arises only on loans that are financed by the company's own equity funds. Potential losses are measured as the present value of all cash shortfalls and consists of three components:

- Probability of default (PD): represents the possibility of a default over the next 12 months and remaining lifetime of the financial asset;
- A loss given default (LGD): expected loss if a default occurs, taking into consideration the mitigating effect of collateral assets and time value of money;
- Exposure at default (EAD): the expected loss when a default takes place.

The company measures the Expected Credit Loss (ECL) for loans funded by itself at an amount equal to the lifetime ECL if the credit risk on a loan has increased significantly since initial recognition, or if the loan has not increased significantly since initial recognition, the company is required to measure the loss allowance at an amount equal to a 12 month ECL. All loans issued by the company are due in 12 months

4.3 Financial investments

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Investments in shares – listed equities		119,675	118,584
Classified as: Fair value through profit and loss (FVTPL)		119,675	118,584

Notes to and forming part of the financial report (continued)

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The fair value of financial investments is determined by reference to quoted market bid prices at the close of business on the reporting date. Shares have no fixed maturity date or coupon rate.

4.4 Trade creditors and other payables

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Trade creditors		97,259	66,860
Other creditors		123,682	73,869
		220,941	140,729

Trade creditors and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days.

4.4.1 Loans Payable

	Note	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Good Return Loan Program from the public		146,058	131,107

Loans Payable represent liabilities for loans provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 7 to 365 days.

4.5 Financial Liability

Financial instruments accounting policies

Financial instruments are recognised initially on the date that the company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs except for financial assets through profit or loss.

Notes to and forming part of the financial report (continued)

Classification

On initial recognition, the company classifies its financial assets into the following categories, instruments measured at:

- amortised cost
- fair value through profit or loss – FVTPL

Classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

The company measures receivables, cash and cash equivalents at amortised cost.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method.

Dividends from investments are recognised when the right to receive a dividend has been established.

None of the other receivables are past due at the reporting date.

Funds held in Trust

	Note	Year of Maturity	Consolidated Group 2022 \$	Consolidated Group 2021 \$
Impact Investment Fund	2.3	2025	750,000	200,000

These funds are used as a guarantee for the Impact Investment program and can be payable at call.

Section 5: Future obligations and outlook

5.1 Capital Expenditure Commitments

At the reporting date, the company has not entered into contracts for capital expenditure (2021: nil).

5.2 Contingencies

Directors are not aware of any contingent liabilities which could affect future results.

5.3 Events after the reporting period

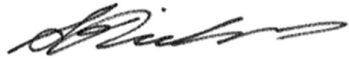
No matters or circumstances have arisen since the end of the financial year which would significantly affect the operations of the Company, the results of those operations or the state of affairs in future financial years.

DECLARATION REQUIRED BY NSW CHARITABLE FUNDRAISING REGULATION 2021

This declaration is prepared in accordance with section 21(3) of the Regulation.

I declare that, in my opinion:

- (a) the organisation is able to pay all of the organisation's debts as and when the debts become due and payable,
- (b) the financial statement satisfies the requirements of the Act and this Regulation,
- (c) the contents of the financial statement are true and fair,
- (d) the organisation has appropriate and effective internal controls.



Shane Nichols

Chief Executive Officer



07 / 11 / 2022

Directors' declaration

1. In the opinion of the directors of World Education Australia Limited ('the Company'):
 - (a) the Company is not publicly accountable;
 - (b) the consolidated financial statements and notes that are set out on pages 6 to 28 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth), including compliance with Australian accounting standards (including the Australian Accounting interpretations), and:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in Note 1.1 will be able to meet any obligations or liabilities to which they are or may become subject to.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director	 _____ Kathryn Jordan (Chair)
Director	 _____ Sondra Cortis (Treasurer)
Date	<u>07/ 11 / 2022</u>

Independent Auditor's Report

To the members of World Education Australia Limited

Report on the audit of the Financial Report

Opinion

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

In our opinion, 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*:

- i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR) and section 21 of the Charitable Fundraising Regulation (NSW)*.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2022;
- ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies;
- iv. Directors' declaration; and
- v. Declaration by the Chief Executive Officer of the Company.

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 opinion

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 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 (including Independence Standards)* (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 World Education Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. Management is 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.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards – Simplified Disclosures Framework* and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.
- ii. 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.
- iii. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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 and the 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 judgement and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform 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.
- ii. 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 of the Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.



- Conclude 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 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 Group to cease to continue as a going concern.
- v. 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 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.

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.

KPMG

Julia Gunn

Partner

Sydney

7 November 2022

ASIC Registered Company Auditor: 481784

KPMG

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