

WORLD EDUCATION AUSTRALIA LIMITED

ABN 39 106 279 225

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

CONTENTS

	Page
Directors' Report	2
Auditor's Independence Declaration	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Declaration Required by Charitable Fundraising Regulations 2008	27
Directors' Declaration	28
Independent Audit Report to the Members	29

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

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 2017.

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.

Guy Winship

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

Guy is a development expert who has worked in Africa, Asia and the Pacific. He consults and advises governments and NGOs on microfinance, institutional development, and related public

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.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

DIRECTORS' REPORT

The consolidated surplus for the year was \$46,254 (2016: \$72,036). This comprises a surplus of \$5,396 (2016: surplus of \$20,169) from World Education Australia Limited (WEAL) and a surplus of \$40,858 (2016: \$51,867) 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 increased from 270 to 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 has received exemption 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 2012 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.

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 contributed significantly to the company's 2017 revenues.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

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	4(4)
Guy Winship	4(4)
Gordon Cairns	3(4)
Pamela Jonas	3(4)
D James MacNeil	2(4)
William Pigott	3(4)
Damien Woods	3(4)
Sonia Higgins	1(1)
Joanna Ledgerwood	0(0)

Auditor's Independence Declaration

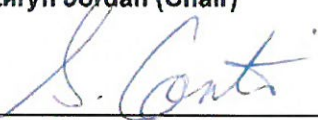
The auditor's independence declaration is on page 6.

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

Director


Kathryn Jordan (Chair)

Director


Sondra Cortis (Treasurer)

Date

14 NOVEMBER 2017



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 2017 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

14 November 2017

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group 2017 \$	Consolidated Group 2016 \$
REVENUE			
Donations & gifts - monetary & non-monetary	2a	1,300,308	925,337
Bequests & legacies		-	-
Grants	2b	2,108,610	2,649,435
Interest		7,695	17,841
Other income	2c	86,480	317,980
TOTAL REVENUE		<u>3,503,093</u>	<u>3,910,593</u>
EXPENSES			
Overseas projects			
Funds to overseas projects	3a	2,180,363	2,585,069
Other project costs	3b	627,572	632,008
Domestic projects		-	-
Community education	3c	2,107	5,809
Fundraising costs			
Public	3d	268,963	237,677
Government, multilateral and private	3e	43,539	69,043
Administration	3f	334,296	308,951
TOTAL EXPENSES		<u>3,456,840</u>	<u>3,838,557</u>
Surplus/(deficit) of revenue over expenses		46,253	72,036
Income tax expense	1c	-	-
Surplus/(deficit) for the year	4	46,253	72,036
Other Comprehensive Income		-	-
Total Comprehensive Income/(loss)		<u>46,253</u>	<u>72,036</u>

The accompanying notes form part of these financial statements.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	Consolidated Group 2017 \$	Consolidated Group 2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,460,914	1,483,993
Loans receivable	8	223,380	213,175
Trade and other receivables	7	87,344	114,983
Other current assets	9	74,135	172,566
TOTAL CURRENT ASSETS		<u>1,845,773</u>	<u>1,984,717</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,460	13,073
Intangible assets	11	-	38,978
TOTAL NON-CURRENT ASSETS		<u>4,460</u>	<u>52,051</u>
TOTAL ASSETS		<u>1,850,233</u>	<u>2,036,768</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	265,082	214,306
Special purpose funding	6	376,890	577,705
Loans payable	14	411,665	474,440
Provisions	13	51,212	52,736
TOTAL CURRENT LIABILITIES		<u>1,104,849</u>	<u>1,319,187</u>
NON-CURRENT LIABILITIES			
Provisions	13	17,515	35,965
TOTAL NON-CURRENT LIABILITIES		<u>17,515</u>	<u>35,965</u>
TOTAL LIABILITIES		<u>1,122,364</u>	<u>1,355,152</u>
NET ASSETS		<u>727,869</u>	<u>681,616</u>
EQUITY			
Contributed equity	16	-	-
Reserve for designated purpose	17	718,421	677,563
Retained earnings/(deficit)	24	9,448	4,053
TOTAL EQUITY		<u>727,869</u>	<u>681,616</u>

The accompanying notes form part of these financial statements.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Retained Earnings \$	Reserve For Designated Purposes \$	Total \$
Consolidated Group				
Balance at 1 July 2015		(16,116)	625,696	609,580
(Deficit) of revenue over expenses		72,036	-	72,036
Transfer (to)/ from reserve	17	(51,867)	51,867	-
Balance at 30 June 2016		4,053	677,563	681,616
Surplus of revenue over expenses		46,253	-	46,253
Transfer (to)/ from reserve	17	(40,858)	40,858	-
Balance at 30 June 2017		9,448	718,421	727,869

The accompanying notes form part of these financial statements.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated Group 2017 \$	Consolidated Group 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations and grants		2,704,861	2,530,944
Customers		151,251	264,673
Suppliers and employees		(2,803,691)	(3,496,849)
Interest		7,695	17,841
Net cash (used in)/provided by operating activities	18	60,116	(683,391)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment	10	-	-
Capital WIP, Good Return software and web-site	11	-	3,600
Security deposits	9	(10,214)	-
Net cash provided by/(used in) investing activities		(10,214)	3,600
CASH FLOWS FROM FINANCING ACTIVITIES			
Good Return - net loans movement with public	14	(62,775)	(36,995)
Good Return - net loans movement with microfinance institutions	8	(10,206)	(3,859)
Net cash (used in)/provided by financing activities		(72,981)	(40,854)
Net (decrease)/increase in cash held		(23,079)	(720,645)
Cash at beginning of financial year		1,483,993	2,204,638
Cash at end of financial year	6	1,460,914	1,483,993

The accompanying notes form part of these financial statements.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Council for International Development Code of Conduct Quality Assurance Framework. 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

(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.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(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.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

(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

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated Group	Consolidated Group
		2017	2016
		\$	\$
2.	REVENUE		
a	Donation and gifts		
	Monetary donations	797,068	508,340
	Non-monetary donations	<u>503,240</u>	<u>416,997</u>
		<u>1,300,308</u>	<u>925,337</u>
	Monetary donations include \$210,911 (2016: \$235,44) received through the Good Return Loan Program.		
b	Grants		
	DFAT	1,595,784	1,793,241
	Other Australian	181,333	430,313
	Other Overseas	<u>331,493</u>	<u>425,881</u>
		<u>2,108,610</u>	<u>2,649,435</u>
c	Other income		
	Project fees:		
	Good Return fees	11,218	8,634
	World Education Inc project fees	-	68,700
	Foreign exchange (loss)/gain	276	(11,831)
	Other income	<u>74,986</u>	<u>252,477</u>
		<u>86,480</u>	<u>317,980</u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated Group	Consolidated Group
		2017	2016
		\$	\$
3	EXPENSES		
a	Funds to overseas projects		
	Project staff costs - overseas	604,361	723,368
	Other costs	1,179,128	1,515,404
	Volunteers	396,874	346,297
		<u>2,180,363</u>	<u>2,585,069</u>
b	Other project costs		
	Project staff costs - in Australia	460,348	465,038
	Other costs	114,106	131,431
	Volunteers	53,118	35,539
		<u>627,572</u>	<u>632,008</u>
c	Community education		
	Staff costs	1,239	4,308
	Other costs	-	470
	Volunteers	868	1,031
		<u>2,107</u>	<u>5,809</u>
d	Fundraising costs - public		
	Staff costs	76,225	101,785
	Other costs	140,358	101,762
	Volunteers	52,380	34,130
		<u>268,963</u>	<u>237,677</u>
e	Fundraising costs - government, multilateral and private		
	Staff costs	42,145	66,040
	Other costs	1,394	3,003
		<u>43,539</u>	<u>69,043</u>
f	Administration		
	Staff costs	76,849	145,187
	Other costs	257,447	163,764
		<u>334,296</u>	<u>308,951</u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated Group	Consolidated Group
	2017	2016
	\$	\$
4 SURPLUS/(DEFICIT) FOR THE YEAR		
Surplus/(deficit) for the year has been determined after:		
a Income		
Net foreign exchange (loss)/gain	276	(11,831)
b Expenses		
Depreciation and amortisation	47,589	57,189
Operating lease payments	44,454	68,905
Remuneration of auditor:		
- audit	-	17,750
	<u> </u>	<u> </u>
5. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short term benefits	<u>365,865</u>	<u>183,500</u>
6. CASH AND CASH EQUIVALENTS		
Cash on hand	47	601
Cash at bank - for the Good Return Loan program	455,999	508,250
- for other designated purposes	376,890	577,705
- other	627,978	397,437
	<u>1,460,914</u>	<u>1,483,993</u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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
Designated purposes				
DFAT ANCP annual allocation	-	655,294	(655,294)	-
DFAT SPSL Laos project	392,383	803,629	(999,833)	196,179
Skills for Life	-	269,120	(181,333)	87,787
Strengthening Financial Inclusion	61,137	100,675	(107,191)	54,621
Smallholder Farmers Livelihoods	34,230	155,575	(189,805)	-
Consumer Awareness & Education program	36,610		(20,551)	16,059
Other	53,345	5,940	(37,041)	22,244
	<u>577,705</u>	<u>1,990,233</u>	<u>(2,191,048)</u>	<u>376,890</u>
Good Return	508,250	272,725	(324,976)	455,999
Total for designated purposes	<u>1,085,955</u>	<u>2,262,958</u>	<u>(2,516,024)</u>	<u>832,889</u>
Other cash movement	<u>398,038</u>	<u>728,029</u>	<u>(498,042)</u>	<u>628,025</u>
	<u><u>1,483,993</u></u>	<u><u>2,990,987</u></u>	<u><u>(3,014,066)</u></u>	<u><u>1,460,914</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
	2017	2016
	\$	\$
7. TRADE AND OTHER RECEIVABLES		
Trade debtors	<u>87,344</u>	<u>114,983</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
ABN 39 106 279 225
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Total	Overdue and impaired	Overdue and not impaired	Not due, not impaired
2017				
<30 days	87,344	-	-	87,344
31-60 days	-	-	-	-
>90 days	-	-	-	-
	<u>87,344</u>	<u>-</u>	<u>-</u>	<u>87,344</u>
2016				
<30 days	109,084	-	-	109,084
31-60 days	5,899	-	-	5,899
61-90 days	-	-	-	-
	<u>114,983</u>	<u>-</u>	<u>-</u>	<u>114,983</u>

	Consolidated Group 2017 \$	Consolidated Group 2016 \$
8. LOANS RECEIVABLE		
Current		
Good Return loans portfolio with microfinance institutions	<u>223,380</u>	<u>213,175</u>
9. OTHER CURRENT ASSETS		
Security deposits	39,678	37,655
Prepayments and accrued income	15,122	86,803
GST receivable	5,159	4,994
Other receivables	14,176	43,114
	<u>74,135</u>	<u>172,566</u>
10. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	33,661	33,661
Less accumulated depreciation	(33,661)	(28,050)
	<u>-</u>	<u>5,611</u>
Movements in carrying amounts		
Balance at 1 July 2016	5,611	14,026
Additions	-	-
Depreciation	(5,611)	(8,415)
Carrying amount at 30 June 2017	<u>-</u>	<u>5,611</u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated Group	Consolidated Group
	2017	2016
	\$	\$
Plant and equipment		
At cost	44,708	44,078
Less accumulated depreciation	(40,248)	(36,616)
	<u>4,460</u>	<u>7,462</u>
Movements in carrying amounts		
Balance at 1 July 2016	7,462	10,504
Depreciation	(3,002)	(3,042)
Carrying amount at 30 June 2017	<u>4,460</u>	<u>7,462</u>
Total property, plant and equipment	<u>4,460</u>	<u>13,073</u>
11. INTANGIBLE ASSETS		
Good Return software and web-site		
At cost	340,579	340,579
Less accumulated amortisation	(340,579)	(301,601)
	<u>-</u>	<u>38,978</u>
Movements in carrying amounts		
Balance at 1 July 2016	38,978	84,710
Additions	-	-
Amortisation	(38,978)	(45,732)
Carrying amount at 30 June 2017	<u>-</u>	<u>38,978</u>
12. TRADE AND OTHER PAYABLES		
Current		
Payroll liabilities	3,996	11,368
Trade and other creditors	88,464	117,536
Accrued expenses	172,622	85,402
	<u>265,082</u>	<u>214,306</u>
13. Provisions		
Current		
Annual leave provision	<u>51,212</u>	<u>52,737</u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated Group	Consolidated Group
	2017	2016
	\$	\$
Non-Current		
Long service leave provision	<u>17,515</u>	<u>35,966</u>
Provision for employee benefits		
Balance at the beginning of the year	88,701	94,071
Additional provision raised during the year	71,215	85,727
Amounts used	<u>(91,189)</u>	<u>(91,097)</u>
Balance at the end of the year	<u>68,727</u>	<u>88,701</u>
14. LOANS PAYABLE		
Current		
Good Return loans from the public	<u>411,665</u>	<u>474,440</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	72,093	46,465
Later than 12 months but not later than 5 years	124,865	-
	<u>196,958</u>	<u>46,465</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 2017 (2016: 270).

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 2017**

	Consolidated Group	Consolidated Group
	2017	2016
	\$	\$
18. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations		
Surplus/(deficit)	46,253	72,036
Non-cash flows in (deficit)/surplus:		
Depreciation and amortisation	47,587	57,189
Leave provisions	(19,972)	(5,370)
Changes in Assets & Liabilities:		
Receivables	64,605	(53,129)
Payables	(150,042)	(727,685)
Accruals and deferred income	71,681	(26,432)
Cash flows (used in)/provided by operations	<u>60,112</u>	<u>(683,391)</u>

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	1,460,914	1,483,993
Trade and other receivables	87,344	114,983
Good Return loans portfolio with microfinance institutions	223,380	213,175
Total financial assets	<u>1,771,638</u>	<u>1,812,151</u>

Financial Liabilities

Trade and other payables	261,086	202,938
Good Return loans from the public	411,665	474,440
Total financial liabilities	<u>672,751</u>	<u>677,378</u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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
Financial liabilities due for payment				
Trade and other payables	261,086	-	-	261,086
Loans	411,665	-	-	411,665
Total expected outflows	<u>672,751</u>	<u>-</u>	<u>-</u>	<u>672,751</u>
Financial assets - cash flows realisable				
Cash and cash equivalents	1,460,914	-	-	1,460,914
Trade and other receivables	87,344	-	-	87,344
Loans	223,380	-	-	223,380
Total anticipated inflows	<u>1,771,638</u>	<u>-</u>	<u>-</u>	<u>1,771,638</u>
Net inflow on financial instruments	<u><u>1,098,887</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,098,887</u></u>

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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.

	2017	2016
	\$	\$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	1,254,677	1,516,108
TOTAL ASSETS	1,254,677	1,516,108

WORLD EDUCATION AUSTRALIA LIMITED
ABN 39 106 279 225
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
LIABILITIES		
Current liabilities	1,245,228	1,564,106
TOTAL LIABILITIES	<u>1,245,228</u>	<u>1,564,106</u>
EQUITY		
Issued capital	-	-
(Deficit)/retained earnings	9,449	4,053
	<u>9,449</u>	<u>4,053</u>
STATEMENT OF COMPREHENSIVE INCOME		
Total comprehensive income/(loss)	<u>5,396</u>	<u>20,169</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>21,800</u>	<u>106,801</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 2017 and 30 June 2016.

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 2017; 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.



Shane Nichols
Chief Executive Officer

Date 14 November 2017

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 2017 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 Jordan

Director



Sondra Cortis

Date

14 NOVEMBER 2017.



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 the 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 the basis of preparation which incorporates:

- compliance 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 2017, and of its financial performance and its cash flows for the year ended on that date; and
 - complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013;
- 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 2017;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Directors' declaration; and
- Declaration Required by the Charitable Fundraising Regulations 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 the Group's annual reporting which is provided in addition to the Financial Report and the Auditor's Report, including the Directors' Report. The 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 of the Company 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 ACID (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; and
- 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 Australia Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

Our responsibilities include:

- Identifying and assessing 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 obtaining 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness;
- Evaluating 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 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 Group or Company to cease to continue as a going concern.

- Evaluating 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 the 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 the matter described in the basis for qualified opinion paragraph:

- 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 2017;
- the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2016 to 30 June 2017, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- money received as a result of fundraising appeal activities conducted during the period from 1 July 2016 to 30 June 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- 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

14 November 2017