

Literacy for Life Foundation
General Purpose Financial Report
for the period from 1 July 2017 to
31 December 2018

Literacy For Life Foundation



ABN 83 163 634 777

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Literacy For Life Foundation

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Directory

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

Directors of Literacy for Life Foundation

Ms Patricia Anderson
Mr Don A Aroney
Mr Jack A Beetson
Mr John P Flecker
Dr Wendy Ludwig

Registered Office

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135 King Street
SYDNEY NSW 2000
Telephone: +61 (0) 2 9322 2000
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Auditor

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Directors' report

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

Introduction

The Directors of Literacy For Life Foundation (the "Foundation") present their report together with the financial statements of the Foundation for the period from 1 July 2017 to 31 December 2018 and the Independent Audit Report thereon.

Principal activities

The principal activities of the Foundation are to significantly reduce the rate of illiteracy within the Aboriginal adult population. Activities include engaging local personnel and producing resources and materials to support all phases of literacy campaigns and securing and disbursing funds to affect the objectives of the Foundation.

Review of operations and results

The Foundation recorded a surplus of \$763,578 for the period from 1 July 2017 to 31 December 2018 (for the period 1 July 2016 to 30 June 2017: \$161,794).

During the reporting period the Foundation elected to change its reporting year end from 30 June to the 31 December. The decision to elect for the change was to align the delivery timeframe of our campaigns to the Foundations reporting period.

Objectives of the Foundation

The long term objectives of the Foundation are:

- to significantly reduce the rate of illiteracy within the Aboriginal adult population and the gap in the English literacy rates of Indigenous and non-Indigenous Australians, which has stemmed from the poverty and socio-economic disadvantage of Aboriginal peoples;
- to strengthen a culture of literacy whereby the Aboriginal adult community values learning and the various pathways it affords to individuals and the community as a whole, as a means of alleviating poverty, helplessness, crime and substance abuse; and
- to develop the capacity of local Aboriginal community members to lead, own and coordinate a reduction in the rate of illiteracy within the Aboriginal adult population and to further opportunities for participating community members as a way of conquering poverty.

To achieve these outcomes, the Foundation's short term objectives are the thorough implementation of effective adult literacy campaign model and the successful delivery of literacy campaigns.

Foundation's Strategy for Achieving Objectives

In order to realise its objectives, the Foundation will undertake activities that will include:

- building local leadership and commitment to the delivery of campaigns to local communities by the Foundation, through working in partnership with local organisations;
- engaging and training personnel such as staff and consultants to identify and engage potential participants and to provide literacy classes to illiterate adult Aboriginals, including through the provision of 65 basic reading and writing lessons using a simple audio-visual method known as YES I CAN, developed by an established educational organisation in Cuba, or using another similar proven method for combating adult illiteracy; and
- encouraging and supporting sustainable post literacy pathways for participants at local, regional and national levels.

More specifically, the Foundation is committed to:

- planning, leading, managing, advising on, and resourcing the delivery of literacy campaigns for Aboriginal adults, including engaging local personnel and producing resources and materials to support all phases of a literacy campaign and securing and disbursing funds to effect the objects of the Foundation;
- undertaking the development and training of staff and local leaders in the delivery of literacy campaigns to Aboriginal adults;
- engaging national and international universities and/or other research institutions, to evaluate the quality of any literacy campaign or adult literacy campaign model, and to undertake innovative research to enhance the effectiveness of any literacy campaign; and
- assisting local literacy campaign leaders with mapping pathways for extending the employment and social enterprise opportunities of literacy campaign participants and local literacy campaign leaders.

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Foundation's Principal Activities During the Year

The Foundation's principal activities during the Year have included:

- completion of Intakes 3 and 4 Walgett, NSW;
- completion of 2 combined Intakes in Boggabilla and Toomelah, NSW;
- continuation of Phase 1 in Collarenebri, NSW;
- began Phase 1 in Ltyentye Apuerle – Santa Teresa, NT;
- supporting the workforce development of staff and contractors;
- completing funding applications / submissions in both the public and private sectors to support the expansion of the national Adult Literacy Campaign;
- increasing the profile of the Foundation including meetings with NSW and Commonwealth Ministers and Departments and carrying out media interviews;
- campaign support by Cuban advisors Felix Hernandez and Lucy Nunez.
- continued scoping, advocacy and planning work for future campaign locations.

In addition to and on the basis of the above noted successes in these communities, the Foundation has received support from Multiplex, UNE, Mark and Evette Moran, the estate of Joan Aileen Lindsay, NSW Department of Family and Community Services, the Department of the Prime Minister and Cabinet and a range of businesses, trusts, foundations and other generous individual donors.

The Foundation has also been supported by other government departments including the NSW Aboriginal Housing Office, the Department of Education and Training, Department of Aboriginal Affairs and the Department of Employment. The Foundation continues to work closely with the Cuban Embassy in Australia and IPLAC (Pedagogical Institute of Latin American and the Caribbean) in Cuba.

Operating Results Campaigns

- Walgett
 - In a combination of Intakes 3 and 4, 15 students graduated in December 2018.
 - Local contracted staff received training in Mental Health First Aid, Beginner First Aid and Workplace Impacts of Domestic Violence.
 - The Campaign Project Officer ("CPO") supported the commencement of Phase 1 in Collarenebri.
- Boggabilla & Toomelah
 - Combined Boggabilla and Toomelah Intake 2 and 3 were completed with a total of 18 graduates.
 - Local contracted staff received training in workplace health and safety and Workplace Impacts of Domestic Violence.
 - The CPO was moved to the Ltyentye Apuerle – Santa Teresa Campaign after graduation.
- Collarenebri
 - Phase 1 survey worker training took place in October with 10 local recruits and support from the Cuban Technical Advisors.
 - 70 household surveys were completed.
 - CPO and Campaign Coordinator were recruited in December.
- Ltyentye Apuerle – Santa Teresa, NT
 - Phase 1 began in October with initial community outreach meetings.
 - The Atyenhenge Atherre Aboriginal Corporation agreed to be our community partner and employ local staff.
 - A Central Australia Regional Campaign Advisor was recruited in November and she continued community outreach.

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For the period from 1 July 2017 to 31 December 2018

- South West Sydney
 - The CPO was hired in October. He is an Aboriginal man from the local Campbelltown community.
 - Phase 1 survey worker training took place in November with support from the Cuban Technical Advisors. 8 workers were trained.
 - 150 Household surveys were conducted in the Airds/Bradbury area.
 - The Campaign Coordinator was hired in December.

Administration & Support

- The role of combined Finance and Campaign Manager has been discontinued with the departure of the person in that position. We are now operating with an Operations/Campaigns Manager and a newly appointed Administrative Officer. Accounts have been outsourced starting in September 2018.
- We continue to work closely with IPLAC in Cuba and are currently hosting 2 Cuban Advisors.
- We continue to seek out pertinent training for development of local staff and conduct joint trainings where possible between campaigns.
- We are continuing our communications with the relevant governmental departments and agencies to seek support to increase the reach of our adult literacy campaigns.

Table 1: Summary Statistics 2012-2018

	Adult population	Surveyed	Expressions of interest	Starters	Graduates	Retention
Wilcannia 1	279	106	41	13	10	76.9%
Wilcannia 2				9	6	66.7%
Wilcannia 3				16	7	43.8%
Bourke 1	505	125	40	16	11	68.8%
Bourke 2			34	22	15	68.2%
Bourke 3			24	19	16	84.2%
Bourke 4				13	8	61.5%
Enngonia	52	48	24	21	15	71.4%
Brewarrina 1	415	158	77	19	14	73.7%
Brewarrina 2		37	43	18	8	44.4%
Brewarrina 3			32	17	11	64.7%
Brewarrina 4			33	15	6	40.0%
Weilmoringle	38	20	12	7	6	85.7%
Walgett 1	553	88	52	21	8	38.1%
Walgett 2		51	30	16	8	50.0%
Boggabilla 1	360	40	36	22	18	81.8%
Toomelah 1		62	21	10	7	70.0%
Walgett 3			40	11	7	63.6%
BT 2			26	14	8	57.1%
Walgett 4			60	17	8	47.1%
BT 3			41	15	10	66.7%
Totals	2202	735	666	331	207	62.6%
Average				15.8	9.9	

1. Note: Values in table are inclusive from 2012 to 2018.

Directors' report

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For the period from 1 July 2017 to 31 December 2018

2. *Retention rates in VET/TAFE courses in western NSW for similar cohort (i.e. Certificate 1 & 2 level) in 2014 were only 14%. In other words, Yes I Can is currently achieving over 4 times the retention rate of formal accredited courses.*

Financials

Financial performance is measured by the Foundation's financial reporting process and is reflected in the audited financial report. Highlights for the period ending 31 December 2018 include:

- a. Expenditure for the period of \$2,478,224 delivering campaigns as above in Brewarrina, Walgett, Boggabilla & Toomelah, Collarenebri, Santa Teresa and Campbelltown, including campaign management costs.
- b. Funding received for the year \$4,332,527 (net of GST).
- c. The Foundation has a net asset position of \$848,041 as at 31 December 2018, comprising cash, motor vehicles, trade debtors less creditors
- d. Foundation increased its cash reserves to support future campaign delivery by ending with a closing cash balance of \$2,033,770

Regular financial management meetings are held to review both revenue and expenditure, and to ensure operations align within financial parameters.

Directors

The name of the Foundation's Directors and officers at any time during or since the end of the financial year of directorships are as follows:

- Ms Donna Ah Chee, Resigned 18 September 2018
- Ms Patricia Anderson, Director since incorporation (May 2013)
- Mr John P Flecker, Director since incorporation (May 2013)
- Mr Jack A Beetson, Director since incorporation (May 2013)
- Don A Aroney, Director since incorporation (May 2013)
- Dr Wendy Ludwig, Director since 14 November 2018

The company secretary at any time during or since the end of the reporting period is Don A Aroney.

Directors' Qualifications, Experience and Special Responsibilities

▪ Director: Dr Wendy Ludwig

Dr Ludwig is a Kungarakan and Gurindji woman from Darwin, with considerable executive leadership experience in the tertiary education sector, as well as on community committees and boards of management. She is a current active member of the Kungarakan Cultural and Education Association and has been a Board Director for the Darwin Entertainment Centre since 2016. She joined the Literacy for Life Foundation Board in 2018. Dr. Ludwig is a Deputy CEO - Vocational Education and Training, at Batchelor Institute. She is a member of the Institute's Executive Leadership Team and provides advice to the CEO, and the Institute Council, on matters relating to all aspects of Vocational Education and Training, as well as contributing to the overall strategic direction for the Institute. Dr Ludwig's previous roles include Director of Operations in the Office of the Pro-Vice Chancellor Indigenous Leadership at Charles Darwin University (CDU). During her time at CDU Dr Ludwig was appointed Acting Pro-Vice Chancellor from August 2016-July 2017.

▪ Director: Patricia Anderson (AO)

Pat is an Alyawarre woman known nationally and internationally as a powerful advocate for human rights with a particular focus on the health of Australia's First Peoples. She was awarded the Human Rights Community Individual Award in 2012. Pat has extensive experience in all aspects of Aboriginal health and education, including community development, advocacy, policy formation and research ethics. Pat currently serves as the Chairperson of The Lowitja Institute, Australia's National Institute for Aboriginal and Torres Strait Islander Research, a position she has held since 2009. She has also been the CEO of Danila Dilba Health Service in Darwin, Chair of the National Aboriginal Community Controlled Health Organisation, Executive Officer of the Aboriginal Medical Services Alliance Northern Territory (AMSANT), and was the Chair of the CRC for Aboriginal Health from 2003 to 2009. She has been actively involved with the Literacy Campaign since 2009 as a member of the National Aboriginal Steering Committee overseeing the pilot stage.

Directors' report

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For the period from 1 July 2017 to 31 December 2018

▪ Director: John Flecker

John currently holds the position as the CEO of Multiplex Pty Ltd, a founding partner of the Foundation. As CEO for Multiplex, John has ultimate responsibility for the operational performance of all Construction & Development and Engineering & Infrastructure projects in Australasia delivering over \$2.5BN dollars of projects annually. John brings global knowledge and expertise of managing large complex projects within a strict and transparent operation. John is also a Board member of the Green Building Council of Australia (GBCA) and is Board member and president of the Australian Contractors Association (ACA).

▪ Director and Company Secretary: Don Aroney

Drawing on his experience and relationships as Executive Director of Operations (EDO) at Multiplex, Don is well placed to manage and steer the Foundation's legal and financial governance and to draw on Multiplex's own best practice operational platforms and initiatives to ensure the spine of the Foundation remains both strong and professional. Through Don, the Foundation is also able to access advice and direction on the management of large-scale projects and events, risk profiling, media and marketing opportunities, business accreditations and over-arching strategic direction.

▪ Executive Director and National Campaign Coordinator: Jack Beetson

Jack Beetson has extensive expertise in corporate governance processes having been employed as CEO of several Aboriginal Organisations, including Land Councils in NSW; engaged by the NSW Office of the Registrar of the Aboriginal Land Rights Act, to assist appointed Administrators to bring some LALCs within compliance standards; and led two consultancies for the NSW government on the development & evaluation of a statewide framework for good governance for Aboriginal communities. Jack has completed the Australian Institute for Company Directors course and has been a member of several Boards including Northern Rivers Catchments Management Authority, 2004-2008, and Foundation President, Federation of Independent Aboriginal Educational Providers, 1994-2000.

Board Meetings and Directors' Attendance

The following is a record of Board Meetings and associated Director attendance for the reporting period:

Meeting Date /Directors	Jack Beetson	Donna Ah Chee	Patricia Anderson	John Flecker	Don Aroney	Wendy Ludwig
8th August 2017	Attended	Attended	Apologies	Attended	Attended	N/A
13th November 2017	Attended	Attended	Attended	Attended	Attended	N/A
14 February 2018	Attended	Apologies	Apologies	Attended	Attended	N/A
10 May 2018	Attended	Apologies	Apologies	Attended	Attended	N/A
24 July 2018	Attended	Attended	Apologies	Attended	Attended	N/A
7th December 2018	Attended	N/A	Attended	Attended	Attended	Attended

Members

- Founding Members of the Company included Jack Beetson, Donna Ah Chee, and Multiplex Construction P/L.
- As of 18 September 2018, Donna Ah Chee resigned as a Member.
- As of 14 November 2018 Patricia Anderson became a Member.
- Current Members are Jack Beetson, Patricia Anderson and Multiplex Constructions P/L.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001* (Cth).

Winding up Contributions

The winding up liability of the Members under the Foundation's Constitution is as follows:

- individually AUS\$1 per member; and
- in aggregate AUS\$4.

Directors' report Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

Events subsequent to the reporting date

Other than as disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Foundation's operations in future financial periods, the results of those operations or the Foundation's state of affairs in future financial periods.

Likely developments and expected results of operations

It is envisaged that the Foundation will continue to operate in its current form.

Auditor's independence declaration

The auditor's independence declaration is set out on page 10 and forms part of the Directors' Report for the year ended 31 December 2018.

The Directors' Report is signed in accordance with the resolution of directors.

On behalf of the Directors



Don A Aroney
Director
2 April 2019

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The Board of Directors
Literacy For Life Foundation
Level 22, 135 King Street
Sydney NSW 2000

2 April 2019

Dear Board Members

Literacy For Life Foundation

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Literacy For Life Foundation.

As lead audit partner for the audit of the financial statements of Literacy For Life Foundation for the financial period ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants

Statement of profit or loss and other comprehensive income

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	Note	For the period from 1 July 2017 to 31 December 2018	Year ended 30 June 2017
		\$	\$
Revenue	5	3,259,490	1,417,854
Interest income		18,071	693
Administrative expenses	6	(118,094)	(106,388)
Program expenditure	7	(2,395,889)	(1,150,365)
Surplus before income tax		763,578	161,794
Income tax expense		-	-
Surplus for the year		763,578	161,794
Other comprehensive income		-	-
Total comprehensive income for the year		763,578	161,794

The Statement of profit or loss and other comprehensive income should be read in conjunction with the Notes to the financial statements.

Statement of financial position

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	Note	As at 31 December 2018 \$	As at 30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents	8	2,033,770	627,957
Trade & Other Receivables	9	28,165	12,567
Other Assets	10	12,284	5,838
Total current assets		2,074,219	646,362
Non-current assets			
Property, plant & equipment	11	57,877	92,374
Total non-current assets		57,877	92,374
Total assets		2,132,096	738,736
Liabilities			
Current liabilities			
Contract liabilities	12	1,073,037	-
Trade and other payables	13	149,972	200,684
Provisions	14	19,962	-
Total current liabilities		1,242,971	200,684
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		1,242,971	200,684
Net assets		889,125	538,052
Equity			
Accumulated surplus		889,125	538,052
Total equity		889,125	538,052

The Statement of financial position should be read in conjunction with the Notes to the financial statements.

Statement of changes in equity

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	Accumulated surplus \$	Total \$
As at 30 June 2017	538,052	538,052
Changes in accounting standards ¹	(412,505)	(412,505)
As at 1 July 2017	125,547	125,547
Surplus for the period	763,578	763,578
Other comprehensive income	-	-
Total comprehensive income for the period	763,578	763,578
As at 31 December 2018	889,125	889,125

	Accumulated surplus \$	Total \$
As at 1 July 2016	376,258	376,258
Surplus for the year	161,794	161,794
Other comprehensive income	-	-
Total comprehensive income for the year	161,794	161,794
As at 30 June 2017	538,052	538,052

¹Refer to Note 4 (i)

The Statement of changes in equity should be read in conjunction with the Notes to the financial statements.

Statement of cash flows

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	Note	For the period from 1 July 2017 to 31 December 2018	Year ended 30 June 2017
		\$	\$
Cash flows from operating activities			
Government grants		3,151,696	856,536
Donations		309,996	515,590
Corporate Sponsorships		711,288	206,250
Interest received		18,071	693
Payments to suppliers		(2,785,238)	(1,241,667)
Net cash inflow from operating activities	15	1,405,813	337,402
Cash flows from investing activities			
Purchase of property, plant & equipment		-	(51,946)
Net cash outflow from investing activities		-	(51,946)
Net increase in cash equivalents held		1,405,813	285,456
Cash and cash equivalents at the beginning of the period		627,957	342,501
Cash and cash equivalents at the end of the period	8	2,033,770	627,957

The Statement of cash flows should be read in conjunction with the Notes to the financial statements.

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

1. Nature of Operations

The principal activity of the Literacy for Life Foundation (the "Foundation") is to significantly reduce the rate of illiteracy within the Aboriginal adult population. This will be enacted by engaging with communities and planning, leading, managing, advising on, and resourcing the delivery of literacy campaigns within remote and metropolitan communities. Activities include engaging local personnel and producing resources and materials to support all phases of the literacy campaigns and securing and disbursing funds to affect the objectives of the Foundation.

During the reporting period the Foundation elected to change its reporting year end from 30 June to the 31 December. The current year values are presented over an 18 month period, while the comparative prior year values are presented over a 12 month period. The decision to elect for the change was to align the delivery timeframe of our campaigns to the Foundations reporting period.

The Foundation was incorporated on 7 May 2013.

2. Statement of compliance

The general purpose financial statements of the Foundation have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991 (NSW)*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Foundation applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The Foundation is a private company limited by guarantee incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Level 22, 135 King Street, Sydney, NSW, and Australia.

The financial statements for the period ended 31 December 2018 were approved and authorised for issue by the board of directors on 8 April 2019.

3. Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical cost. Costs are based on the fair values of the consideration given in exchange for assets. All amounts are in Australian Dollars, unless otherwise noted.

In the current year, the Foundation had adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

The financial report has been prepared on a going concern basis.

4. Summary of accounting policies

a. Revenue

Revenue comprises revenue from donations and corporate and government sponsorships.

The Foundation has separate recognition criteria for each revenue raising activity and is dependent on the underlying contract, if one exists. Details of the activity-specific recognition criteria are described below.

Government grants

A number of the Foundation's programs are supported by grants received from the federal, state and local governments.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services on the program associated with the grant are performed and at year end a liability is recognised for the services on the program that are not yet performed.

Revenue from a non-reciprocal grant that is not subject to performance obligation is recognised on receipt of the funds at the transaction price.

Where the Foundation receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

Summary of accounting policies (Continued) **Revenue (Continued)** **Donations, Bequests and Corporate Sponsorships**

Donations collected, including cash, are on receipt of the donation at the transaction price less any fees related to the collection of the funds.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Foundation becomes legally entitled to the shares or property.

Corporate sponsorships are recognised on receipt of the funds at the transaction price.

Interest income

Interest income is recognised on an accrual basis using the effective interest method..

b. Operating Expenses

Expenses are recognised upon utilisation of the service or at the date of their origin.

c. Income taxes

No provision for income tax has been raised as the Foundation is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

d. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

e. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

f. Economic Dependence

The Foundation is dependent upon the ongoing receipt of community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

g. Depreciation of property, plant and equipment

Depreciation is charged to the Statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, taking into account estimated residual values.

Assets are depreciated or amortised from the date of acquisition.

The residual values and useful lives of the assets are reviewed, and the depreciation and amortisation rates and methods adjusted if appropriate, on an annual basis. When these changes are made the adjustments are reflected prospectively in current and future periods only.

Summary of accounting policies (continued) **Depreciation of property, plant and equipment (continued)**

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

The depreciation rates used for each class of asset are as follows:

Asset class	Rate	Method
Motor vehicle	20 %	Straight-line

h. Provisions

Liabilities for employee benefits, including annual leave, expected to be settled within 12 months of the reporting date are recognised as current provisions. The provisions recorded are in respect of employee services provided up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

i. Impact of changes in accounting standards and interpretations

The Foundation has applied the new and revised standards issued by the AASB that are effective for the period beginning on or after 1 January 2018 as follows:

a. AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers ("AASB 15") specifies how and when revenue should be recognised as well as requiring additional disclosures about nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. AASB 15 supersedes AASB 118 Revenue ("AASB 118"), with the revised accounting policy documented in note 4(a).

The Foundation adopted AASB 15 using the modified retrospective approach as permitted under AASB 15 whereby comparative prior periods have not been adjusted. The revised treatment under AASB 15 applies to reciprocal grants received by the Foundation, where the Foundation now recognises the revenue as the services associated with the grant are performed. This is in line with the requirement under AASB 15 that performance obligations are satisfied over time as the grantor receives the benefit stipulated under the contract. Previously the Foundation recognised revenue from reciprocal grants when control of the funds is obtained, economic benefits are probable and the amount can be measured reliably.

Due to the standard coming into effect part way during the reporting period, the Foundation elected for early adoption of AASB 15 by applying the new standard from 1 July 2017 and for the full period reported in these financial statements. The adjustment of \$412,505 was recognised as a reduction to opening retained earnings and increase in revenue in advance as if the standard had always been in effect. The new treatment more accurately reflects the delivery of performance obligations under reciprocal grant contracts.

The impact of applying the new standard to the Statement of profit or loss and other comprehensive income and Statement of financial position is detailed below.

Statement of profit or loss and other comprehensive income impact

The table below discloses the opening AASB 15 adjustment and the difference in the reporting period ending to 31 December 2018 as a result of adopting AASB 15, to give the Statement of comprehensive income comparative under AASB 118:

	For the period from 1 July 2017 to 31 December 2018 (under AASB 15)	AASB 15 Adjustments	For the period from 1 July 2017 to 31 December 2018 (under AASB 118)
	\$	\$	\$
Revenue	3,259,490	1,073,037	4,332,527
Surplus before income tax	763,578	1,073,037	1,836,615
Income tax expense	-	-	-
Surplus for the year	763,578	1,073,037	1,836,615

Impact of changes in accounting standards and interpretations (continued)

AASB 15 Revenue from Contracts with Customers (continued)

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

Statement of financial position impact

The table below shows the reversal of the opening AASB 15 adjustment and the difference in the year in the Statement of comprehensive income to disclose the 31 December 2018 balance sheet under AASB 118:

	31 December 2018 (under AASB 15)	Reverse opening AASB 15 Adjustments	Recognise 2018 SOCI AASB 15 Adjustments	31 December 2018 (under AASB 118)
	\$	\$	\$	\$
Total current assets	2,074,219	-	-	2,074,219
Total non-current assets	57,877	-	-	57,877
Total assets	2,132,096	-	-	2,132,096
Total current liabilities	(1,242,971)	412,505	660,532	(169,934)
Total liabilities	(1,242,971)	412,505	660,532	(169,934)
Net assets	889,125	412,505	660,532	1,962,162
Total equity	889,125	412,505	660,532	1,962,162

b. AASB 9 Financial Instruments

AASB 9, Financial Instruments ("AASB 9"), establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessments of the amounts, timing and uncertainty of an entity's future cash flows. AASB 9 supersedes AASB 139, Financial Instruments: Recognition and Measurement.

The Consolidated Entity adopted AASB 9 on 1 July 2017 and management has concluded that applying AASB 9 had no impact to the financial statements

j. Standards and interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective. Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Foundation's financial report:

(i) Standard/Interpretation	(ii) Effective for annual reporting periods beginning on or after	(iii) Expected to be initially applied in the financial period ending
AASB 2016-8 – <i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Non-For-Profit Entities</i>	1 January 2019	1 January 2019
AASB 1058 – <i>Income of Not-for-Profit Entities</i>	1 January 2019	1 January 2019
AASB 16 - <i>Leases</i>	1 January 2019	1 January 2019

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	For the period fom 1 July 2017 to 31 December 2018	Year ended 30 June 2017
	\$	\$
5. Revenue		
Corporate sponsorships	646,626	150,000
Government grants	2,302,195	778,669
Donations	254,979	416,090
In-kind Multiplex Donations (i)	55,690	73,095
Total revenue	3,259,490	1,417,854

(i) In-kind donations are pro-bono services provided by Multiplex. The estimated cost of these services provided are listed in Note 6.

	For the period fom 1 July 2017 to 31 December 2018	Year ended 30 June 2017
	\$	\$
6. Administrative Expenses		
Audit & accounting fees	23,933	7,000
Bank fees	971	1,072
Printing costs	-	1,230
Multiplex in-kind consulting fees – marketing and communication	21,254	13,508
Multiplex in-kind consulting fees – business services	23,194	46,387
Multiplex in-kind consulting fees – accounting	11,242	13,200
Other	37,500	23,991
Total administrative expenses	118,094	106,388

	For the period fom 1 July 2017 to 31 December 2018	Year ended 30 June 2017
	\$	\$
7. Program Expenditure		
Campaign costs (ii)	2,395,889	1,150,365
Total other expenses	2,395,889	1,150,365

(ii) Campaign costs consist of costs incurred in the process of undertaking literacy programs in New South Wales within the communities of Brewarrina, Walgett, Boggabilla, Toomelah, Collarenabri and Campbelltown, and in Northern Territory within the Santa Teresa community.

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	As at 31 December 2018	As at 30 June 2017
	\$	\$
8. Cash and cash equivalents		
Cash at bank (iii)	2,022,532	609,457
Petty cash	11,238	18,500
Total cash & cash equivalents	2,033,770	627,957

(iii) Cash at bank is held on call deposit's with Bendigo Bank. The deposit account held on call with HSBC Bank Australia Limited was closed during the year.

	As at 31 December 2018	As at 30 June 2017
	\$	\$
9. Trade and other receivables		
Trade receivables	673	-
Net GST Receivable	22,131	11,447
Other deposits	5,361	1,120
Total trade and other receivables	28,165	12,567

	As at 31 December 2018	As at 30 June 2017
	\$	\$
10. Other assets		
Prepayments	12,284	5,838
Total other assets	12,284	5,838

	As at 31 December 2018	As at 30 June 2017
	\$	\$
11 Property, plant & equipment		
Carrying amount at 1 July	92,374	63,520
Additions	-	51,946
Motor vehicles depreciation expense	(34,497)	(23,092)
Total property, plant & equipment	57,877	92,374

	As at 31 December 2018	As at 30 June 2017
	\$	\$
12. Contract liabilities		
Grants in advance	1,073,037	-
Total trade & other payables	1,073,037	-

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

	As at 31 December 2018	As at 30 June 2017
	\$	\$
13. Trade and other payables		
Trade creditors	9,626	4,732
Audit fee accrual	7,000	7,000
Campaign accrual	108,749	188,952
Other payables and accruals	24,596	-
Total trade & other payables	149,972	200,684

	As at 31 December 2018	As at 30 June 2017
	\$	\$
14. Provisions		
Employee entitlements (iv)	19,962	-
Total provisions	19,962	-

(iv)The Foundation became an employing entity during the period and converted contractors engaged with the Foundation into employees.

	For the period from 1 July 2017 to 31 December 2018	Year ended 30 June 2017
	\$	\$
15. Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Net surplus/defecit for the period	763,578	161,794
Non-cash items from operating activities		
Donation from related party	55,690	73,095
In-kind Multiplex expense	(55,690)	(73,095)
Non-operating or non-cash items		
Depreciation	34,497	23,092
Net changes in working capital:		
Increase in revenue in advance	660,532	-
Increase in provisions	19,962	-
(Decrease)/ increase in payables	(50,712)	26,576
(Increase)/ decrease in receivables	(15,598)	129,303
(Increase) in other assets	(6,446)	(3,363)
Net cash from operating activities	1,405,813	337,402

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

16. Events subsequent to the reporting date

There have been no significant events or transactions that have arisen since the end of the period which, in the opinion of the Directors, would affect significantly the operations of the Foundation, the results of those operations or the state of affairs of the Foundation.

17. Auditor's remuneration

The auditor of the Foundation is Deloitte Touche Tohmatsu. Auditor's remuneration will be paid by the Foundation for the period ended 31 December 2018.

18. Related party transactions

Related parties of the Foundation include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are settled in cash.

Transactions with key management personnel

Key management of the Foundation are the executive members of Literacy For Life Foundation's Board of Directors and members of the executive council. Key Management Personnel remuneration includes the following expenses:

- The Foundation have contracted Mr Jack Beetson as Executive Director of the Foundation. During the period Mr Beetson was paid \$242,739 (year ended 30 June 2017, \$147,260). There was no outstanding balance at reporting date under review.
- Mr John Flecker and Mr Don Aroney as Directors of the Foundation are also employees of Multiplex, principal patron of the Foundation. They provide their services to the Foundation in a personal capacity and have not received remuneration during the period ended 31 December 2018.

19. Contingent liabilities

There are no contingent liabilities that have been incurred by the Foundation in relation to the period ended 31 December 2018.

20. Capital management policies and procedures

Management controls the capital of the Foundation to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board and management ensure that the overall risk management strategy is in line with this objective.

The Foundation's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Foundation's capital by assessing the Foundation's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

21. Members guarantee

The Foundation is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum \$1 each towards meeting any outstanding obligations of the Foundation. At 31 December 2018, the total amount that members of the Foundation are liable to contribute if the Foundation wound up is \$4.

22. Segment information

The Foundation's operations for the period ended 31 December 2018 are to significantly reduce the rate of illiteracy within the Aboriginal adult population. The Directors consider this to be one business segment and all activity takes place within Australia.

Notes to the financial statements

Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

23. Additional information required to be furnished under the Charitable Fundraising Act 1991

(a) Statement showing how funds were applied to charitable purposes

- During the period, the Foundation received gross income of \$3,259,490 from grants, donations and sponsorships.
- The Foundation spent \$2,513,983 during the period.

Additional information required to be furnished under the Charitable Fundraising Act 1991 (continued)

(b) Monetary figures and percentages:

	For the period from 1 July 2017 to 31 December 2018	For the period from 1 July 2017 to 31 December 2018	Year ended 30 June 2017	Year ended 30 June 2017
	%	\$	%	\$
Total comprehensive income / Gross income from grants, donations and sponsorships	23%	763,578 3,259,490	11%	161,794 1,417,854
Total campaign cost / Total expenditure	95%	2,395,889 2,513,983	92%	1,150,365 1,256,753
Total expenditure / Total income received	77%	2,513,983 3,277,561	89%	1,256,753 1,418,547

Responsible persons Literacy For Life Foundation

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For the period from 1 July 2017 to 31 December 2018

Responsible persons

The responsible persons declare that:

- (a) in the responsible persons opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the responsible persons opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991(NSW) including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the board members made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the responsible persons.



Don A Aroney
2 April 2019
Sydney, NSW

Declaration by the Board of Directors in respect of fundraising appeals

In the opinion of the Board of Directors:

- (a) the financial statements for the period ended 31 December 2018 give a true and fair view of all income and expenditure of Literacy for Life Foundation Limited with respect to fundraising appeals; and the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (b) the provisions of the Charitable Fundraising Act 1991(NSW) and the regulations under that Act and the conditions attached to the authority have been complied with.
- (c) the internal controls exercised by Literacy for Life Foundation are appropriate and effective in accounting for all income received from any fundraising appeals and the application thereof.

On behalf of the Directors



Don A Aroney
2 April 2019
Sydney, NSW

Independent Auditor's Report to the members of Literacy for Life Foundation

We have audited the financial report of Literacy for Life Foundation (the "Company"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 11 to 24.

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 Act 2012* (the "ACNC Act"), including:

- (i) presents fairly the company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the company's Directors' Report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 and, in doing so, 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. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Report

Management of the Entity is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and ACNC Act and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 2 April 2019