

Literacy for Life Foundation
General Purpose Financial Report
for the year ended 31 December 2021

Literacy for Life Foundation



ABN 83 163 634 777

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Literacy for Life Foundation

For the year ended 31 December 2021

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Directory

Literacy for Life Foundation

For the year ended 31 December 2021

Directors of Literacy For Life Foundation

Ms Patricia Anderson

Mr Don A Aroney

Mr Jack A Beetson

Mr John P Flecker

Ms Wendy Ludwig

Registered Office

Level 23

135 King Street

SYDNEY NSW 2000

Telephone: +61 (0) 2 9322 2400

Auditor

Deloitte Touche Tohmatsu

225 George Street, Grosvenor Place

SYDNEY NSW 2000

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Directors' report

Literacy for Life Foundation

For the year ended 31 December 2021

Introduction

The Directors of Literacy For Life Foundation (the "Foundation") present their report together with the financial statements of the Foundation for the year ended 31 December 2021 and the Independent Audit Report thereon.

Objectives and principal activities 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 an 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.

Foundation's principal activities during the year

The impact of COVID-19

Aboriginal people face enormous risk during the current COVID-19 pandemic. Existing underlying health issues and high levels of disadvantage make communities particularly vulnerable. Aboriginal adults with low English language literacy are one of the groups susceptible to the worst impacts of the pandemic. As evidence shows, low adult literacy is known to have strong links to poor health and social disadvantage.

Positively, Aboriginal organisations have demonstrated excellent leadership in response to the threat of COVID-19, acting quickly to limit impact and protecting their most vulnerable community members. Literacy for Life Foundation has played a small but important role assisting these efforts in communities where it operates. In doing so, are well placed, drawing on health, education and community development expertise. We have a strong, long-term relationship with the Aboriginal Community Controlled Health Sector and this includes local partnerships in communities where we operate Campaigns.

We are pleased to report that despite the major challenge presented by the pandemic in 2021, Literacy for Life Foundation's staff, students, supporters and Campaign communities worked together to achieve excellent results.

Directors' report

Literacy for Life Foundation

For the year ended 31 December 2021

Foundation's principal activities during the year (continued)

2021 Highlights

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

- Completing first intake in Queensland, in Yarrabah, with the support of the Queensland Government Department of Communities, Housing and the Digital Economy.
- Completing first two intakes in Tennant Creek, as part of the Australian Government's Foundation Skills for your future Remote Community Pilot program.
- Completing Intake 3 in Ltyentye Apurte/Santa Teresa, NT, with the support of the National Indigenous Australians Agency.
- Completing Intake 5 in Bourke, NSW, with the support of the National Indigenous Australians Agency.
- Researching the implementation and impacts of the campaign in "language-speaking" communities of the NT. This work is funded by the Lowitja Institute.
- Publishing peer-reviewed papers on Campaign outcomes.
- Commencing scoping work in western NSW for future Campaigns.
- Reaching more than 280 graduates since 2012, by supporting local people to lift adult literacy in their communities.

We could not have achieved these wonderful results without valued supporters, including Multiplex, University of New England (UNE), University of NSW (UNSW), Lowitja Institute, Australian Institute of Superannuation Trustees (AIST), Mark and Evette Moran, the Australian Government – National Indigenous Australians Agency and the Department of Education, Skills and Employment, the Queensland Government - Department of Communities, Housing and the Digital Economy and a range of businesses, trusts, foundations and other generous individual donors. The Foundation continues to work closely with the Cuban Embassy in Australia and the Institute of Pedagogy of Latin America and the Caribbean (IPLAC).

Administration & support

- The National Campaign Manager and Administration Officer continue to provide support to local campaign staff.
- Development needs of staff have been fulfilled using a combination of internal and external resources.

Research & evaluation

The Foundation rigorously assesses the impact of the literacy campaign for participants and communities, with a particular focus on improving participant English language literacy as measured by the Australian Core Skills Framework (ACSF). Assessment includes:

- Pre and post course ACSF assessments overseen by an experienced and qualified ACSF consultant.
- An ongoing evaluation process with our evaluation partners, UNE and UNSW through which observational data for each intake and participant is collected, including interviews.
- External research such as the ongoing Lowitja Institute-funded evaluation study of the NT based Campaigns and data linkage studies with research partner, UNSW.
- Daily and weekly monitoring of student progress through the lesson sequence.

Directors' report

Literacy for Life Foundation

For the year ended 31 December 2021

Aboriginal Adult participation in Literacy Campaign, 2012-2021

Year	Community	Intakes	Starters	Graduates	Retention
2012 2013	Wilcannia, NSW	3	38	23	61%
2013	Enngonia, NSW	1	21	15	71%
2013 2014 2015 2021	Bourke, NSW	5	76	50*	66%*
2016	Weilmoringle, NSW	1	7	6	86%
2016 2017	Brewarrina, NSW	4	69	39	57%
2017 2018	Boggabilla and Toomelah, NSW	4	61	42	69%
2017 2018	Walgett, NSW	4	65	31	48%
2019 Present	Ltyentye Apurte, NT	2	28	10*	36%*
2019	Campbelltown, NSW	2	29	22	76%
2019 2020	Collarenebri, NSW	3	61	21*	34%***
2021 Present	Yarrabah, QLD	1	25	13*	52%*
2021 Present	Tennant Creek, NT	2	25	9*	36%*
		33	505	281	55%

Note: Average completion across all communities is 55% - more than 4 times higher than available comparisons. In 2014, the National Centre for Vocational Education Research (NCVER) reported the completion rate for Certificate One courses by Indigenous students in NSW (aimed at people with minimal 'foundation skills' including English language literacy) – was 13.2%, and lower in remote regions such as the ones where Literacy for Life Foundation has been operating. *Impacted by COVID-19 disruptions.

Despite these excellent results the issue of low literacy in Aboriginal communities requires urgent action at a national scale. The Foundation will continue working to ensure everyone has the opportunity to read and write.

Review of operations and results

Financial performance is measured by the Foundation's financial reporting process and is reflected in the audited financial report. Highlights for the year ended 31 December 2021 include:

- The Foundation recorded a surplus of \$296,863 for the year ended 31 December 2021 (surplus for the year ended 31 December 2020; \$487,857).
- Expenditure for the year of \$1,941,011 delivering campaigns as above in Bourke, Ltyentye Apurte/Santa Teresa, Tennant Creek and Yarrabah, including campaign management costs.
- Funding earned for the year \$2,362,392.
- The Foundation has a net asset position of \$1,595,381 as at 31 December 2021, comprising cash, motor vehicles, trade debtors less creditors and lease liabilities.
- Foundation increased its cash reserves by \$660,787 to a closing balance of \$2,736,210 to fund its future campaign delivery. The closing cash resources plus future pledged donations underpin the Foundation's commitments for at least the next 12 months.

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

Directors' report

Literacy for Life Foundation

For the year ended 31 December 2021

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 Patricia Anderson, Director since incorporation (May 2013)
- Mr John P Flecker, Director since incorporation (May 2013)
- Mr Don A Aroney, Director since incorporation (May 2013)
- Mr Jack A Beetson, Director since incorporation (May 2013)
- Ms Wendy Ludwig, Director since 14 November 2018

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

Directors' qualifications, experience and special responsibilities

- **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.
- **Director: John Flecker**
John currently holds the position as the CEO of Multiplex Global ("Multiplex"), 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 globally delivering over \$18.3BN of projects annually. John brings global knowledge and expertise of managing large complex projects within a strict and transparent operation. John has previously been Vice President of the GBCA and also sits on the Council of Scotch College WA as well as being Chair of its Foundation.
- **Director and Company Secretary: Don Aroney**
Drawing on his experience and relationships as Global Executive Director of Operations 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 direct 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 state-wide 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. In 2019 Jack became the first Indigenous Australian to be named in the International Adult and Continuing Education Hall of fame.
- **Director: Ms Wendy Ludwig**
Wendy 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. In 2020 Wendy was Deputy CEO - Vocational Education and Training, at Batchelor Institute, serving as a member of the Institute's Executive Leadership Team and providing 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. Wendy'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 Wendy was appointed Acting Pro-Vice Chancellor from August 2016-July 2017.

Directors' report

Literacy for Life Foundation

For the year ended 31 December 2021

Board meetings and Directors' attendance

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

Meeting Date /Directors	Patricia Anderson	John Flecker	Don Aroney	Jack Beetson	Wendy Ludwig
16 th February 2021	Apologies	Attended	Attended	Attended	Attended
27 th April 2021 (Extraordinary Meeting)	Attended	Attended	Attended	Attended	Attended
18 th May 2021 (Board Meeting & AGM)	Attended	Attended	Attended	Attended	Apologies
17 th August 2021	Attended	Attended	Attended	Attended	Attended
16 th November 2021	Attended	Attended	Attended	Attended	Attended

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

Events subsequent to the reporting date

The Foundation's directors are not aware of any matter or circumstance, not otherwise dealt with in the financial statements, that would significantly affect the Foundations' operations, the results of those operations or its state of affairs.

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 9 and forms part of the Directors' Report for the year ended 31 December 2021.

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

On behalf of the Directors



Don A Aroney
Director
13 April 2022



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

13 April 2022

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 report of Literacy for Life Foundation for the year ended 31 December 2021, 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 faithfully,


DELOITTE TOUCHE TOHMATSU



Weng Y Ching
Partner
Chartered Accountants

Statement of profit or loss and other comprehensive income

Literacy for Life Foundation

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For the year ended 31 December 2021

		For the year ended 31 Dec 2021	For the year ended 31 Dec 2020
	Note	\$	\$
Revenue	5	2,362,392	1,841,328
Interest income		4,346	12,849
Administrative expenses	6	(128,864)	(122,611)
Program expenditure	7	(1,941,011)	(1,232,263)
Loss on sale of assets		-	(11,446)
Surplus before income tax		296,863	487,857
Income tax expense		-	-
Surplus for the year		296,863	487,857
Other comprehensive income		-	-
Total comprehensive income for the year		296,863	487,857

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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As at 31 December 2021

		As at 31 Dec 2021	As at 31 Dec 2020
	Note	\$	\$
Assets			
Current assets			
Cash, term deposits and cash equivalents	8	2,736,210	2,075,423
Trade and other receivables	9	70,461	52,230
Other assets	10	11,581	29,661
Total current assets		2,818,252	2,157,314
Non-current assets			
Property, plant and equipment	11	48,167	34,307
Total non-current assets		48,167	34,307
Total assets		2,866,419	2,191,621
Liabilities			
Current liabilities			
Contract liabilities	12	950,946	743,599
Trade and other payables	13	136,477	39,748
Provisions	14	140,838	96,523
Lease liability	15	24,776	13,233
Total current liabilities		1,253,037	893,103
Non-current liabilities			
Provisions	14	11,640	-
Lease liability	15	6,361	-
Total non-current liabilities		18,001	-
Total liabilities		1,271,038	893,103
Net assets		1,595,381	1,298,518
Equity			
Accumulated surplus		1,595,381	1,298,518
Total equity		1,595,381	1,298,518

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 year ended 31 December 2021

	For the year ended 31 Dec 2021	For the year ended 31 Dec 2020
	\$	\$
Accumulated surplus as at 1 January	1,298,518	810,661
Surplus / (defecit) for the year	296,863	487,857
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	296,863	487,857
Accumulated surplus as at 1 December	1,595,381	1,298,518

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 year ended 31 December 2021

		For the year ended 31 Dec 2021	For the year ended 31 Dec 2020
	Note	\$	\$
Cash flows from operating activities			
Government grants		2,232,585	1,333,385
Donations		323,363	294,747
Corporate sponsorships		165,000	427,250
Interest received		5,631	11,466
Payments to suppliers and employees		(2,031,354)	(1,492,372)
Net cash inflow / (outflow) from operating activities	16	695,225	574,476
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,119)	-
Net cash outflow from investing activities		(3,119)	-
Cash flows from financing activities			
Lease liability repayments		(31,319)	(12,791)
Net cash outflow from financing activities		(31,319)	(12,791)
Net increase / (decrease) in cash, term deposits and equivalents held		660,787	561,685
Cash, term deposits and cash equivalents at the beginning of the year		2,075,423	1,513,738
Cash, term deposits and cash equivalents at the end of the year	8	2,736,211	2,075,423

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 year ended 31 December 2021

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.

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 – Reduced Disclosure Requirements 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 public 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, Australia.

The financial statements for the year ended 31 December 2021 were approved and authorised for issue by the board of directors on 13 April 2022.

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 has adopted all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for the current reporting year.

Certain new accounting Standards and Interpretation have been published that are not mandatory for the year ended 31 December 2021 and have not been early adopted by the Foundation. These standards are not expected to have a material impact on the Foundation in the current or future years and on foreseeable future transactions.

The significant accounting policies and judgements have been considered in the context of the COVID-19 pandemic and the impact of the current economic conditions.

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

4. Summary of accounting policies

a. Revenue

Revenue comprises revenue from donations, corporate sponsorships and government grants.

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 and an asset is recognised where the grant has been contractually agreed but the funds are not yet received.

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 year ended 31 December 2021

Summary of accounting policies (continued)

Revenue (continued)

Donations, bequests and corporate sponsorships

Donations collected, including cash, are recognised 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, term deposits and cash equivalents

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

e. Leases

The Foundation assesses whether a contract is, or contains, a lease at inception of the contract and recognises a right of use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For short-term leases and leases for low value assets, the Foundation recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the future lease payments, discounted using the implicit interest rate. Lease payments included in the measurement of the lease liability comprise i) fixed lease payments, less any lease incentives; ii) the exercise price of purchase options, if it is reasonably certain that the option will be exercised; and iii) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The ROU asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses. It is depreciated over the shorter period of the lease term and useful life of the underlying asset.

The Foundation has applied judgment and estimates in the application of AASB 16 *Leases* ("AASB 16"), including: i) identifying whether a contract (or part of a contract) includes a lease; ii) determining whether it is reasonably certain that lease extension or termination options will be exercised in determining lease terms; and iii) determining the appropriate rate to discount the lease payments.

The Foundation remeasures lease liabilities and makes a corresponding adjustment to the related ROU asset when i) the lease term has changed or there is a change in the assessment of exercise of a purchase option; ii) the lease payments have changed due to changes in an index or rate; or iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2021

Summary of accounting policies (continued)

Leases (continued)

The Foundation has elected to apply the following practical expedients in its application of AASB 16 to:

- recognise the payments associated with short-term and low value leases as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed;

Additional disclosures required under AASB 16 are as follows:

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Expense		
Lease liability interest	1,184	2,119
Short-term leases	118,893	36,121
Variable lease payments not included in lease liabilities	-	-

f. Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 GST-inclusive basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

g. Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are measured at amortised cost using the effective interest method, less any impairment applying the expected credit loss model.

h. Economic dependence

The Foundation is dependent upon the ongoing receipt of government, community and corporate donations and sponsorships 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.

i. 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 from the date of acquisition.

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

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

Asset class	Rate	Method
Motor vehicle	20 %	Straight-line

j. Provisions

Liabilities for employee benefits, including annual leave, expected to be settled within 12 months of the reporting date are recognised as current provisions. Liabilities for long-term service benefits expected to be settled more than 12 months from the reporting date are recognised as non-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.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2021

5. Revenue

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	\$	\$
Corporate sponsorships	150,000	422,500
Government grants (i)	1,899,817	1,103,427
Donations	285,863	293,945
In-kind Multiplex donations (ii)	26,712	21,456
Total revenue	2,362,392	1,841,328

(i) Government grants for the year ended 31 December 2021 includes \$66,055 received under the Jobsaver initiative. This grant partly subsidised the Foundations wages and salaries during the COVID-19 pandemic.

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

6. Administration expenses

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	\$	\$
Audit & accounting fees	61,612	62,795
Bank fees	872	907
Multiplex in-kind consulting fees – marketing and communication	2,460	2,343
Multiplex in-kind consulting fees – business services	17,899	17,047
Multiplex in-kind consulting fees – accounting	6,353	2,066
Depreciation	38,482	32,673
Other	1,186	4,780
Total administrative expenses	128,864	122,611

7. Program expenditure

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	\$	\$
Campaign costs (iii)	1,941,011	1,232,263
Total programme expenditure	1,941,011	1,232,263

(iii) Campaign costs consist of costs incurred in the process of undertaking literacy programs in NSW within the Bourke Community, in NT within the Ltyentye Apurte/Santa Teresa and Tennant Creek communities and in QLD with the Yarrabah community.

8. Cash, term deposits and cash equivalents

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Cash at bank (iv)	1,799,166	1,154,924
Term deposits (iv)	919,094	914,046
Petty cash	17,950	6,453
Total cash & cash equivalents	2,736,210	2,075,423

(iv) Cash at bank is held on call deposits with Bendigo Bank and NAB. The term deposits are also held with Bendigo Bank.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2021

9. Trade and other receivables

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Trade receivables	-	37,500
Accrued income	57,923	-
Net GST receivable	-	7,684
Other deposits	12,538	7,046
Total trade and other receivables	70,461	52,230

10. Other assets

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Prepayments	11,581	29,661
Total other assets	11,581	29,661

11. Property, plant and equipment

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Motor vehicles		
Carrying amount at beginning of the year	34,307	95,056
Additions (v)	49,223	-
Disposals (vi)	-	(28,076)
Depreciation expense (vii)	(37,470)	(32,673)
Motor vehicles carrying amount at end of year (vii)	46,060	34,307
Office equipment		
Carrying amount at beginning of the year	-	-
Additions	3,119	-
Depreciation expense	(1,012)	-
Office equipment carrying amount at end of year (vii)	2,107	-
Total carrying amount at end of the year (vii)	48,167	34,307

(v) The additions in 2021 relate to motor vehicles acquired under a financing lease arrangement and recognised as ROU assets.

(vi) The disposals in 2020 relate to the sale of a motor vehicle acquired under a financing lease arrangement and recognised as an ROU asset. The vehicle was sold for \$20,000, which was offset against the lease liability. The difference between sale value and the carrying amount of the vehicle formed part of the loss on sale of the asset recorded in the Statement of profit or loss and other comprehensive income.

(vii) Depreciation expense on ROU assets for the year is \$18,398 (2020: \$9,746). The ROU assets carrying amount for the year ended 31 December 2021 is \$30,825 (2020: \$20,824).

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2021

12. Contract liabilities

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Grants in advance	950,946	743,599
Total contract liabilities	950,946	743,599

13. Trade and other payables

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Trade creditors	45,470	5,906
Audit fee accrual	14,000	7,000
Campaign accrual	-	5,164
Net GST payable	38,306	-
Other payables and accruals	38,701	21,678
Total trade and other payables	136,477	39,748

14. Provisions

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Employee entitlements	140,838	96,523
Total current provisions	140,838	96,523
Employee entitlements	11,640	-
Total non-current provisions	11,640	-

15. Lease liabilities

	As at 31 Dec 2021	As at 31 Dec 2020
	\$	\$
Current lease liabilities		
Lease liability (viii)	24,776	13,233
Total current lease liabilities	24,776	13,233
Non-current lease liabilities		
Lease liability	6,361	-
Total non-current lease liabilities	6,361	-

(viii) The lease liabilities relate to the acquisition of two motor vehicles under a financing lease arrangement in 2021, with treatment in line with AASB 16. One motor vehicle was disposed of in 2020 with the residual of its finance lease liability recorded as a loss in the Statement of profit or loss and other comprehensive income.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2021

16. Reconciliation of cash flows to operating activities

	For the year ended 31 Dec 2021	For the year ended 31 Dec 2020
	\$	\$
Cash flows from operating activities		
Net (deficit) / surplus for the year	296,863	487,857
Non-cash items from operating activities		
Donation from related party	26,712	21,456
In-kind Multiplex expense	(26,712)	(21,456)
Non-operating or non-cash items		
Depreciation expense	38,482	32,673
Net changes in working capital:		
Increase in revenue in advance	207,348	145,375
Increase in provisions	55,955	31,831
Increase / (decrease) in payables	104,413	(79,066)
(Increase) in receivables	(25,916)	(38,551)
Decread / (increase) in other assets	18,080	(5,643)
Net cash from operating activities	695,225	574,476

17. Events subsequent to the reporting date

The Foundation's directors are not aware of any matter or circumstance, not otherwise dealt with in the financial statements, that would significantly affect the Foundations' operations, the results of those operations or its state of affairs.

18. Auditor's remuneration

The auditor of the Foundation is Deloitte Touche Tohmatsu. Auditor's remuneration will be paid by the Foundation for the year ended 31 December 2021.

19. 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 year ended 2021 Mr Beetson was paid \$193,834 (2020: \$182,929.09). 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 any remuneration during the year ended 31 December 2021 (2020:\$nil).
- Ms Patricia Andreson (AO) and Ms Wendy Ludwig were not remunerated by the Foundation for their services during the year ended 31 December 2021 (2020: \$nil).

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2021

20. Contingent liabilities

There are no contingent liabilities that have been incurred by the Foundation in relation to the year ended 31 December 2021 (2020: \$nil).

21. Capital management policies and procedures

Directors control 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 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.

22. 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 Director as a member is required to contribute a maximum \$1 each towards meeting any outstanding obligations of the Foundation. At 31 December 2021, the total amount that members of the Foundation are liable to contribute if the Foundation wound up is \$4.

23. Segment information

The Foundation's operations for the year ended 31 December 2021 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.

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

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

- During the year, the Foundation received gross income of \$2,362,392 from grants, donations and sponsorships.
- The Foundation spent \$2,069,875 during the year.

(b) Monetary figures and percentages:

	Year ended 31 Dec 2021 %	Year ended 31 Dec 2021 \$	Year ended 31 Dec 2020 %	Year ended 31 Dec 2020 \$
Total comprehensive income / Gross income from grants, donations and sponsorships	13%	296,863 2,362,392	26%	487,857 1,841,328
Total campaign cost / Total expenditure	94%	1,941,011 2,069,875	91%	1,232,263 1,354,874
Total expenditure/ Total income received	87%	2,069,875 2,366,738	73%	1,354,874 1,854,177

Responsible persons

Literacy for Life Foundation

For the year ended 31 December 2021

Responsible persons

The responsible persons declare that:

- (a) in the responsible persons opinion, there are reasonable grounds to believe that the Foundation 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 Foundation.

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
13 April 2022
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 year ended 31 December 2021 give a true and fair view of all income and expenditure of Literacy for Life Foundation 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;
- (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; and
- (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
13 April 2022
Sydney, NSW

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

Opinion

We have audited the financial report of Literacy for Life Foundation (the "Entity") which comprises the statement of financial position as at 31 December 2021, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by Responsible Persons as set out on pages 10 to 22. In addition, we have audited the Entity's compliance with specific requirements of the *Charitable Fundraising Act 1991* (NSW).

In our opinion,

- a) the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:
 - (i) giving a true and fair view of the Entity's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements to the extent described in Note 2, and Division 60 of the ACNC Act;
- b) the financial report agrees to the underlying financial records of the Entity, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* (NSW) and its regulations for the year ended 31 December 2021; and
- c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 31 December 2021, have been utilised for, and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* (NSW) and its regulations.

We have obtained all the necessary information required in connection with our audit in respect of the financial year ended 31 December 2021.

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 and Compliance with Specific Requirements of the Charitable Fundraising Act 1991* (NSW) section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report and compliance with specific requirements of the *Charitable Fundraising Act 1991* (NSW) 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

The directors are responsible for the other information. The other information comprises the information included in the Entity's Directors' Report for the year ended 31 December 2021, 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 the Directors for the Financial Report and for Compliance with the Charitable Fundraising Act 1991 (NSW)

The directors of the Entity are responsible for compliance with the *Charitable Fundraising Act 1991* (NSW) and the preparation of the financial report that gives a true and fair view, and have determined that the basis of preparation described in Note 3 to the financial report is appropriate to meet the requirements of the ACNC Act and the *Charitable Fundraising Act 1991* (NSW) and the needs of the Members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and to enable compliance with the *Charitable Fundraising Act 1991* (NSW).

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

Auditor's Responsibilities for the Audit of the Financial Report and for Compliance with Specific Requirements of the Charitable Fundraising Act 1991 (NSW)

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 the Entity complied, in all material respects, with specific requirements of the *Charitable Fundraising Act 1991* (NSW), 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 non-compliance with the specific requirements of the *Charitable Fundraising Act 1991* (NSW) and 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity 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.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the *Charitable Fundraising Act 1991* (NSW) may occur and not be detected. An audit is not designed to detect all weaknesses in the Entity's compliance with the *Charitable Fundraising Act 1991* (NSW) as an audit is not performed continuously throughout the period and the tests are performed on a sample basis. Any projection of the evaluation of the compliance procedures to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Weng Y Ching

Weng Y Ching
Partner
Chartered Accountants
Sydney, 13 April 2022