

Literacy for Life Foundation
General Purpose Tier 2 Financial Report
for the year ended 31 December 2022

Literacy for Life Foundation



ABN 83 163 634 777

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Literacy for Life Foundation

For the year ended 31 December 2022

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Directory

Literacy for Life Foundation

For the year ended 31 December 2022

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

50 Bridge Street, Quay Quarter Tower

SYDNEY NSW 2000

Telephone: + 61 (0) 2 9322 7000

Directors' report

Literacy for Life Foundation

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For the year ended 31 December 2022

Introduction

The directors of Literacy For Life Foundation (the "Foundation") present their annual report together for the year ended 31 December 2022. To comply with the provisions of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991 (NSW)*, the directors report as follows:

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

2022 Highlights

The Foundation's activities during the year have included:

- Coordinating the Yarrabah Aboriginal Adult Literacy Campaign, which has now supported 50 students to complete training to improve their reading and writing skills.
- Continuing the Remote Community Pilot in Tennant Creek, supported by the Australian Government, assisting 46 students to complete literacy training so far.
- Our fourth intake for students in Ltyentye Apurte/Santa Teresa, with the support of the National Indigenous Australians Agency.
- Carrying out research and building the evidence base to inform an improved national approach to lifting adult literacy levels, particularly in Aboriginal communities.
- Creating opportunities for community members to meet with government representatives and policy-makers to share their views and to highlight the impact of low adult literacy.
- Featuring in national media coverage, illustrating the positive results that are possible when First Nations communities are supported to lead initiatives that change lives.
- Securing support to scale up activities in 2023, including doubling the number of active Aboriginal Adult Literacy Campaigns, to assist even more people to learn to read and write.

Directors' report

Literacy for Life Foundation

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For the year ended 31 December 2022

We could not have achieved what we have 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 Employment and Workplace Relations, 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)

Since 2012 The Foundation has operated literacy Campaigns in 13 locations, assisting 370 Aboriginal adults to improve their reading, writing and learning skills. Please see below for a detailed statistical breakdown of results up until 31 December 2022.

Aboriginal Adult participation in Literacy Campaign, 2012-2022

| Year | Community | Intakes | Starters | Completers | Retention |
|------------------------------|------------------------------|-----------|------------|------------|------------|
| 2012 2013 | Wilcannia, NSW | 3 | 38 | 23 | 61% |
| 2013 | Enngonia, NSW | 1 | 21 | 15 | 71% |
| 2013 2014 2015 2021 | Bourke, NSW | 5 | 79 | 53 | 67% |
| 2016 | Weilmoringle, NSW | 1 | 7 | 6 | 86% |
| 2016 2017 | Brewarrina, NSW | 4 | 69 | 41 | 59% |
| 2017 2018 | Boggabilla and Toomelah, NSW | 4 | 61 | 42 | 69% |
| 2017 2018 | Walgett, NSW | 4 | 65 | 31 | 48% |
| 2019 Present | Ltyentye Apurte, NT | 4 | 41 | 17 | 41% |
| 2019 | Campbelltown, NSW | 2 | 29 | 23 | 79% |
| 2019 2020 | Collarenebri, NSW | 3 | 61 | 23 | 38% |
| 2021 Present | Yarrabah, QLD | 3 | 66 | 50 | 76% |
| 2021 Present | Tennant Creek, NT | 3 | 90 | 46 | 51% |
| | TOTAL | 37 | 627 | 370 | 59% |

The Foundation's average completion rate across all communities is 59% - more than 4 times higher than available comparisons. For example, 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 the Foundation has been operating.

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.

Directors' report

Literacy for Life Foundation

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For the year ended 31 December 2022

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 2022 include:

- a. The Foundation recorded a surplus of \$395,567 for the year ended 31 December 2022 (surplus for the year ended 31 December 2021; \$296,863).
- b. Program expenditure for the year of \$2,412,853 delivering campaigns in Ltyentye Apurte/Santa Teresa, Tennant Creek and Yarrabah, including campaign management costs.
- c. Funding earned for the year \$2,929,859 from campaign grants and corporate sponsors as well as private donors.
- d. The Foundation has a net asset position of \$1,990,948 as at 31 December 2022, comprising cash, motor vehicles, trade debtors less creditors, grants in advance, employee entitlements and lease liabilities.
- e. Foundation utilised its cash reserves of \$269,152 to a closing balance of \$2,467,058 to fund its future campaign delivery and operations. 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

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)**
Ms Pat Anderson is an Alyawarre woman known around the world as a powerful advocate for disadvantaged people. She has a particular focus on Indigenous health, including aspects such as community development, advocacy, policy formation and research ethics. Ms Anderson has spoken before the United Nations Working Group on Indigenous People, and served as Co-chair of the Referendum Council and as the Chairperson of the Lowitja Institute. She has been 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 Collaborative Research Centre for Aboriginal Health from 2003 to 2009. In 2018 Pat was presented with the NAIDOC Lifetime Achievement Award and an honorary UNSW law doctorate. In 2021 she was awarded the ACT Senior Australian of the Year. Ms Anderson is the Chair of the Batchelor Institute of Indigenous Tertiary Education Council, Co-Chair, Uluru Dialogues and Chair, Remote Area Health Corporation.
- **Director: John Flecker**
John is the Chief Executive Officer of Multiplex, a founding partner of the Literacy for Life Foundation. He commenced with Multiplex as a cadet Site Engineer in 1987 and became global CEO in 2019 overseeing its Australian, UK and Canadian businesses. John is a Board Member and former President of the Australian Constructors Association, a former Director of the Green Building Council of Australia and a fellow of the Institution of Engineers Australia. He is also Chairman of Scotch College (WA) Foundation.
- **Director and Company Secretary: Don Aroney**
Don is Executive Director of Operations at Multiplex. He started as a Cadet at Multiplex in 1989 and worked through all areas of site and project management, progressing to a director in the NSW business before stepping into his current global role in 2019. Don has strategic and functional oversight of Multiplex's operations across Australia, UK and Canada. He streamlines best for business initiatives and ensures lessons learned are captured and applied.

Directors' report

Literacy for Life Foundation

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For the year ended 31 December 2022

Directors (continued)

Directors' qualifications, experience and special responsibilities (continued)

- **Executive Director: Jack Beetson**

Professor Jack Beetson is a Ngemba man from western New South Wales who has been involved in Indigenous education and Aboriginal affairs for over 30 years. Jack's education roles have included President of the Federation of Independent Aboriginal Education Providers, Executive Director Tranby Aboriginal College, member of the UTS Council, adjunct Professor at University of New England (UNE), and member of the UNSW Advisory Council, Arts and Social Sciences. In 2018 Jack received an honorary doctorate from UNE and in 2019 he became the first Indigenous Australian to be inducted into the International Adult and Continuing Education Hall of Fame. He is one of 12 people worldwide to have received a United Nations Unsung Hero Award. In 2022 he received the Chancellor's Award for Excellence and the Faculty of Arts and Social Sciences Award at the UTS Alumni Awards. Jack is Chair of Just Reinvest NSW and sits on the Federal Government's Foundation Skills Advisory Group and the Referendum Engagement Group.

- **Director: Ms 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 and is on the Board of the Museum and Art Gallery of the NT (MAGNT) which she joined in May 2021. She became a member of the Literacy for Life Foundation Board in 2018. Dr Ludwig's previous roles include Deputy CEO - Vocational Education and Training at Batchelor Institute; Director of Operations in the Office of the Pro-Vice Chancellor Indigenous Leadership at Charles Darwin University (CDU); Acting Pro-Vice Chancellor at CDU from August 2016-July 2017; Head of Faculty - Faculty for Aboriginal and Torres Strait Islander Studies - Tropical Nth Qld Institute of TAFE; and many years of teaching in the Adult Education and Training sector. In 2017 Wendy was awarded an Honorary Doctorate by WINU (World Indigenous Nations University - Canada) in recognition of her contributions to Indigenous education and training.

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 2022 | Attended | Apologies | Attended | Attended | Attended |
| 19 th May 2022 (Extraordinary Meeting) | Attended | Attended | Attended | Attended | Attended |
| 19 th May 2022 (Board Meeting & AGM) | Attended | Attended | Attended | Attended | Attended |
| 17 th August 2022 | Apologies | Attended | Attended | Attended | Attended |
| 17 th November 2022 | Apologies | 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 Foundation's 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.

Directors' report Literacy for Life Foundation

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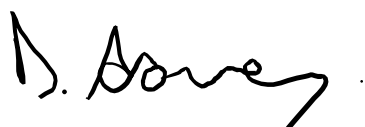
For the year ended 31 December 2022

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 2022.

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

On behalf of the directors.

A handwritten signature in black ink, appearing to read 'D. Aroney', followed by a period.

Don A Aroney
Director
16 May 2023
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Deloitte Touche Tohmatsu
ABN 74 490 121 060
Quay Quarter Tower
50 Bridge Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

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

12 May 2023

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 2022, 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,

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be "Weng Y Ching".

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 2022

| | | For the year ended 31 Dec 2022 | For the year ended 31 Dec 2021 |
|--|------|-----------------------------------|-----------------------------------|
| | Note | \$ | \$ |
| Revenue | 5 | 2,929,859 | 2,362,392 |
| Interest income | | 7,697 | 4,346 |
| Administrative expenses | 6 | (129,136) | (128,864) |
| Program expenditure | 7 | (2,412,853) | (1,941,011) |
| Surplus before income tax | | 395,567 | 296,863 |
| Income tax expense | | - | - |
| Surplus for the year | | 395,567 | 296,863 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 395,567 | 296,863 |

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 2022

| | Note | As at 31 Dec 2022 \$ | As at 31 Dec 2021 \$ |
|--|------|----------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash, term deposits and cash equivalents | 8 | 2,467,058 | 2,736,210 |
| Trade and other receivables | 9 | 380,307 | 70,461 |
| Prepayments | | 25,622 | 11,581 |
| Total current assets | | 2,872,987 | 2,818,252 |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 67,538 | 48,167 |
| Total non-current assets | | 67,538 | 48,167 |
| Total assets | | 2,940,525 | 2,866,419 |
| Liabilities | | | |
| Current liabilities | | | |
| Grants in advance | | 647,419 | 950,946 |
| Trade and other payables | 11 | 148,793 | 136,477 |
| Employee entitlements | 12 | 125,243 | 140,838 |
| Lease liability | 13 | 6,360 | 24,776 |
| Total current liabilities | | 927,815 | 1,253,037 |
| Non-current liabilities | | | |
| Employee entitlements | 12 | 21,762 | 11,640 |
| Lease liability | 13 | - | 6,361 |
| Total non-current liabilities | | 21,762 | 18,001 |
| Total liabilities | | 949,577 | 1,271,038 |
| Net assets | | 1,990,948 | 1,595,381 |
| Equity | | | |
| Accumulated surplus | | 1,990,948 | 1,595,381 |
| Total equity | | 1,990,948 | 1,595,381 |

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 2022

| | For the year ended 31 Dec 2022 | For the year ended 31 Dec 2021 |
|--|-----------------------------------|-----------------------------------|
| | \$ | \$ |
| Accumulated surplus as at 1 January | 1,595,381 | 1,298,518 |
| Surplus for the year | 395,567 | 296,863 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 395,567 | 296,863 |
| Accumulated surplus as at 31 December | 1,990,948 | 1,595,381 |

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 2022

| | Note | For the year ended 31 Dec 2022 \$ | For the year ended 31 Dec 2021 \$ |
|--|----------|---|---|
| Cash flows from operating activities | | | |
| Government grants | | 1,796,715 | 2,232,585 |
| Donations | | 559,015 | 323,363 |
| Corporate sponsorships | | 182,903 | 165,000 |
| Interest received | | 2,907 | 5,631 |
| Payments to suppliers and employees | | (2,733,112) | (2,031,354) |
| Net cash inflow / (outflow) from operating activities | | (191,573) | 695,225 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (52,803) | (3,119) |
| Net cash outflow from investing activities | | (52,803) | (3,119) |
| Cash flows from financing activities | | | |
| Lease liability repayments | | (24,777) | (31,319) |
| Net cash outflow from financing activities | | (24,777) | (31,319) |
| Net increase / (decrease) in cash, term deposits and equivalents held | | (269,152) | 660,787 |
| Cash, term deposits and cash equivalents at the beginning of the year | | 2,736,210 | 2,075,423 |
| Cash, term deposits and cash equivalents at the end of the year | 8 | 2,467,058 | 2,736,210 |

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 2022

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 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 Foundation is eligible to apply the 'Tier 2' reporting framework, as defined under AASB 1053 *Application of Tiers of Australian Accounting Standards* ("AASB 1053"). The presentation of the financial statements comply with the requirements specified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* ("AASB 1060") and the disclosure requirements in AASB 1060.

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 2022 were approved and authorised for issue by the board of directors on 16 May 2023.

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 annual reporting years beginning on 1 January 2022. This includes the adoption of AASB 1060, which has resulted in an increase in disclosure requirements from the consolidated General Purpose – Reduced Disclosure financial statements that the Foundation previously prepared. There were no transition adjustments on adoption of AASB 1060 or any other new and revised standards and interpretations issued effective 1 January 2022.

Certain new accounting Standards and Interpretation have been published that are not mandatory for the year ended 31 December 2022 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 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.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2022

Summary of accounting policies (continued)

Revenue (continued)

Government grants (continued)

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.

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.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2022

Summary of accounting policies (continued)

Leases (continued)

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.

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 2022 | As at 31 Dec 2021 |
|---|----------------------|----------------------|
| | \$ | \$ |
| Expense | | |
| Lease liability interest | 544 | 1,184 |
| Short-term leases | 116,456 | 118,893 |
| 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 |

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2022

Summary of accounting policies (continued)

j. Employee entitlements

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 2022

5. Revenue

| | Year ended 31 Dec 2022 | Year ended 31 Dec 2021 |
|---------------------------------|---------------------------|---------------------------|
| | \$ | \$ |
| Corporate sponsorships | 166,275 | 150,000 |
| Government grants | 2,176,521 | 1,899,817 |
| Donations | 559,015 | 285,863 |
| In-kind Multiplex donations (i) | 28,048 | 26,712 |
| Total revenue | 2,929,859 | 2,362,392 |

(i) 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 2022 | Year ended 31 Dec 2021 |
|---|---------------------------|---------------------------|
| | \$ | \$ |
| Audit & accounting fees | 64,168 | 61,612 |
| Bank fees | 2,947 | 872 |
| Multiplex in-kind consulting fees – marketing and communication | 2,583 | 2,460 |
| Multiplex in-kind consulting fees – business services | 18,794 | 17,899 |
| Multiplex in-kind consulting fees – accounting | 6,671 | 6,353 |
| Depreciation | 33,431 | 38,482 |
| Other | 542 | 1,186 |
| Total administrative expenses | 129,136 | 128,864 |

Additional Multiplex resources, including employee time and facilities, are provided to the Foundation on a voluntary basis and do not incur any fee for the Foundation.

7. Program expenditure

| | Year ended 31 Dec 2022 | Year ended 31 Dec 2021 |
|------------------------------------|---------------------------|---------------------------|
| | \$ | \$ |
| Campaign costs (ii) | 2,412,853 | 1,941,011 |
| Total programme expenditure | 2,412,853 | 1,941,011 |

(ii) Campaign costs consist of costs incurred in the process of undertaking literacy programs in the Northern Territory within the Ltyentye Apurte/Santa Teresa and Tennant Creek communities and in Queensland with the Yarrabah community.

8. Cash, term deposits and cash equivalents

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Cash at bank (iii) | 1,520,513 | 1,799,166 |
| Term deposits (iii) | 921,289 | 919,094 |
| Petty cash | 25,256 | 17,950 |
| Total cash & cash equivalents | 2,467,058 | 2,736,210 |

(iii) 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 2022

9. Trade and other receivables

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Trade receivables | 7,500 | - |
| Accrued income | 352,788 | 57,923 |
| Other deposits | 20,019 | 12,538 |
| Total trade and other receivables | 380,307 | 70,461 |

10. Property, plant and equipment

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Motor vehicles (iv) | 51,512 | 15,235 |
| Office Equipment (v) | 9,813 | 2,107 |
| ROU Assets (vi) | 6,213 | 30,825 |
| Total property, plant and equipment | 67,538 | 48,167 |

(iv) Motor vehicles

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Cost at beginning of the year | 150,953 | 150,953 |
| Additions | 43,636 | - |
| Cost at end of the year | 194,589 | 150,953 |
| Accumulated depreciation at beginning of the year | (135,718) | (116,645) |
| Depreciation expense | (7,359) | (19,073) |
| Accumulated depreciation at end of the year | (143,077) | (135,718) |
| Total carrying amount of motor vehicles | 51,512 | 15,235 |

(v) Office equipment

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Cost at beginning of the year | 6,465 | 3,346 |
| Additions | 9,167 | 3,119 |
| Cost at end of the year | 15,632 | 6,465 |
| Accumulated depreciation at beginning of the year | (4,358) | (3,346) |
| Depreciation expense | (1,461) | (1,012) |
| Accumulated depreciation at end of the year | (5,819) | (4,358) |
| Total carrying amount of office equipment | 9,813 | 2,107 |

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2022

Property, plant and equipment (continued)

(vi) ROU assets

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Cost at beginning of the year | 49,222 | - |
| Additions | - | 49,222 |
| Cost at end of the year | 49,222 | 49,222 |
| Accumulated depreciation at beginning of the year | (18,398) | - |
| Depreciation expense | (24,611) | (18,398) |
| Accumulated depreciation at end of the year | (43,009) | (18,398) |
| Total carrying amount of ROU assets | 6,213 | 30,825 |

11. Trade and other payables

| | As at 31 Dec 2022 | As at 31 Dec 2021 |
|---------------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Trade creditors | 10,655 | 45,470 |
| Accrued expenses | 11,680 | 14,000 |
| Net GST payable | 48,869 | 38,306 |
| Other payables and accruals | 77,588 | 38,701 |
| Total trade and other payables | 148,793 | 136,477 |

12. Employee entitlements

Movement in employee entitlements

During the financial year current and non-current liabilities have moved by (\$5,473). This movement is the net of (\$99,322) provision utilisation and \$93,849 additional provisions recognised.

13. Lease liabilities

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.

14. 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.

15. Auditor's remuneration

The auditor of the Foundation is Deloitte Touche Tohmatsu. Auditor's remuneration for the year ended 31 December 2022 was \$7,000 (2021: \$7,000), which is paid by the Foundation.

16. 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.

Notes to the financial statements

Literacy for Life Foundation

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For the year ended 31 December 2022

Related party transactions (continued)

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:

- Mr Jack Beetson as Executive Director is an employee of the Foundation. During the year ended 2022 Mr Beetson was paid \$181,720 (2021: \$193,834). 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 voluntary capacity and have not received any remuneration during the year ended 31 December 2022 (2021:\$nil).
- Ms Patricia Andreson (AO) and Ms Wendy Ludwig were not remunerated by the Foundation for their services during the year ended 31 December 2022 (2021: \$nil).

17. Contingent liabilities

There are no contingent liabilities that have been incurred by the Foundation in relation to the year ended 31 December 2022 (2021: \$nil).

18. 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.

19. 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 2022, the total amount that members of the Foundation are liable to contribute if the Foundation wound up is \$4.

20. Segment information

The Foundation's operations for the year ended 31 December 2022 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 year ended 31 December 2022

21. 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 \$2,929,859 from grants, donations and sponsorships.
- The Foundation spent \$2,541,989 during the year.

(b) Monetary figures and percentages:

| | Year ended 31 Dec 2022 % | Year ended 31 Dec 2022 \$ | Year ended 31 Dec 2021 % | Year ended 31 Dec 2021 \$ |
|---|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Total comprehensive income / Gross income from grants, donations and sponsorships | 14% | 395,567 | 13% | 296,863 |
| | | 2,929,859 | | 2,362,392 |
| Total campaign cost / Total expenditure | 95% | 2,412,853 | 94% | 1,941,011 |
| | | 2,541,989 | | 2,069,875 |
| Total expenditure/ Total income received | 87% | 2,541,989 | 87% | 2,069,875 |
| | | 2,937,556 | | 2,366,738 |

Responsible persons Literacy for Life Foundation

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For the year ended 31 December 2022

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.



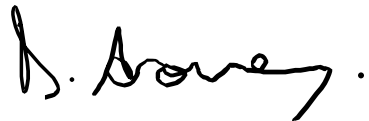
Don A Aroney
12 16 May 2023
Sydney, NSW

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 2022 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
12 16 May 2023
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 2022, 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 the directors as set out on page 23. 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 2022 and of its financial performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;
- 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 2022; and
- c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 31 December 2022, 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 2022.

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 2022, 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
Partner
Chartered Accountants
Sydney, 12 May 2023