

WORLD EDUCATION AUSTRALIA LIMITED

ABN 39 106 279 225

CONSOLIDATED FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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DIRECTORS' REPORT

Your directors present this report on World Education Australia Limited (the Company), and its controlled entity World Education Australia Overseas Relief Fund (WEAORF), collectively the consolidated Group, for the financial year ended 30 June 2021.

Below are the listed names of the company's directors in office throughout the financial year until the date of this report (unless otherwise stated), their specific roles, qualifications, and experience. Leata Alaimoana-Roberts was appointed Director on 19 March, 2021 and Helene Ang was appointed Director 28 May, 2021.

Kathryn Jordan, Chair

B.Com, LL.B, LL.M.

Kate is a corporate lawyer who serves as General Counsel and Executive General Manager, Company Secretariat, Risk & Governance at Origin Energy. She previously served as Deputy Chief Executive Partner at Clayton Utz.

Sondra Cortis, Treasurer

B.Com, CA, GAICD

Sondra has over 25 years of experience in the financial services industry. After qualifying as a chartered accountant with Deloitte, she joined Westpac in 1995. She has filled various roles in the bank's finance area and currently serves as Head of Finance, Westpac Institutional Bank.

Gordon Cairns

M.A. (Hons)

Gordon has had an executive career with several global companies, latterly as CEO of Lion Nathan. He now acts as chair of Woolworths. He was most recently Chair of Origin Energy and a non-executive director of Macquarie Group.

Clay O'Brien

LL.B, (Hons) M.Econ.

Clay O'Brien has been active in international development for 20 years. Originally a lawyer, he has worked for Opportunity International, DFAT, and in senior microfinance and project management roles in Indonesia and, until recently, Myanmar. Clay serves as a non-executive director of SPBD Microfinance Holdings (Singapore) Pte Ltd, parent company of our loan program partners in the Pacific region.

Daniel James MacNeil

B.A., M.Ed., Ed. D.

James has worked for World Education Inc. (WEI) on education and livelihoods development programs in Indonesia, Cambodia, Nepal and India. He is based in Boston where he is Vice President of WEI's Asia Division.

DIRECTORS' REPORT

Damien Woods

B.Sc., MBA

Damien has worked for more than 25 years as a management consultant, mostly with Accenture, specialising in the healthcare field. He is currently Chief Executive Officer at Benestar.

Shane Nichols

B.Sc., M.Soc.Sc.

Shane has more than 20 years' experience in inclusive finance and enterprise development across the Asia Pacific region. Prior to joining Good Return, Shane worked on rural and economic development programs in China and Mongolia for the Department of Foreign Affairs and Trade. He also serves as Non-Executive Director of the Australian Council for International Development, and Palmera Projects.

Lisa Cotton

For the past 15 years, Lisa has been at the forefront of collaboration and social change initiatives which have fundamentally influenced the way all sectors come together to strengthen society. She is the CEO of the Ideology Group and co-founded The Funding Network Australia, which builds the capacity of grassroots charities by hosting live crowd-funding events around Australia.

Leata Alaimoana-Roberts (appointed 19 March, 2021)

B. Com., GAICD

Leata is the Impact Investment Manager with Pacific Trade Invest Australia, an agency that promotes trade, investment, tourism and labour mobility in the Pacific. She has previously held various trade and industry roles in the Pacific and in Australia. Leata maintains a close connection with her Samoan heritage and the wider Pacific community.

Helene Ang (appointed 28 May, 2021)

MBA

Helene is a strategic and commercial marketer with over 20 years experience working across a broad spectrum of industries in Asia and Australia. As well as running a marketing agency based out of Hong Kong for over a decade, she has a lifestyle brand that promotes artisanal textiles and handcrafted goods produced by female artisans in her native Cambodia.

DIRECTORS' REPORT

The consolidated surplus for the year was \$176,771 (2020: \$232,434). This comprises a surplus of \$160,131 (2020: \$228,404) from World Education Australia Limited (WEAL) and a surplus of \$16,640 (2020: \$4,030) from the controlled entity World Education Australia Overseas Relief Fund (WEAORF). The Company is limited by guarantee, with the liability of each member in respect of liabilities of the Company, as specified in the Constitution, being restricted to \$10. During the year, net membership of the company was 250.

Key compliances

The Company is a Public Benevolent Institution approved by the Australian Taxation Office (ATO) and enjoys tax exempt status. The company is a Deductible Gift Recipient (DGR) entity approved by the ATO for programs in Australia. The NSW Office of Charities has authorised the company to fundraise under the Charitable Fundraising Act 1991. Authorisation (or reciprocal exemption) has also been obtained to raise funds in all other states and Territories where required to do so. The Company is licenced by the Australian Securities and Investments Commission (ASIC) with regard to the primary requirements of an Australian Financial Services Licence. The Company (along with the Good Return and World Education Australia business names) is registered and complies with the Australian Charities and Not-for-profits Commission (ACNC) requirements. The Company is a reporting entity to the Australian Transaction Reports and Analysis Centre (AUSTRAC). The Company was fully accredited by the Department of Foreign Affairs & Trade in 2017 for a five year period.

The purpose of the controlled entity WEAORF is exclusively to provide relief to persons in a developing country certified as such by the DFAT, and to raise funds for this by way of tax deductible donations. WEAORF, a Deductible Gift Recipient entity, approved as such by the ATO, continues to raise donations from the public. Funds held by WEAORF continue to be applied to the Company's projects that are compatible with the purpose of WEAORF.

Key objectives

The vision of the company and its controlled entity is a world without poverty where people have access to resources and opportunities to improve their lives. The mission of the company is to enable those living in poverty to achieve economic empowerment through responsible financial inclusion and capability development. This mission describes both the long term and short term objectives of the organisation.

Strategy for achieving these objectives

The Company continues to pursue its poverty reduction objectives by engaging strategically with partners to help them expand the provision of responsible financial services and create economic opportunities that benefit those living in poverty in the Asia-Pacific region.

In accordance with the Company's Strategic Plan, its core programs include promoting responsible and inclusive finance; financial capability and consumer empowerment; impact Investment and microloans.

DIRECTORS' REPORT

The main change to the activities of the consolidated group during the year was a shift towards greater online delivery of programs, and reduced travel by field staff, as a result of the COVID-19 pandemic. It continued to design, manage and implement international development programs and provide technical assistance to the Australian Government, Asian Development Bank and other international development agencies during the financial year.

Significant changes in state of affairs

During the year, WEAL as an eligible employer has participated in the Federal Government JobKeeper program and has therefore received payment subsidies.

The impacts of the COVID-19 pandemic have been felt in all countries in which WEAL operates. The United Nations has estimated that approximately 120 million people moved into poverty in 2020 as a consequence of COVID-19. The pandemic has greatly reduced the ability of WEAL staff to travel, and impeded the delivery of face-to-face training activities. This has stimulated an investment in digital training offerings that WEAL intends to continue into the future.

During the year under review, WEAL commenced a new program in Australia, designed to help unleash Kimberley Indigenous women's economic potential and self determination through entrepreneurship. It also launched an impact investment fund which raises private capital to finance loan guarantees to its offshore financial service provider partners to stimulate lending to small and medium enterprises that generate jobs and income for people living in poverty, with a focus on women.

Over the course of the year WEAL has been working to strengthen cultural diversity across the organisation through implementation of a Social Inclusion Action Plan. This involved building metrics to track diversity within the Company and assure fairness in hiring, training, and promoting staff; developing a localisation plan to strengthen the voice of in-country staff and boost effectiveness of local partnerships; and increasing the diversity of our Board.

Other than the matters discussed above, in the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Future plans

The Company will continue to pursue its poverty reduction objectives by working with partners in Australia and abroad to promote responsible financial services and financial capability, and create economic opportunities that benefit those living in poverty.

The Chief Executive officer is Shane Nichols.

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

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

DIRECTORS' REPORT

Director attendance at board meetings

	Meetings attended	Meetings held
Kathryn Jordan	4	(4)
Sondra Cortis	4	(4)
Gordon Cairns	3	(4)
Clay O'Brien	4	(4)
D James MacNeil	3	(4)
Damien Woods	3	(4)
Shane Nichols	4	(4)
Lisa Cotton	3	(4)
Leata Alaimoana-Roberts	1	(2)
Helene Ang	1	(1)

Auditor's Independence Declaration

The auditor's independence declaration forms part of this report and is on page 8.

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

Director

K. Jordan

Kathryn Jordan (Chair)

Director

Sondra Cortis

Sondra Cortis (Treasurer)

Date

05 / 11 / 2021



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of World Education Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Julia Gunn

Partner

Sydney

5 November 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated Group 2021 \$	Consolidated Group 2020 \$
REVENUE			
Donations & gifts - monetary & non-monetary	2a	1,322,112	1,550,261
Bequests & legacies			-
Grants	2b	1,590,479	1,601,803
Interest		17,244	7,187
Other income	2c	301,187	240,524
TOTAL REVENUE		<u>3,231,022</u>	<u>3,399,775</u>
EXPENSES			
Program Expenditure			
Funds to overseas projects	3a	2,213,773	2,238,042
Other project costs	3b	374,533	319,885
Domestic projects		-	-
Community education	3c	31,832	40,278
Fundraising costs			
Public	3d	79,115	40,278
Government, multilateral and private	3e	145,195	165,340
Administration	3f	209,803	252,502
TOTAL EXPENSES		<u>3,054,251</u>	<u>3,056,324</u>
Surplus/(deficit) of revenue over expenses		176,771	343,451
Income tax expense	1c	-	-
Surplus/(deficit) for the year	4	<u>176,771</u>	<u>343,451</u>
Other Comprehensive Income		-	
Total Comprehensive Income/(loss)		<u>176,771</u>	<u>343,451</u>

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	Consolidated Group 2021 \$	Consolidated Group 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,044,848	2,552,255
Loans receivable	8	144,345	76,875
Trade and other receivables	7	246,849	39,680
Other current assets	9	190,586	174,984
TOTAL CURRENT ASSETS		<u>3,626,627</u>	<u>2,843,794</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	-	43,983
Intangible assets	11	-	-
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>43,983</u>
TOTAL ASSETS		<u>3,626,627</u>	<u>2,887,777</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	140,729	128,851
Special purpose funding	6	2,009,541	1,423,586
Loans payable	14	131,107	209,079
Provisions	13	88,715	55,997
TOTAL CURRENT LIABILITIES		<u>2,370,092</u>	<u>1,817,513</u>
NON-CURRENT LIABILITIES			
Provisions	13	28,415	18,914
TOTAL NON-CURRENT LIABILITIES		<u>28,415</u>	<u>18,914</u>
TOTAL LIABILITIES		<u>2,398,506</u>	<u>1,836,427</u>
NET ASSETS		<u>1,228,121</u>	<u>1,051,350</u>
EQUITY			
Contributed equity	16	-	-
Reserve for designated purpose	17	743,856	727,216
Retained earnings/(deficit)	23	484,265	324,134
TOTAL EQUITY		<u>1,228,121</u>	<u>1,051,350</u>

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2021

	Note	Retained \$	Reserve For \$	Total \$
Consolidated Group				
Balance at 1 July 2020		95,730	723,186	818,916
Surplus of revenue over expenses		232,434		232,434
Transfer (to)/ from reserve		(4,030)	4,030	-
Balance at 30 June 2020		<u>324,134</u>	<u>727,216</u>	<u>1,051,350</u>
Surplus of revenue over expenses		176,771		176,771
Transfer (to)/ from reserve		(16,640)	16,640	
Balance at 30 June 2021		<u><u>484,265</u></u>	<u><u>743,856</u></u>	<u><u>1,228,121</u></u>

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS

AS AT 30 JUNE 2021

	Note	Consolidated Group 2021 \$	Consolidated Group 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations and grants		2,588,633	2,398,191
Customers		238,155	561,912
Payments to suppliers and employees		(2,425,612)	(2,465,410)
Interest Received		685	7,187
Net cash (used in)/provided by operating activities	17	<u>401,861</u>	<u>501,880</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment	10		
Capital WIP, Good Return software and web-site	10	-	(43,983)
Payments for Investments		-	(26,634)
Security deposits	9	-	4,076
Net cash provided by/(used in) investing activities		<u>-</u>	<u>(66,541)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Good Return Loan Program - net loans movement with public	14	122,028	138,950
Good Return Loan Program - net loans movement with microfinance institutions	8	(31,296)	251,545
Net cash (used in)/provided by financing activities		<u>90,732</u>	<u>390,495</u>
Net (decrease)/increase in cash held		492,593	825,834
Cash at beginning of financial year		<u>2,552,255</u>	<u>1,726,421</u>
Cash at end of financial year	6	<u>3,044,848</u>	<u>2,552,255</u>

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are Tier 2 general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not for profits Commission Act 2012. These consolidated financial statements comply with the Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report covers the consolidated group of World Education Australia Limited and its controlled entity. World Education Australia Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

A controlled entity is any entity in respect of which World Education Australia Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

The only controlled entity is World Education Australia Overseas Relief Fund (WEAORF), a trust. It has a June financial year end. World Education Australia Limited is the trustee of WEAORF. There is no minority equity interest in WEAORF.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of the controlled entity have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

(b) Revenue recognition

Monetary donations are recognised as revenue when the money is received. Donations and grants with reciprocal requirements are treated as unearned until expensed in terms of those requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Non-monetary donations are recognised as revenue when the donated goods or services are received. The donated goods or services are accounted for at their market value. The market value of services donated by volunteers is based on relevant DFAT tables.

Revenue from the rendering of services (project fees) is recognised upon completion which, depending on the terms of the contract, can be in measured stages or only when the whole project is completed.

The company has applied AASB 1058 Income Recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15. In addition, when a Not for Profit receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset or an expense.

(c) Income tax

The Australian Taxation Office has endorsed the company, a charitable organisation, as being exempt from income tax.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of one year or less.

(e) Receivables and work in progress

All trade debtors are recognised when the obligation of the debtor to pay the amount arises.

(f) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation and Amortisation

The carrying amounts of plant and equipment are reviewed annually and, if appropriate, written down to their estimated recoverable amounts.

Depreciation of plant and equipment is calculated on the prime cost basis over its useful life to the company. The rates used range from 10% to 40%. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements on a prime cost basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

(g) Intangible Assets

The Good Return website and the software required to run it are classified as intangible assets. Intangible assets are carried at the cost of development less, where applicable, accumulated amortisation and impairment losses. Costs of development are capitalised only in respect of identifiable new modules that are expected to deliver future economic benefits that can be measured reliably. Costs include materials and services provided by third parties. Salaries and related costs of employees involved in the development are expensed as incurred. Expenditure during the research phase of the development to maintain and update developed modules is expensed as incurred. Development costs are amortised on a straight line basis over the period that they are expected to deliver future economic benefits from when they are ready for use.

(h) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property and the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

AASB 16 requires a lessee to recognise a right-of-use asset representing its rights to use the underlying lease asset and a lease liability representing its obligations to make lease payments other than short-term leases or leases of low-value assets on statement of financial position. There are no leasing contracts of a material nature at year end.

(i) Provisions

Provisions are recognised when an entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

(j) Good and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(k) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy or presentation.

(l) Foreign currency transactions and balances

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction. Foreign currency balances are translated at the year-end exchange rate. Exchange differences arising on the translation are recognised in the statement of comprehensive income to the extent they will be borne by the consolidated group.

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Financial Assets

Financial assets are classified and measured at amortised cost. The amortised cost is the amount at initial recognition minus principal repayments plus the cumulative amortisation using the effective interest method. The gross carrying value is the amortised cost before adjusting for a loss allowance.

Financial Liabilities

Loans and payables are non-derivative financial liabilities and are subsequently measured at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss. Also, any cumulative decline in cost previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to the receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(n) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Expected Credit Loss

Considerable judgement is exercised in determining the extent of the expected credit loss (ECL) for financial assets assessed for impairment. The ECL for financial assets is based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Changes in such judgements and analysis may lead to changes in the ECL over time. The key judgement areas are the assumptions used to measure expected credit losses, including the use of forward-looking and macroeconomic information for impairment assessment.

Credit losses are measured as the present value of all cash shortfalls and consists of three components:

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

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

The company has applied the three stage model prescribed under AASB 9 to determine the loss allowances for any change in risk since initial recognition:

- Stage 1: 12 month ECL – At initial recognition a collective assessment is done for classes of financial assets with the same credit risk based on the PD within the next 12 months and the LGD's with consideration to forward looking economic indicators.
- Stage 2: Lifetime ECL – When there has been a significant change in credit risk since initial recognition, a lifetime ECL is recognised taking into account the cash flows for the remaining life of the asset.
- Stage 3: Lifetime ECL – When a financial asset is credit impaired a lifetime ECL is recognised as a collective or specific provision with interest calculated on the amortised cost instead of the carrying amount.

(p) Economic Dependence

The company is dependent on the philanthropy of businesses and individuals in the community to provide donations and grants for its causes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
2. REVENUE		
a Donation and gifts		
Monetary donations	998,595	859,751
less: Funds raised for Designated Purposes	(288,833)	(50,288)
Non-monetary donations	612,350	740,798
	<u>1,322,112</u>	<u>1,550,261</u>
Monetary donations include \$111,083 (2020: \$107,776) received through the Good Return Loan Program		
b Grants		
DFAT	776,422	598,456
Other Australian	333,804	688,876
Other Overseas	480,253	314,471
	<u>1,590,479</u>	<u>1,601,803</u>
c Other income		
Interest Received	17,244	7,187
Other overseas project fees	132,178	109,010
Australian Government COVID 19 Stimulus	169,450	146,508
Foreign exchange (loss)/gain	(441)	(15,727)
Other income	732	732
	<u>318,431</u>	<u>247,711</u>

The company is a recipient of the Australian Federal Government's Covid economic relief measures announced in early 2020. From July to December 2020 WEAL has received economic stimulus in the form of the ATO cashflow boost and the JobKeeper subsidy. The ATO cashflow boost payment is recognised on a cash basis while the JobKeeper subsidy is recognised on an accruals basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
3 EXPENSES		
a Funds to overseas projects		
Project staff costs - overseas	1,208,326	1,090,893
Other costs	402,334	418,418
Volunteers	603,113	728,730
	<u>2,213,773</u>	<u>2,238,042</u>
b Other project costs		
Project staff costs - in Australia	307,805	284,013
Other costs	64,265	33,458
Volunteers	2,463	2,414
	<u>374,533</u>	<u>319,885</u>
c Community education		
Staff costs	15,993	23,092
Other costs	9,066	7,532
Volunteers	6,774	9,654
	<u>31,832</u>	<u>40,278</u>
d Fundraising costs - public		
Staff costs	62,247	23,092
Other costs	16,868	7,532
Volunteers	-	9,654
	<u>79,115</u>	<u>40,278</u>
e Fundraising costs - government, multilateral and private		
Staff costs	121,141	142,227
Other costs	24,053	23,113
	<u>145,195</u>	<u>165,340</u>
f Administration		
Staff costs	148,685	118,564
Other costs	61,118	133,937
	<u>209,803</u>	<u>252,502</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
4 SURPLUS/(DEFICIT) FOR THE YEAR		
Surplus/(deficit) for the year has been determined after:		
a Income		
Net foreign exchange (loss)/gain	(441)	(15,727)
b Expenses		
Depreciation and amortisation	-	-
Operating lease payments		63,743
Remuneration of auditor:		
- audit	-	-
	<u>-</u>	<u>-</u>
5. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short term benefits	<u>454,972</u>	<u>529,484</u>
6. CASH AND CASH EQUIVALENTS		
Cash on hand		600
Cash at bank - for the Good Return Loan program	90,171	157,671
- for other designated purposes	2,009,541	1,423,586
- other	945,136	970,398
	<u>3,044,848</u>	<u>2,552,255</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Table of cash movements for designated purposes:

	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at the end of financial year
Designated purposes				
DFAT: ANCP	154,463	713,645	(779,150)	88,958
DFAT: Impact Connect	466,498	198,000	(250,554)	413,944
Good Return Impact Investment Fund	250,000	200,000		450,000
Accenture: Skills for a Digital Life	284,806	100,000	(212,707)	172,099
ADB: Strengthening Financial Inclusion	19,344	155,467	(156,187)	18,624
Chamreoun: Access Program	50,839	19,084	(57,874)	12,049
National Bank Cambodia: Consumer Awareness	(22,540)	89,800	(29,069)	38,191
Good Return: Solukhumbu Nepal	10,000	-	(552)	9,448
Menzies Found'n: Indigenous Women's Empowerment	50,000	50,000	(118,574)	(18,574)
UNESCAP: Catalysing Women's Entrepreneurship	120,176	191,316	(164,192)	147,300
English Family Found'n & Mundango Abroad: PNG Scopin	40,000		-	40,000
Earthwake Green Impact Fund		20,000	(20,000)	-
EBF: Responsible Investment in Pacific Livelihoods & Enterprises		500,000	(58,758)	441,242
Pacific RISE: Gender Lens MSME financing in Fiji		83,250	(83,250)	-
Atlassian: Supporter Journey Mapping		7,080		7,080
UNESCAP: Financial Solutions for Women Entrepreneurs		93,726	(52,379)	41,347
Helping Hand: Impact Investment Capacity Building		2,000		2,000
Other		167,166	(21,333)	145,833
	<u>1,423,586</u>	<u>2,590,534</u>	<u>(2,004,579)</u>	<u>2,009,541</u>
Good Return Loan Program	157,671	517,487	(584,987)	90,171
Total for designated purposes	<u>1,581,257</u>	<u>3,108,021</u>	<u>(2,589,566)</u>	<u>2,099,712</u>
Other cash movement	970,998	990,932	(1,016,794)	945,136
	<u>2,552,255</u>	<u>4,098,953</u>	<u>(3,606,360)</u>	<u>3,044,848</u>

Good Return Loan Program: amounts indicated under cash raised include loans and donations from public lenders and corporate partners. Cash disbursed represents loans to partner microfinance institutions, and includes \$50,000 of EBF funds disbursed to Tonga.

At year-end Good Return held \$450,000 in the Good Return Impact Investment Fund. \$250,000 of this comprises grant funds from DFAT and CAGES set aside as a first loss pool to be drawn down in the event of a claim by a counterparty, whereby the Fund covers a portion of any losses up to an agreed limit. The remaining \$200,000 is senior debt from various investors that will absorb losses if the first loss tranche is exhausted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

7. TRADE AND OTHER RECEIVABLES

For Trade & other Receivables, there has been no historical instance where a loss has been incurred.

Credit Risk – Trade Receivables

The company's credit terms are 30 days. Overdue debts are pursued and monitored by management. They are assessed for impairment and provided for where specific circumstances indicate that the debt may not be paid in full to the company.

The company does not have any material credit risk exposure to any single receivable or group of receivables. An ECL would not be material and consequently has not been recognised.

The following table details the company's trade receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon.

The balances of receivables that are both overdue and not due are considered to be of high credit quality.

TRADE AND OTHER RECEIVABLES

	Total	Overdue and impaired	Overdue and not impaired	Not due, not impaired
2021				
<30 days	242,622	-		242,622
31-60 days	0	-	-	-
>90 days	4,227	-	4,227	-
	<u>246,849</u>	<u>-</u>	<u>4,227</u>	<u>242,622</u>
2020				
<30 days	18,582	-	-	18,582
31-60 days	0	-	-	-
61-90 days	21,098	-	21,098	-
	<u>39,680</u>	<u>-</u>	<u>21,098</u>	<u>18,582</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
8. LOANS RECEIVABLE		
Loan Portfolio		
Current Loans	181,137	113,049
Provision for impairment	<u>(36,792)</u>	<u>(36,175)</u>
Total Loan Portfolio	144,345	76,874
Movement in Provision for Impairment		
Opening Balance	36,175	8,750
Provision for impairment	617	27,425
Bad Debts Written Off		
Closing Balance	<u>36,792</u>	<u>36,175</u>

The company has determined the ECLs for the portfolio by determining the expected loss based on the PD of the country of exposure. The Weighted Average Loss Rate has been revised to 30% as a result of the COVID-19 pandemic. The following table provides information about the exposure to credit risk and ECL's for the company's loan portfolio as at 30 June 2021:

Note	Weighted Average Loss Rate	Gross Carrying Amount	Less Allowance
	\$	\$	\$
Loans to Microfinance institutions	30%	122,640	36,792

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
9. OTHER CURRENT ASSETS		
Security deposits	22,001	24,394
Term Deposit	50,000	
Prepayments and accrued income	-	48,565
GST receivable	-	-
Investments and Other receivables	118,584	102,025
	<u>190,586</u>	<u>174,984</u>
10. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	0	33,661
Less accumulated depreciation	0	(33,661)
	<u>-</u>	<u>-</u>
 Movements in carrying amounts		
Balance at 1 July 2020	-	-
Additions	-	-
Depreciation	-	-
Carrying amount at 30 June 2021	<u>-</u>	<u>-</u>
 Plant and equipment		
At cost	0	88,738
Less accumulated depreciation	0	(44,755)
	<u>-</u>	<u>43,983</u>
 Movements in carrying amounts		
Balance at 1 July 2020	0	4,460
Additions	-	-
Depreciation	0	(4,460)
Carrying amount at 30 June 2021	<u>-</u>	<u>-</u>
 Total property, plant and equipment	<u>-</u>	<u>43,983</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
11. INTANGIBLE ASSETS		
Good Return Loan Program software and website		
At cost	340,579	340,579
Less accumulated amortisation	<u>(340,579)</u>	<u>(340,579)</u>
	<u>-</u>	<u>-</u>
 Movements in carrying amounts		
Balance at 1 July 2020	-	-
Additions	-	-
Amortisation	<u>-</u>	<u>-</u>
Carrying amount at 30 June 2021	<u>-</u>	<u>-</u>
 12. TRADE AND OTHER PAYABLES		
Current		
Payroll liabilities	66,860	57,532
Trade and other creditors	73,869	55,979
Accrued expenses	<u>-</u>	<u>15,340</u>
	<u>140,729</u>	<u>128,851</u>
 13. PROVISIONS		
Current		
Annual leave provision	<u>88,715</u>	<u>55,997</u>
 Non-Current		
Long service leave provision	<u>28,415</u>	<u>18,914</u>
 Provision for employee benefits		
Balance at the beginning of the year	74,911	69,314
Additional provision raised during the year	82,612	55,527
Amounts used	<u>(40,394)</u>	<u>(49,931)</u>
Balance at the end of the year	<u>117,129</u>	<u>74,911</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
14. LOANS PAYABLE		
Current		
Good Return Loan Program from the public	131,107	209,079
Balance at the end of the year	<u>131,107</u>	<u>209,079</u>

The Company has no financial liability in respect of Good Return Loan Program from the public in the event of repayment default by partner microfinance institutions.

15. CONTRIBUTED EQUITY

There is no contributed equity. The members registered undertake to contribute to the property of the company, if required, in the event that it is wound up. The liability of each member is limited to \$10. There were 250 members at 30 June 2021 (2020: 250).

16. RESERVE FOR DESIGNATED PURPOSES

The excess of revenue over expenses from operations of the controlled entity, World Education Australia Overseas Relief Fund, is transferred to a Reserve for Designated Purposes to recognise that the net assets represented by this reserve cannot be used for any purpose other than providing relief to persons in a developing country certified as such by the Department of Foreign Affairs and Trade or, on winding up, must be transferred to some other fund qualifying under the Overseas Gift Fund Provisions of the Income Tax Assessment Act 1997.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated Group 2021 \$	Consolidated Group 2020 \$
17. CASH FLOW INFORMATION		
Reconciliation of cash flow from operations		
Surplus/(deficit)	176,771	343,451
Non-cash flows in (deficit)/surplus:		
Loss on Disposal of Fixed Asset	43,983	-
Depreciation and amortisation		
Leave provisions	6,043	5,597
Changes in Assets & Liabilities:		
Receivables	(206,454)	315,073
Other Assets Investments	(16,559)	
Payables	12,121	(53,875)
Accruals and deferred income	385,956	2,651
Cash flows (used in)/provided by operations	<u>401,861</u>	<u>612,897</u>

18. RELATED PARTY DISCLOSURES

The Chief Executive Officer's remuneration is included in the disclosure relating to key employees (Note 5). No other directors receive any remuneration from the company. The directors make donations to the company on a personal basis.

19. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist of deposits with banks, loans to microfinance institutions and accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 139, are as follows:

Financial Assets

Cash and cash equivalents	3,044,848	2,552,255
Trade and other receivables	246,849	39,680
Good Return Loan Program portfolio with microfinanc	144,345	76,875
Total financial assets	<u>3,436,042</u>	<u>2,668,810</u>

Financial Liabilities

Trade and other payables	73,869	71,320
Good Return Loan Program from the public	131,107	209,079
Total financial liabilities	<u>204,977</u>	<u>280,399</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, investment risk, liquidity risk, foreign currency risk and market risk relating to interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company's material credit risk exposures are receivables and cash deposited with banks

The company's exposure to credit risk arising from trade receivables is dealt with in Note 7.

With regard to the Good Return Loan Program portfolio in Note 8, credit risk exists on the loans donated to the company by the public and other supporters, and advanced by Good Return to partner microfinance institutions. The company has made a provision for this risk.

The company deposits cash only with major banks. At year end all cash at bank was with Westpac Banking Corporation.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk by preparing regular cash flow forecasts and managing credit risks.

The table below reflects undiscounted financial liabilities and cash flows from financial assets that reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

	Within 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities due for payment				
Trade and other payables	73,869	-	-	73,869
Loans	131,107	-	-	131,107
Total expected outflows	<u>204,977</u>	<u>-</u>	<u>-</u>	<u>204,977</u>
Financial assets - cash flows realisable				
Cash and cash equivalents	3,044,848		-	3,044,848
Trade and other receivables	246,849	-	-	246,849
Loans	144,345	-	-	144,345
Total anticipated inflows	<u>3,436,042</u>	<u>-</u>	<u>-</u>	<u>3,436,042</u>
Net inflow on financial instruments	<u>3,231,065</u>	<u>-</u>	<u>-</u>	<u>3,231,065</u>

The fair values of financial assets and financial liabilities are considered to be equal to their carrying values as presented in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

20. CAPITAL MANAGEMENT

The directors control the capital of the entity to ensure that adequate cash flows are generated to fund its objectives. The objective is to maintain sufficient cash and cash equivalents to cover at least 3 months expenses. Risk management policies are approved and reviewed by the directors on a regular basis. These include credit risk policies and future cash flow requirements. The entity's capital consists of reserve and retained earnings.

21. COMPANY INFORMATION

The registered office and principal place of business of the company is:
50 Miller Street
North Sydney NSW 2060

22. CONTROLLED ENTITY

World Education Australia Overseas Relief Fund (WEAORF) is a trust set up exclusively for the purpose of raising funds by donation for the provision of relief to persons in a developing country certified as such by the Department of Foreign Affairs and Trade.

It has Deductible Gift Recipient status.

The company is the trustee of WEAORF. As such, the company controls WEAORF because, in addition to wide powers it has as trustee, it has the power to appoint a new trustee and/or vary the trust deed, subject only to ensuring that the purpose of WEAORF is not changed and that, on winding up, the net assets of WEAORF are transferred to some other fund qualifying under the Overseas Gift Fund provisions of the Income Tax Assessment Act 1997.

The company, as trustee, has the power to allocate cash raised by WEAORF to projects that the company undertakes provided such projects fit the purpose of WEAORF.

23. PARENT COMPANY INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	<u>3,347,523</u>	<u>2,513,754</u>
TOTAL ASSETS	<u><u>3,347,523</u></u>	<u><u>2,513,754</u></u>
LIABILITIES		
Current liabilities	<u>2,834,843</u>	<u>2,214,546</u>
TOTAL LIABILITIES	<u><u>2,834,843</u></u>	<u><u>2,214,546</u></u>
EQUITY		
Issued capital	-	-
(Deficit)/retained earnings	<u>484,265</u>	<u>324,277</u>
	<u><u>484,265</u></u>	<u><u>324,277</u></u>
STATEMENT OF COMPREHENSIVE INCOME		
Total comprehensive income/(loss)	<u><u>160,130</u></u>	<u><u>228,404</u></u>

The parent company acts as trustee of its controlled entity which is a trust and liabilities have been incurred on behalf of that trust in the parent company's capacity as trustee. To the extent that the trust is unable to meet any obligations, the parent company as trustee may be liable.

Liabilities incurred on behalf of the trust are not recognised in the financial statements of the parent company acting as trustee of the trust when it is not probable that the parent company will have to meet any of those trust liabilities from its own resources. When it is probable that the parent company will have to meet some trust liabilities, a provision for trust liabilities will be brought to account. In addition, the parent company as a trustee has a right to be indemnified out of trust assets for any obligation not met by the trust. Details of trust liabilities and offsetting right of indemnity are as follows:

Liabilities of the World Education Australia Overseas Relief Fund not recorded in the financial statements of the parent company were nil.

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the parent company acting in its own right. The assets of the trust were sufficient to discharge all liabilities of the trust as at 30 June 2021 and 30 June 2020.

DECLARATION REQUIRED BY CHARITABLE FUNDRAISING
REGULATIONS 2008

I declare that, in my opinion:

the statement of comprehensive income gives a true and fair view of all revenue and expenditure of the company with respect to fundraising appeals; and

the statement of financial position gives a true and fair view of the state of affairs of the company with respect to fundraising appeals; and

the provisions of the Charitable Fundraising Act 1991, the regulations under that Act and the conditions attached to the authority have been complied with by the company for the year ended 30 June 2021; and

the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.



Shane Nichols

Chief Executive Officer

3 / 11 / 2021

Date

DIRECTORS' DECLARATION

In the opinion of the directors of World Education Australia Limited (the Company):

- (a) the financial statements and notes that are set out on pages 9 to 32 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - (iii) complying with the annual financial reporting requirements contained within the ACFID (Australian Council for International Development) Code of Conduct; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

K. Jordan

Director

Kathryn Jordan (Chair)

Director

Sondra Cortis

Sondra Cortis (Treasurer)

Date

05 / 11 / 2021



Independent Auditor's Report

To the members of World Education Australia Limited

Report on the audit of the Financial Report

Opinion

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

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*:

- i. giving a true and fair view of the Group's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- iii. complying with the presentation and disclosure requirements of section 8.3.2 of the ACFID (Australian Council for International Development) Code of Conduct Quality Assurance Framework.

The **Financial Report** comprises:

- i. Consolidated statement of financial position as at 30 June 2021.
- ii. Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration: and
- v. Declaration required by the Charitable Fundraising Regulations 2008

The Group consists of World Education Australia Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in World Education Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report.



Management is responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Determining that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the ACNC. The basis of preparation is also appropriate to meet the needs of the members.
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and the Company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an



opinion on the effectiveness of the Group's internal control.

- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion, except for the possible effects of matter described in the basis for opinion paragraph:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 30 June 2021;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2020 to 30 June 2021, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2020 to 30 June 2021 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

KPMG

Julia Gunn

Partner

Sydney

5 November 2021