

Educating The Future Australia Limited
ABN 31 632 970 819

Educating The Future Australia Limited
ABN 31 632 970 819

Financial Statements
For the Year Ended 30 June 2022

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1. DIRECTORS' REPORT

The directors present their report on the company for the financial year ended 30 June 2022.

Directors

The names of the directors in office at any time during the financial year and up to the date of this report are:

Name	Date Appointed	Date Resigned	Position	Occupation
Adam Hegedus	17 April 2019		Managing Director	Graduate Student
Oscar Osborne	17 April 2019		Director	Research Student
Jenny Katrivesis	17 April 2019		Director	Director
John Cucinotta	17 April 2019		Director; Treasurer	Accountant
Raff Del Vecchio	17 April 2019		Director; Chair	Director
Vivian Stephens	17 April 2019		Director	Consultant
Jessica Irving	17 April 2019		Director	Lawyer

Activities

The principal activities of Educating The Future Australia Limited during the course of the year were:

- a) To provide relief from poverty, sickness, misfortune, disability and/or helplessness for young children in Timor-Leste and their wider communities by:
 - i. fostering and advancing the cause of disadvantaged children and communities through the provision of educational opportunities.
 - ii. providing the provision of funds to support the construction or upgrade of schooling facilities to enable local leaders to launch and grow community projects designed to relieve poverty.
 - iii. assisting persons who are experiencing financial disadvantage by reasons or age, or any other circumstances by funding programs to enable children and youth to develop their full educational and social potential.
- b) To demonstrate fair distribution of relief, be informed by local people in Timor-Leste and deliver sustained and lasting benefits.
- c) To act as a relief fund.
- d) To become and remain a registered Australian charitable organisation with Deductible Gift Recipient Status as a Public Benevolent Institution.
- e) To solicit donations and gifts for the purpose of carrying out the objects of the Company.
- f) To attract and encourage bequests, legacies and all forms of deferred gifts for the purposes of the Company.
- g) To take such steps by personal or written appeals, public meetings or otherwise as may from time to time be deemed expedient for the objects of the Company.
- h. To carry on the work and assume all assets, responsibilities and liabilities of the unincorporated entity operating under the name Educating The Future (ABN 31 151 129 942) including, if permitted, its ABN.

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs for the Year Ended 30 June 2022.

Significant events after the Balance Date

Since the end of the financial year, there are no known events financial or otherwise that would impact materially on the financial statements of the entity at 30 June 2022.

Results

The net loss for the year ended 30 June 2022 was \$829

Dividends

No part of the profits or other income or the property of Educating The Future Australia Limited may be paid or transferred directly or indirectly by way of dividends, bonuses or otherwise to the members under Organisation's constitution.

Indemnity

No indemnities have been given or insurance paid during or since the end of the financial year for any person who is or has been an officer or auditor of the Organisation.

Legal Proceedings

No person has applied for leave of court to bring proceedings to which the Organisation is a party for the purpose of taking responsibility on behalf of the Organisation for all or any part of the proceedings.

Directors' Benefits

No member of the Company has received or become entitled to receive a benefit as all services were rendered on a voluntary basis.

SIGNED AT SYDNEY on the 24th day of November 2022

In accordance with the resolution of the Directors



Raff Del Vecchio
Chair



John Cucinotta
Treasurer and Director

Educating The Future Australia Limited
ABN 31 632 970 819

DIRECTORS' DECLARATION

The directors declare that in the directors' opinion:

- a) There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

SIGNED AT SYDNEY on the 24th day of November 2022

In accordance with the resolution of the Directors



Raff Del Vecchio
Chair



John Cucinotta
Treasurer and Director

Educating The Future Australia Limited
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Statement of Financial Position As at 30 June 2022

<u>Equity</u>		<u>2022</u>	<u>2021</u>
Retained Earnings		145,384	146,213
Total Equity	\$	<u>145,384</u>	<u>146,213</u>
 <u>Represented by</u>			
<u>Current Assets</u>			
Cash at Bank		145,384	146,213
		<u>145,384</u>	<u>146,213</u>
 <u>Less Current Liabilities</u>			
Creditors & Accruals		-	-
Net Assets	\$	<u>145,384</u>	<u>146,213</u>

Statement of Profit or Loss and other Comprehensive Income For the Year Ended 30 June 2022

<u>Revenue</u>	Notes	2022	2021
Donations & Gifts			
- Monetary		16,082	20,392
- Non-monetary	4	50,810	10,452
Grants		0	0
Commercial Activities Income		36,991	31,817
Other Income		0	34
		<hr/>	<hr/>
Total revenue		103,883	62,695
		<hr/>	<hr/>
<u>Less Expenditure</u>			
International Programs		33,089	72
Program Support Costs		4,324	0
Community Education	5	4,196	174
Fundraising Costs	5	7,606	5,114
Accountability & Administration		4,687	4,601
Commercial Activities Expenditure		0	0
Non-monetary Expenditure	4	50,810	10,452
Other Expenditure		0	0
		<hr/>	<hr/>
Total Expenditure		104,712	20,413
		<hr/>	<hr/>
Profit for the year		(829)	42,282
Retained earnings at beginning of the year		146,213	103,396
Plus Funds transferred from Educating The Future	6	0	535
		<hr/>	<hr/>
Balance at the end of the year		\$ 145,384	146,213

Educating The Future Australia Limited
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Statement of Changes in Equity For the Year Ended 30 June 2022

	Retained Earnings	Reserves	Other	Total
Balance as at 01/07/2021	146,213	-	-	146,213
Loss for the Year	(829)	-	-	(829)
Balance as at 30/06/2022	145,384			145,384

Statement of Cash Flows For the Year Ended 30 June 2022

<u>Operating Activities</u>	2022	2021
Receipts from		
Crowdfunding	10,783	13,946
Donations	5,299	6,566
Diners and Events	34,807	30,780
Small fundraisers	2,184	1,037
Interest	0	34.07
Payments to suppliers	53,903	9,961
Net cashflows from operating activities	(829)	42,402
<u>Investing Activities</u>		
Other cash items from investing activities	0	0
Net cashflows from operating activities	0	0
Net Cash Flows	(829)	42,402
<u>Cash and Cash Equivalents</u>		
Accountability & Administration	146,213	103,811
Cash and Cash Equivalents	(829)	42,402
Cash and cash equivalents at beginning of period	145,384	146,213

Notes to the Financial Statements for the Year Ended 30 June 2022

The **company's** objective is to pursue the following charitable purpose(s):

- a) To provide relief from poverty, sickness, misfortune, disability and/or helplessness for young children in Timor-Leste and their wider communities by:
 - i. fostering and advancing the cause of disadvantaged children and communities through the provision of educational opportunities.
 - ii. providing the provision of funds to support the construction or upgrade of schooling facilities to enable local leaders to launch and grow community projects designed to relieve poverty.
 - iii. assisting persons who are experiencing financial disadvantage by reasons of age, or any other circumstances by funding programs to enable children and youth to develop their full educational and social potential.
- b) To demonstrate fair distribution of relief, be informed by local people in Timor-Leste and deliver sustained and lasting benefits.
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- e) To solicit donations and gifts for the purpose of carrying out the objects of the Company.
- f) To attract and encourage bequests, legacies and all forms of deferred gifts for the purposes of the Company.
- g) To take such steps by personal or written appeals, public meetings or otherwise as may from time to time be deemed expedient for the objects of the Company.
- h) To carry on the work and assume all assets, responsibilities and liabilities of the unincorporated entity operating under the name Educating The Future (ABN 31 151 129 942) including, if permitted, its ABN.

Note 1 - Summary of Significant Accounting Policies

a) Basis of Preparation

The financial report is a financial report that has been prepared and presented in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for the entity Educating The Future Australia Limited as an individual entity. Educating The Future Australia Limited was established on the 17th day of April 2019 as a not-for-profit Australian Public Company and operates as a charity.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for 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.

b. Revenue and Explore Recognition

The financial statements include the value of all revenues, expenses, assets, liabilities, and equity of the company.

c. Income tax

No provision for income tax has been raised as the company is exempt from income tax including capital gains tax under division 50-B of the Income Tax Assessment Act 1997.

d. Deductible gift recipient

The Organisation is endorsed as a Deductible Gift Recipient (DGR) entity. It is covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997.

e. Cash and cash equivalents

Cash and cash equivalents include deposits held at call with Westpac.

f. Revenue

Revenue is recognised upon receipt of funds deposited into the bank account. These include sales of merchandise, donations, and sponsorship. Interest revenue is recognised when received and credited to the bank account.

g. Goods and services tax

The company is not registered for GST.

h. Employee entitlements

All services provided are voluntary and no wages are paid.

i. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

j. Comparative information

When required by Accounting Standards, comparative figures have been adjusted to confirm changes in presentation for the current financial year.

k. Authorisation for issue

The financial statements are authorised for issue by the Committee at the date of signing the Management Certificate.

l. ACFID Disclosures

The Financial Reports have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Guidance Document available at: www.acfid.asn.au

Note 2 – Funds held in CCBS

CC Business Solutions (CCBS) is Educating the Future's financial holding company located in Timor-Leste. Funds that are transferred from Australia to Timor-Leste are held in a CCBS Holding Account. Funds are transferred to CCBS when approved by the Board for development projects. CCBS sends Educating The Future a holding account report when requested, outlining acquittal of funds. Funds acquitted are overseen by the Managing Director of CCBS. Funds transferred and acquitted in Timor-Leste are recorded as an expense to 'Pre-School Construction.' Funds awaiting allotment for construction projects sit as an asset on Educating The Future's statement of financial position as 'Funds Held in CCBS.' When funds are acquitted, a manual journal is recorded to account for this.

Note 3 – Petty Cash held by Timorese TL

Petty cash is held by Educating The Future's Timorese In-Country Leader. Petty cash is acquitted from CCBS to the In-Country Leader for administrative costs associated with implementing construction projects. These funds are allocated to Timorese volunteers who spend money on motorbike petrol whilst conducting site visits and guided by the Financial Standard Operating Procedure. Reimbursement occurs when receipts are received and approved.

Note 4 – RDE Calculation Non-Monetary Revenue and Expenditure

Recognised Development Expenditure (RDE) is the annual eligible expenditure of a Non-Government Organisation (NGO), using contributions from the Australian community. Eligible expenditure is for the NGO's own development and humanitarian activities overseas and development education in Australia. Eligible contributions include donations of cash, gifts-in-kind and volunteer services. Up to half of the RDE can be from eligible gifts-in-kind and/or eligible volunteer services.

In the context of Educating The Future, we have recorded, using a timesheet system, volunteer hours attributed to Timorese Programs for the financial year. Each eligible volunteer has been

assigned to the DFAT Enterprise Agreement job description based on their contributions to Timor-Leste Programs. The relevant job description is linked to an Annual Rate in which the recorded volunteer hours are multiplied by. The logged hours are multiplied by the rate of pay table specified by the DFAT Enterprise Agreement in the ANCP RDE Explanatory notes on page 10. Educating The Future has awarded the lowest annual rate of each job description relevant to the respective volunteer.

The final 'salary' calculation forms the 'Non-Monetary Revenue and Expenditure' figures evident in the Statement of Profit and Loss and other Comprehensive Income. Educating The Future has recorded and accounted for this figure in line with ACFID's Mandatory Guidance on Financial Reporting.

The value of volunteer services for FY21 was not included in the Educating The Future FY21 financial audit. Following the ACFID code compliant financial reporting standards and in line with DFAT requirements, the volunteer services figure for FY21 has been included in the FY22 report. The value is an approximation due to no volunteer timesheet records from FY21. The figure was derived from a volunteer's percentage of contributed hours in FY22 that also worked with the organisation in FY21. Educating the Future Volunteers are contracted to at minimum 4 hours/week of volunteer contributions. Each volunteer has signed an agreement outlining these terms. We attributed 208 volunteer hours in FY21 to 1096 hours in 2022 due to no timesheet record of volunteer hours in that year. We adopted the following formula to calculate the value of volunteer services in FY21 (hours volunteer X worked 2022 / total volunteer hours 2022) * (52 weeks * 4 hours = 208 hours) * Estimated Volunteer X Hourly Rate. This formula was replicated for each volunteer and a final figure of \$10,452 was calculated and added as a non-monetary revenue and expense line item for FY21.

Note 5 - Calculation of Community Education and Fundraising costs

Educating The Future hosts events in the Community for a dual purpose of fundraising and awareness raising of the importance of pre-school education in Timor-Leste, where this is the core function of the Annual Gala Dinner, and a secondary focus in the Annual Touch Football Event. This is displayed through guest speakers and materials distributed.

As per the ANCP guidelines, Educating The Future is permitted to attribute a percentage of Fundraising costs as Community Education. Educating The Future has attributed 50% of The 'Annual Gala Dinner' expenses and 20% of the 'Touch Football' expenses to community education. Both of these figures have been deducted from Fundraising costs.

Note 6 – Plus Funds transferred from Educating the Future

Cash from the Educating The Future was transferred to Educating The Future Australia Limited.

Note 7 – Directors' Remuneration

No remuneration was received by any director of the company as all services were rendered free of charges. However, any expenses incurred by directors in discharging their duties on matters relating to Educating The Future Australia Limited were met by the company.

Note 8 – Indemnity

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The trustee and any officer, agent or employee of the trustee in discharging their duties in accordance with the guidelines are:

- . Not liable for any loss or liability; and
- a. Entitled to be indemnified from the Trust Fund.

Note 9 – Contingent Liabilities

The directors are not aware of any contingent liabilities during the year.

Note 10 – Related Party Transactions

There are no related party transactions during the year.

Company Details	Registered Office	Principal Place of Business
Educating The Future Australia Limited ABN 31 632 970 819	6/195 Malabar Road, South Coogee NSW 2034	6/195 Malabar Road, South Coogee NSW 2034

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EDUCATING THE FUTURE AUSTRALIA LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2022, there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code or professional conduct in relation to the audit.

KS Black & Co
Chartered Accountants



Scott Bennison
Partner

Sydney, 24/11/2022

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EDUCATING THE FUTURA AUSTRALIA LIMITED**

Opinion

We have audited the financial report of Educating The Futura Australia Limited which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, the accompanying financial report of Educating The Futura Australia Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethics Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of Teen Ranch Limited, would be in the same terms if given to the directors as at the time of this auditors report.

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001, and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine in necessary 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.

In preparing the financial report, the directors are responsible for assessing the company's ability 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 company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

KS Black & Co
Chartered Accountants



Scott Bennison
Partner

Dated: 24/11/2022