

Teach For Australia
(A company limited by guarantee)

ACN 133 833 762

Financial Report
Year ended 31 December, 2015

TEACH FOR AUSTRALIA
(A company limited by guarantee)
ACN 133 833 762

FINANCIAL REPORT
FOR THE YEAR ENDED
31 December, 2015

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TEACH FOR AUSTRALIA
(A company limited by guarantee)
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DIRECTORS' REPORT

The directors present their report on the financial statements of the Company for the year ended 31 December, 2015.

DIRECTORS

The Directors of the Company in office at any time since the beginning of the year are:

Rufus Black	Anthony Mackay
John Denton	Susan Boucher
Larry Kamener	Steven Schwartz
Melodie Potts Rosevear	Julian Leeser (appointed 27/01/15)
Carol Schwartz (appointed 16/02/15 resigned 29/02/16)	

Directors have been in office since the beginning of the year to the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS

The following are particulars of the qualifications of each of the Directors :

Name	Special Experience	Responsibilities
Rufus Black	Master of Ormond College, an academic and ethicist	Chair
Susan Boucher	Former CEO of Principals Australia and 16 years experience in not – for – profit organisations involved in education and health	Deputy Chair
John Denton	Partner and Chief Executive Officer of Corrs, Chambers Westgarth, Lawyers	
Larry Kamener	Senior partner of Boston Consulting Group with specialist knowledge of public sector	
Anthony Mackay	Specialist in the area of school and system leadership, improvement and innovation	
Melodie Potts Rosevear	Former Think Tank Co-ordinator Cape York Institute for Policy and Leadership with focus on non profit management	Company Secretary CEO
Steven Schwartz	Executive director of the Australian Council for Humanities, Arts and Social Sciences and former Vice Chancellor of Macquarie University	

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Name	Special Experience	Responsibilities
Julian Leeser	Director Government, Policy and Strategy Australian Catholic University, Chair of NSW Jewish Board of Deputies' Community Relations Committee, Councillor of the Executive Council of the Australian Jewry and former Executive Director of the Menzies Research Centre	
Carol Schwartz	Member of Advisory Board and Director Bank of Melbourne Limited, Founding Chair of Women's Leadership Institute of Australia, Chairman of the Board of Our Community Pty Ltd, Director of Stockland Trust Management Limited and Founder and Chairman of Qualitas Property Partners	

The following table sets out the number of meetings of the company's directors (including committees of directors) held during the year ended 31 December, 2015, and the number of meetings attended by each director.

Name	Number eligible to attend	Number attended
Rufus Black	5	5
John Denton	5	3
Larry Kamener	5	1
Anthony Mackay	5	4
Melodie Potts Rosevear	5	5
Susan Boucher	5	4
Steven Schwartz	5	4
Julian Leeser	5	4
Carol Schwartz	4	2

PRINCIPAL ACTIVITIES

Teach For Australia is dedicated to breaking the cycle of disadvantage through teaching and leadership in education. Our vision is of an Australia where *all* children, regardless of background, attain an excellent education.

In support of this vision, our objectives and principal activities are outlined below.

Rigorously Recruit Australia's Top Talent into Teaching

We inspire people to choose a new path and become leaders of change. Selection of Teach For Australia Associates is a highly rigorous process and aims to understand the mindsets and competencies that applicants would bring into the classroom. This selection process is consistent with the selection criteria into teacher education programs described in new guidelines developed by the Australian Institute of Teaching and School Leadership (AITSL).

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To date, Teach For Australia has received almost 6,500 applications for our Leadership Development Program. The number of applications received continues to increase year-on-year, with a 16 per cent increase in 2015. With 124 Associates, Cohort 2016 is almost twice the size of Cohort 2015 and represents only six per cent of those who applied for the program.

Partner with Schools Serving Low Socioeconomic Communities

We partner with schools serving low socioeconomic communities, exclusively. Each partnership is designed to meet the needs of each school's unique context and improve the educational outcomes of students.

Associates are matched to partner schools based on their subject area, the curriculum needs of each school and the capacity of each school to support one or more Associates. Associates fill teaching vacancies. To date, Teach For Australia has partnered with more than 90 schools across the Australian Capital Territory, the Northern Territory, Victoria and Western Australia, and over 40 per cent of our partner schools are in regional and remote communities.

Develop Highly Effective Teachers and Leaders

Teach For Australia develops highly effective teachers and leaders through our innovative, employment-based Leadership Development Program. Over the course of two years, the Program builds teaching and leadership best practice, focusing on the development of the knowledge and skills that will have the greatest possible impact on students and schools, and creates mindsets amongst Associates, which result in their commitment to breaking the cycle of disadvantage.

A critical part of the Program is our partnership with universities to deliver a bespoke teaching qualification, designed for concurrent teaching in diverse educational contexts. From Cohort 2015, Associates study a Master of Teaching (Secondary) at Deakin University's School of Education.

As an employment-based pathway, our approach allows Associates to immediately integrate the knowledge and skills developed through the Program to the context of their own classrooms. The Program is delivered through executive education-style intensive programs, online learning and ongoing peer and expert coaching and feedback.

Associates receive comprehensive support throughout the Leadership Development Program via a Teaching & Leadership Adviser, a School Academic Mentor, an in-school mentor, a Leadership Coach, and the Associate and Alumni network.

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Improve Student and School Outcomes

Teach For Australia Associates teach students from Years 7 to 12 across all subject areas, set high expectations for all classes and analyse growth data to target their teaching. Together with our partner schools, we seek to ensure improved student outcomes across the following:

- achieve significant academic growth in student outcomes;
- experience increased access to opportunities;
- develop positive attitudes and beliefs about themselves and learning; and
- develop aspirations, interests and excitement that propels them forward.

Teach For Australia Associates and Alumni work in close collaboration with their fellow teachers and school leaders. We are conscious not to over claim attributions for student and school improvements. Nonetheless, teachers and school leaders have acknowledged Teach For Australia's contribution to improved outcomes across our partner schools.

Build a Pipeline of Leadership within Schools

Teach For Australia is a formative experience that ingrains a lifetime commitment to addressing educational disadvantage. The program creates a pipeline of exceptional leaders to drive long term transformational reform and innovation in education within schools, as lead teachers and principals.

Teach for Australia is also diffusing practices that lift teacher quality and student outcomes in partner schools. Partner schools are adopting many Teach For Australia practices – such as rigorous recruitment, mentoring and classroom observation and feedback practices – which help to lift teacher quality and student outcomes.

Drive Reform and Innovation in the Education System

Teach for Australia is supporting system reform in school leadership and policy. While most Alumni continue to drive change from within schools, Teach For Australia's model also builds a pipeline of leaders to drive long term system reform and innovation beyond the classroom as:

- government and political leaders who develop and implement major reforms to the education system that have a major positive impact on student outcomes; and
- social entrepreneurs who develop new models to improve student outcomes.

TRADING RESULTS

The attached financial statements show that the operations for the year resulted in a surplus after tax of \$315,035 (2014 - \$424,985).

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REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In 2015, our strategic areas of focus were growth, impact and organisational sustainability.

Growth

We implemented a new “regional” team structure, which significantly improved cross-functional collaboration and communication, helping to optimise our placement process.

The development of a more robust strategy for school engagement led to greater levels of school demand and expansion of our school partnerships in existing jurisdictions, notably to Kalgoorlie in Western Australia. Additionally, the allocation of more resources explicitly for attraction in Western Australia yielded 70 per cent more applications than 2014.

Our new recruitment campaign, *You Have What It Takes, Pass it On* (launched in 2015), was awarded the Most Popular Integrated Marketing Campaign at the 2015 AAGE Graduate Recruitment Industry Awards.

Sustainability

As documented in the 2013 Director’s Report, the Federal Government awarded Teach For Australia a contract to deliver three cohorts, through to Cohort 2017.

In 2015, we allocated a resource to our government relations work, to increase our capacity to coordinate bipartisan engagement with government and bureaucrats at a Federal level. We continue to engage the Federal Government for continued support to our sustainability.

The Victorian and Northern Territory Governments entered agreements to fund Cohort 2016 and we are continuing to engage all jurisdictions for continued support to our sustainability.

With assistance from the Boston Consulting Group, we reviewed our operating expenses and were able to achieve five per cent savings in 2015, through substantial and timely changes to expense guidelines and management. We aim to extend this review to 2016 to achieve greater savings.

We laid strong foundations for philanthropic income and activity in 2016, having employed an experienced fundraiser to review and refine our fundraising strategy and design major gift programs across specific markets. We expect to have two full-time resources dedicated to our Development activities in early 2016.

Impact

With a dedicated full-time resource, we have developed and are implementing a robust measurement and evaluation framework to support our ability to report on our mission and improve data management across the organisation. We continue to monitor and track Associate impact on students and school principals’ satisfaction with the Leadership Development Program.

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We have increased organisational capacity to manage our engagement with Alumni, tracking their movements, building a cohort, and ensuring sustained engagement with the vision and mission of Teach For Australia. We hosted our first major Alumni event, a Fundraising Gala, which was developed and delivered by a committee of Alumni, with support from our internal Marketing & Communications team. Further, strong digital media campaigns are increasing ongoing engagement with Alumni.

In order to provide further development opportunities for Alumni, as well as non-Alumni teachers, Teach For Australia launched two new programs in 2015:

Teach To Lead: developing a pipeline of effective school leaders to improve whole school outcomes in low socioeconomic communities.

EdFellows: Building policy and advocacy capacity in early-career educators to help ignite meaningful reform.

With five cohorts having completed the Leadership Development Program at the end of 2015, a pipeline of school leadership in education is emerging.

- Approximately 50 per cent of Associates take on leadership positions in their second year of teaching.
- 94 per cent of Associates teach for at least two years, with over 80 per cent teaching for at least three years.
- Across the five cohorts of Alumni, over three-quarters of Alumni are currently working in the education sector, with over 60 per cent teaching.

MATTERS SUBSEQUENT TO THE YEAR END

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

In 2016, we will focus on four strategic priorities:

Growth — We seek to grow the number of students we empower, by growing the number of Associates. Growth is a form of impact, as these individuals are our most promising leaders and are committed to building educational opportunity for all. Growth is also critical to establishing our legitimacy and securing funding.

Sustainability — We seek to diversify our funding base, to ensure that our growth and core activities are funded, our staff feel engaged and enabled, and we operate efficiently and effectively.

Impact — We seek to ensure Associates and Alumni are highly engaged and effective teachers and leaders, achieving transformative student outcomes and increasing school, community, and system capacity, and demonstrate deep engagement and commitment to our mission.

People & Culture — We seek to build a strong culture and people systems in service of our mission to break the cycle of educational disadvantage.

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OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

ENVIRONMENTAL ISSUES

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

DIVIDENDS

The Company has no power to declare or pay dividends under its Constitution.

INDEMNIFYING OFFICER OR AUDITOR

In accordance with its constitution, during the year, the company paid or agreed to pay insurance premiums as follows :

- The company has paid premiums to insure all of the directors and officer bearers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity of director or office bearer of the company, other than conduct involving a wild breach of duty in relation to the company. The premium amounted to approximately \$6,300.

PROCEEDINGS ON BEHALF OF THE COMPANY

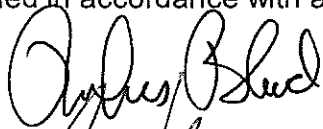
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s60-40 of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) is included at page 10 of this financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors



Rufus Black

Director



Larry Kamener

Director

Place: Melbourne

Date: 14 April, 2016



Ahead For Business

Chartered Accountants and Business Advisors

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF TEACH FOR AUSTRALIA

Report on the Financial Report

I have audited the accompanying financial report of Teach For Australia, which comprises the statement of financial position as at 31 December, 2015, the statement of profit and loss and other comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility 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 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC).

Ahead For Business Pty Ltd

Level 10, 420 St Kilda Road

Melbourne Victoria 3004

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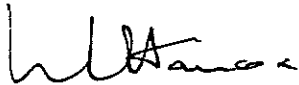
email admin@aheadforbusiness.com.au

LIABILITY LIMITED BY A SCHEME APPROVED UNDER
Professional Standards Legislation

Audit Opinion

In my opinion:

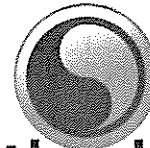
- a) the financial report of Teach For Australia is in accordance with the Australian Charities and Not – for – profits Commission Act 2012 (ACNC), including :
 - i) Giving a true and fair view of the Company's financial position at 31 December, 2015 and of its performance and cash flows for the year ended on that date and
 - ii) Complying with Accounting Standards in Australia – Reduced Disclosure Requirements and the Australian Charities and Not – for – profits Commission Regulation 2013.



Wendy Hancox
Director
Ahead For Business Pty Ltd

Place: Melbourne

Date: 28 April, 2016



Ahead For Business
Chartered Accountants and Business Advisors

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF TEACH FOR AUSTRALIA

In accordance with the requirements of s 60 – 40 of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC), I declare that for the year ended 31 December, 2015, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Wendy Hancox
Ahead For Business Pty Ltd

Melbourne
Date : 28 April, 2016

Ahead For Business Pty Ltd
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Melbourne Victoria 3004
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Professional Standards Legislation

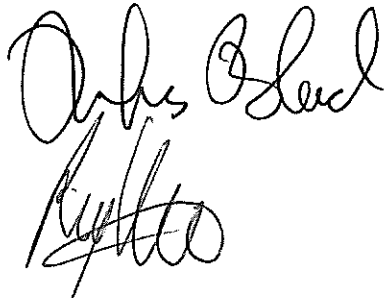
**TEACH FOR AUSTRALIA
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 24 are in accordance with the Australian Charities and Not – for – profits Commission Act 2012 (ACNC) and :
 - a) Comply with the Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b) Give a true and fair view of the company's financial position as at 31 December, 2015 and of its performance for the year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Rufus Black **Director**

Larry Kamener **Director**

Place: Melbourne

Date: 14 April, 2016

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2015

	Note	2015	2014
CURRENT ASSETS			
Cash and cash equivalents	14	11,056,793	9,710,933
Trade & other receivables	4	3,975,274	3,251,365
		<u>15,032,067</u>	<u>12,962,298</u>
TOTAL CURRENT ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment	5	66,708	38,946
		<u>66,708</u>	<u>38,946</u>
TOTAL NON CURRENT ASSETS			
		<u>15,098,775</u>	<u>13,001,244</u>
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade & other payables	6	601,415	517,540
Funding in advance	2	9,226,817	7,075,465
Short term provisions	7	197,289	136,141
		<u>10,025,521</u>	<u>7,729,146</u>
TOTAL CURRENT LIABILITIES			
NON CURRENT LIABILITIES			
Funding in advance	2	490,542	969,867
Long term provisions	7	113,340	147,894
		<u>603,882</u>	<u>1,117,761</u>
TOTAL NON CURRENT LIABILITIES			
		<u>10,629,403</u>	<u>8,846,907</u>
TOTAL LIABILITIES			
		<u>4,469,372</u>	<u>4,154,337</u>
NET ASSETS			
ACCUMULATED FUNDS			
Unrestricted Reserves		2,771,391	2,443,400
Restricted Reserves		1,697,981	1,710,937
TOTAL ACCUMULATED FUNDS		<u>4,469,372</u>	<u>4,154,337</u>

Notes to and forming part of these accounts are set out on pages 15 to 25.

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**STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE
INCOME**
FOR THE YEAR ENDED 31 DECEMBER, 2015

	Note	2015	2014
CLASSIFICATION OF EXPENSES BY NATURE			
Revenue	2	7,003,097	4,922,409
Program Costs			
Travel & accommodation		344,570	318,669
Marketing, advertising		273,487	173,908
Teacher education		1,785,230	623,717
Events		134,522	94,722
Other		29,633	198,741
Administration		447,265	379,728
Staff and contractors		3,673,355	2,707,939
Surplus before income tax expense	3	315,035	424,985
Income tax expense		-	-
Net surplus for the year		315,035	424,985

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2015

	Note	Unrestricted Reserves	Restricted Reserves	Total
Balance at 1 January, 2015		2,443,400	1,710,937	4,154,337
Surplus for the year		315,035	-	321,035
Transfer to Restricted Reserves	16	12,956	(12,956)	-
Balance at 31 December, 2015		2,771,391	1,697,981	4,475,372

Notes to and forming part of these accounts are set out on pages 15 to 25.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December, 2015

	Note	2015	2014
Cash flows from operating activities :			
Payments to suppliers and employees		(7,356,109)	(4,447,985)
Receipts from customers		8,402,115	5,503,874
Interest received		358,154	363,351
Interest paid		-	-
		<hr/>	<hr/>
Net cash (absorbed)/provided from operating activities	13	1,404,160	1,419,240
		<hr/>	<hr/>
Cash flows from investing activities :			
Purchase of plant & equipment		(58,300)	(29,901)
		<hr/>	<hr/>
Net cash used in investing activities		(58,300)	(29,901)
		<hr/>	<hr/>
Net increase in cash held		1,345,860	1,389,339
Cash at beginning of year/period		9,710,933	8,321,594
		<hr/>	<hr/>
Cash at end of year/period	14	11,056,793	9,710,933
		<hr/> <hr/>	<hr/> <hr/>

Notes to and forming part of these accounts are set out on pages 15 to 25.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Australian Charities and Not – for – profits Commission Regulations 2013.

The company has applied AASB 1053 for the year. This standard establishes a differential reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements being Tier 1 – Australian Accounting Standards and Tier 2 – Australian Accounting Standards – Reduced Disclosure Requirements. The company being classed as Tier 2, continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

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

Basis of Preparation

The accounting policies have been consistently applied to all periods presented.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Property, plant and equipment

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

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

b) Depreciation

The depreciation amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, are depreciated over their useful lives to the economic entity commencing from the time the assets are held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation Rate
Plant and equipment	25 - 50% pa Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Income Tax

The company is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

d) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible 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 expensed to the income statement.

Where it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Long service leave is accrued on a pro-rata basis after 5 years. In prior years, long service leave was accrued on a pro-rata basis after 2 years. The structure of the staffing has changed to include a major section which is unlikely to remain in employment and qualify for long service leave payments as required by law. Had the provision last year been based on 5 years service, the provision would have been lower by \$83,391. The effect on the surplus before tax last year is \$Nil as any surplus under an on-going Government contract is carried forward to meet future expenditure.

f) Provisions

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

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

h) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts or rebates allowed.

Where restricted use contracted funding or donation revenue and the expenditure for such revenue during the year has not occurred or is incomplete and there is likely to be an obligation to repay, the resulting amount is carried forward in Funding in Advance and will be brought to account in future years as expenditure is incurred.

Restricted use may be designated the funder, donee or Teach For Australia.

Non restricted use contracted funding and donations are recognised at the time of receipt.

Interest income and service fees are recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Sponsorship income is taken up in the year to which it relates on an accruals basis.

i) Goods & Services Tax

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 balance sheet are shown inclusive of GST.

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

j) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report 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.

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

2. REVENUE

	2015	2014
<i>Operating activities :</i>		
Government Funding		
Contracted funding brought forward	7,911,390	4,385,954
Contracted funding income received	7,082,090	7,683,273
Funding of projects in next year	(8,899,044)	(6,941,524)
Funding of projects in years following next year	(490,542)	(969,867)
Total Government Funding	5,603,894	4,157,836
Restricted Use Donations		
Donations brought forward	133,941	-
Donations received	1,265,044	321,500
Donations carried forward	(327,774)	(133,941)
Total Restricted Use Donations	1,071,211	187,559
Unrestricted Use Donations		
Foundations, philanthropic & public donations	-	152,029
Interest received from banks	327,991	424,985
Total revenue	7,003,096	4,922,409

3. SURPLUS BEFORE INCOME TAX EXPENSE

	2015	2014
Surplus from ordinary activities before income tax expense has been determined after:		
Depreciation of property, plant & equipment	30,538	25,518
Movement provision for employee entitlements	26,594	79,840
Rental expense on operating leases	141,927	126,083
Remuneration of Auditors :		
Audit of the financial report	4,400	4,400
Other services	1,670	2,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

4. TRADE & OTHER RECEIVABLES

CURRENT

	2015	2014
Trade debtors	3,729,555	3,117,024
Prepayments and recoverable	178,335	36,794
Interest receivable	67,384	97,547
	<u>3,975,274</u>	<u>3,251,365</u>
	<u>3,975,274</u>	<u>3,251,365</u>

5. PROPERTY, PLANT & EQUIPMENT

	2015	2014
Plant and equipment, at cost	375,262	316,962
Accumulated depreciation	(308,554)	(278,016)
Total	<u>66,708</u>	<u>38,946</u>
	<u>66,708</u>	<u>38,946</u>

Movements in Carrying Amounts

Balance at the beginning of the period	38,946	34,563
Additions	58,300	30,313
Disposals	-	(412)
Depreciation	(30,538)	(25,518)
	<u>66,708</u>	<u>38,946</u>
Balance at the end of the year/period	<u>66,708</u>	<u>38,946</u>

6. TRADE & OTHER PAYABLES

CURRENT

	2015	2014
<i>Unsecured liabilities</i>		
Trade creditors and accrued expenses	601,415	517,540
	<u>601,415</u>	<u>517,540</u>
	<u>601,415</u>	<u>517,540</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

7. PROVISIONS

CURRENT	2015	2014
Employee entitlements at start of period	136,141	96,509
Employee entitlements used	(187,658)	(191,881)
Additional provisions	248,806	231,513
	197,289	136,141
NON CURRENT		
Employee entitlements at start of period	147,894	107,686
Additional provisions	(34,554)	40,208
	113,340	147,894
TOTAL	310,629	284,035

8. LEASE AND HIRE PURCHASE COMMITMENTS

	2015	2014
a) Operating leases		
Commitments in relation to non-cancellable Operating leases are payable as follows :		
Due within 1 year	137,266	75,237
Due within 2-5 years	78,246	-
Due after 5 years	-	-
	215,512	75,237
	215,512	75,237

The Melbourne office lease is for a period of 2 years from 06/08/15 and predetermined inflationary increases on each anniversary. Rent is payable in advance.

9. MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December, 2015, the number of members was 9.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

10. KEY MANAGEMENT PERSONNEL COMPENSATION

	2015	2014
Short term benefits	1,068,866	930,759
Other long term benefits	190,914	178,548
	<u>1,259,780</u>	<u>1,109,307</u>
Total	<u>1,259,780</u>	<u>1,109,307</u>

11. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events after the financial year end.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

12. FINANCIAL RISK MANAGEMENT

Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating Interest Rate		Fixed Interest Rate	
	2015	2014	2015	2014	2015	2014
	%	%	\$	\$	\$	\$
Financial Assets						
Cash at Bank	2.45	3.31	2,468,619	1,292,557	8,588,174	8,418,376

Interest rate risk is managed using a combination of floating rate and fixed interest rate finance. The fixed interest rate deposit represents a longer term investment.

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or meeting its fixed spending obligations. The company manages this risk through tight budgetary control.

Credit Risk

Exposure to credit risk relating to financial assets arises from the non performance of counterparties of contract obligations that could lead to financial loss.

Credit risk is managed by ensuring that an adequate level of funding is received prior to providing services. Risk is also minimised by investing surplus funds only in institutions with a high credit rating.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

The company receives its funding primarily from State and/or Federal Government. Funding is received in advance of provision of services.

Price Risk

The company is not exposed to any material commodity price risk.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2015

Net Fair Value

The net fair value of assets and liabilities approximates to their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the accounts.

13. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS AFTER INCOME TAX

	2015	2014
Surplus after income tax	315,035	424,985
Depreciation	30,538	25,518
(Increase)/decrease in debtors	(723,910)	(3,142,419)
(Decrease)/Increase in creditors	83,874	371,938
(Decrease)/Increase in funding in advance	1,672,029	3,659,378
Increase/(decrease) in provisions	26,594	79,840
	1,404,160	1,419,240
Net cash (absorbed)/ provided from operating activities	1,404,160	1,419,240

14. CASH & CASH EQUIVALENTS

	2015	2014
Cash at bank and in hand	11,056,793	9,710,933
	11,056,793	9,710,933
<p>The weighted average interest rate on bank balances was 2.45%pa (2014 – 3.31%)</p> <p>Reconciliation of Cash</p> <p>Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows :</p>		
Cash at bank and in hand	11,056,793	9,710,933
Cash per cash flow statement	11,056,793	9,710,933
	11,056,793	9,710,933

Credit Standby Arrangement & Loan Facilities

The company had a \$25,000 (2014 - \$25,000) credit card facility at the year end.

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NOTES TO THE FINANCIAL STATEMENTS
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15. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated.

During the year under review, Ms Melodie Potts Rosevear, director and company secretary, was paid remuneration, including superannuation and benefits, of \$201,571 (2014 - \$169,732) for services provided in her role as Chief Executive Officer of the company.

An associate of Ms Potts Rosevear was paid remuneration of \$61,810.

16. RESERVES

The Restricted Reserves records philanthropic funds, donations and other funding to be expended only on specific program activities and operational needs or capital projects as restricted by the funder.

17. SEGMENT REPORTING

The company acts solely within Australia.

18. CAPITAL COMMITMENTS

As at 31 December, 2015, the company had capital commitments of \$58,000 for the design and management of an upgrade to the Melbourne office.

19. COMPANY DETAILS

The company is a company limited by guarantee and incorporated in Australia. Its registered office and principal place of business are:

Level 1
103 Flinders Lane
Melbourne
Victoria 3000
Australia

The average number of employees during the year was 42 (2014 – 33).