

**Teach For Australia**  
**(A company limited by guarantee)**

**ACN 133 833 762**

**Financial Report**  
**For the Year ended**  
**31 December 2019**

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 December 2019**

**CONTENTS**

	Page
Directors' Report	3
Auditor's Independence Declaration	12
Independent Auditor's Report	13
Directors' Declaration	16
Statement of Financial Position	17
Statement of Profit and Loss & Other Comprehensive Income	18
Statement of Changes in Equity	19
Statement of Cash Flows	20
Notes to the Financial Statements	21

**TEACH FOR AUSTRALIA**  
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**DIRECTORS' REPORT**

The Directors present their report on the financial statements of the Company for the year ended 31 December 2019.

**DIRECTORS**

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

Larry Kamener	Melodie Potts Rosevear
Steven Schwartz (resigned 12th September, 2019)	Dorothy Hisgrove
Paul Brasher	Alyce Bradford (nee Cleary)
Elana Rubin	

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:

<b>Name</b>	<b>Special Experience</b>	<b>Responsibilities</b>
Larry Kamener	Former senior partner, Boston Consulting Group with specialist knowledge of the public sector	Chair
Melodie Potts Rosevear	Founder TFA, former Consultant at Boston Consulting Group, Think Tank leader at Cape York Institute, Member AICD	CEO
Paul Brasher	Vice-President of Essendon Football Club, former Chair of Incitec Pivot, former Non-Executive director of Amcor Limited and Perpetual Limited, former Chairman of the Global Board of PwC, former Chair of Reach Foundation.	Chair Audit & Risk Committee
Alyce Bradford	Teach For Australia Alumna (Cohort 2010), Principal Senior School at Palm Beach - Currumbin State High School	Member Audit & Risk Committee
Dorothy Hisgrove	Chief People Officer and Partner at PwC. Former Head of Brand & Marketing, former Customer Experience & People at AFL, former Executive at Australia Post, NAB and BHP	
Elana Rubin	Non-Executive Director of Mirvac, Afterpay Touch and Slater & Gordon, Director of Transurban QLD, Me Bank and VMIA.	

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**DIRECTORS' REPORT (CONTD)**

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 2019 and the number of meetings attended by each director.

Names	Board Meetings		Audit & Risk Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Larry Kamener	6	6		
Melodie Potts Rosevear	6	6	4	3
Steven Schwartz	4	2		
Paul Brasher	6	5	4	4
Alyce Bradford	6	5	4	4
Dorothy Hisgrove	6	3		
Elana Rubin	5	4		

**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.

- By age 15, children from the lowest socioeconomic households are on average almost three years behind in school than children from the highest socioeconomic households (ACER 2013).
- Approximately 40 per cent of children from the lowest socioeconomic households do not complete Year 12.
- Only one quarter of young people in these communities attend university by their mid-20s, compared to two-thirds of young people from the highest socioeconomic backgrounds (Mitchell Institute 2015).

Education outcomes are the result of many factors outside of a child's control, such as postcode effects and parental education levels and income. Lower levels of education drive diminished life opportunities, including reduced access to employment, reduced earnings, and poorer health and wellbeing outcomes. This unfair relationship is known as 'educational disadvantage'. A child's happiness and health should not be dictated by where their parents are able to live or the level of education they were able to obtain.

**Where does Teach For Australia come in?**

We put exceptional people in front of the students who need them most. 2019 marked Teach For Australia's 10<sup>th</sup> Anniversary, placing over 850 Associates into more than 9,000 classrooms in nearly 200 schools across Victoria, Tasmania, Western Australia, the ACT and the Northern Territory. To date, we've reached nearly 200,000 students. Encouraging the right people to commit to the classroom is essential – and it's where our work begins.

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**DIRECTORS' REPORT (CONTD)**

***Teaching is Leadership!***

A great teacher can have a huge impact in the classroom, within schools and in broader communities. A classroom leader does not just deliver content well. They are also a role model and a mentor, they bring positivity and passion to their school each morning, and they are an invested member of their community. They are leaders who inspire and empower others. A great teacher changes lives. We believe that teaching is leadership. Leadership is a set of skills and behaviours that enable you to translate a vision into reality, mobilizing others to succeed and to bring about change.

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

**Recruit:** We attract, recruit and select people with leadership potential to take action against educational disadvantage.

**Inspire:** Through our programs, we support participants to develop a deeper understanding of the reality of educational disadvantage, prove that they can make a meaningful and tangible positive impact on students, schools and communities, and instill a lifelong passion and commitment to this purpose. 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.

**Connect:** Our program Alumni are part of a local, national and global network of leaders with a shared experience, who are passionate about achieving educational equity and that enables them to remain connected to our purpose and build off of each other's work to more efficiently drive change.

**Empower:** We develop program participants to become effective teachers and leaders with the skills, knowledge and experience that will enable them to mobilise others to bring about change, and know how they can continue to contribute to this work beyond their commitment to Teach For Australia.

**A lifetime of action:** Our Alumni are core to Teach For Australia. We support them to remain inspired, connected and empowered to tackle educational disadvantage throughout their lifetime by:

- Teaching in schools serving low socioeconomic communities;
- Leading schools serving low socioeconomic communities;
- Innovating and solving problems in schools and the education system;
- Influencing education policy and government decision-making;
- Supporting low socioeconomic communities; and
- Contributing their time, skills, resources and funds to our mission

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**DIRECTORS' REPORT (CONTD)**

**What outcomes do we seek?**

Teach For Australia Associates teach students from Years 7 to 12 across all subject areas, set high expectations for all classes and analyse student data to target their teaching.

***Student Outcomes:*** Together with our partner schools, we seek to ensure improved student outcomes across the following:

- Achieve 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.

***Leadership Pipeline in Schools:*** Teach For Australia is a formative experience that instils a lifetime commitment to addressing educational disadvantage. The program creates a pipeline of 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 demonstration lessons as part of recruitment, mentoring and classroom observation and feedback practices – which help to lift teacher quality and student outcomes.

In addition to our core program for Associates, Teach For Australia also runs Teach To Lead, a selective, two year development program for early-career middle leaders from eligible primary and secondary schools serving communities experiencing disadvantage. The program seeks to enhance the leadership capability of participants (referred to as Fellows) and accelerate them into positions of further formal leadership and impact within schools. Teach To Lead Fellows as well as Teach For Australia Associates help build a pipeline of leaders focussed on improving student outcomes in areas of need.

**TRADING RESULTS**

The attached financial statements show that the operations for the year resulted in a surplus after tax of \$2,182,152 (2018 \$1,673,908).

**TEACH FOR AUSTRALIA**  
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**DIRECTORS' REPORT (CONTD)**

**REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

In 2019, our strategic areas of focus continued to be growth, impact, organisational sustainability and people & culture. As an organization, we celebrated our 10 year anniversary,

**Growth**

During 2019 TFA embarked on strategies within Recruitment, Program Operations, and Government and Philanthropy to increase our overall Cohort size, broaden our geographical footprint and build our sustainability.

The recruitment activity focused on the continuous improvements in the activities of attraction, selection and matriculation. The Recruitment team introduced Alumni Assessors and virtual screening into the selection process. The pipeline of suitable applicants was strong but competition for high achievers is ever increasing and the need for a very strong value proposition has never been more important.

The team achieved strong growth in attracting our in demand STEM candidates, however our overall Associate number was down compared to the prior Cohort. Both Tasmania and Northern Territory Associate numbers grew, however Associate numbers in WA and Victoria fell, due to complications in timing of supply and demand. School demand was strong and some demand went unmet. Overall, 132 Associates were placed for Cohort 2020, and twenty new partner schools joined the program for 2020, taking the cumulative number of partner schools to date to over 200.

Further, retention of Associates active in the program through Cohorts 2018 and 2019 remained high at 92% and within expected tolerance levels.

TFA remains committed to serving schools and communities where we can make a difference. Growth therefore remains TFA's medium-to-long term strategic imperative.

**Sustainability**

The funding from fundraising efforts in 2019 generated approximately \$3.4 million in revenue driven by major funding from the Paul Ramsay Foundation (Australia's largest private foundation), as well as significant contributions from ongoing relationships with multi year agreements with Wesfarmers, Woodside, the RE Ross Foundation, The William Buckland Foundation and the Sidney Myer Fund.

Implemented in 2019, a strategy to broaden TFA fundraising efforts into small and large gifts from individuals has also been successful.

TFA is grateful to all our new and current funders and the resources and support they provide in supporting our mission driven work.

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**DIRECTORS' REPORT (CONTD)**

**Impact**

Building on our inaugural impact report, Teach for Australia continued its efforts in implementing a robust measurement and evaluation framework to support our ability to report on our mission and improve data management across the organisation. In 2019, Teach For Australia produced *10 Years of Impact*. This report summarizes our impact over 10 years. Refer to Teach for Australia's website [teachforaustralia.org](https://teachforaustralia.org) for the full report.

Furthermore we also continued the publication of the bi-annual, *STORIES*; a retrospective that documented Teach For Australia's achievements, showcasing Associates, Alumni and Fellows over the year. The stories demonstrate how Teach For Australia is building an inspired, connected and empowered community—a community of leaders who have taken up Teach For Australia's mission to address educational inequity, and continue to contribute to this work in their own unique way.

We continue to invest in capacity to ensure Alumni of our program stay connected and engaged with the mission and to enable them to act on their agency. Building on the work that commenced in 2016-17, Teach for Australia continues to implement the Alumni Community Health Index to measure the health of the Alumni network and track how Teach for Australia and its Alumni interact with and support each other. Other key activities included communities of action focusing on innovations, the production of the monthly e-newsletter and regional graduation events.

With nine cohorts having completed the Leadership Development Program at the end of 2019, the network of Alumni as teachers as leaders continues to grow:

- 93% of Associates teach for at least two years.
- 88% of the most recent cohort of Alumni have remained in teaching for a third year<sup>[1]</sup>.

Across the nine cohorts of Alumni, 84% of Alumni are currently working in education related fields, with 66% teaching. 49% of our teaching Alumni are in leadership roles in their schools, with fifteen current principal class leaders<sup>[2]</sup>.

Teach For Australia continued its commitment to deliver a high quality mentor development program with philanthropic funding received from the William Buckland Foundation (2017 – 2020). Feedback from schools and staff participating in the program has been extremely positive.

Teach To Lead, an initiative funded initially by philanthropic donors Sidney Myer Fund and Gandel Philanthropy in 2015, and supported by the Bastow Institute of Educational Leadership, builds a pipeline of leaders within schools serving low socioeconomic communities, to improve student and school outcomes.

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<sup>[1]</sup>TFA collects career pathway data in February each year. Accordingly, this figure is based on Cohort 2020 Alumni Career Pathway data as of February 2020<sup>[2]</sup> Ibid.



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**DIRECTORS' REPORT (CONTD)**

**Impact (contd)**

Through a year-long comprehensive program, Fellows build skills in leading themselves, others, learning and change through face to face and peer to peer learning, coaching, and leading an impact initiative in their schools. The participants known as 'Fellows' are rigorously-selected individuals who hold formal leadership roles in schools serving low socioeconomic communities. The most recent cohort comprising of 64% secondary school leaders, and 9% primary leaders and 27% leading alternative or special education programs. Feedback from Cohort 2019 Fellows, their colleagues and principals indicates that Teach To Lead has had a significant impact on Fellows' leadership effectiveness and on the teams they lead.

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION**

In 2020, we seek to focus on five strategic priorities:

**Advance Strategic Clarity** – We seek to communicate and integrate a 2030 vision and renew our strategy, building these into our operational plans over the coming four years.

**Drive Program 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. We also seek to work with our university partner to accredit a more bespoke Master of Teaching degree for participants, and to embed a new Alumni strategy across all functions.

**Secure Sustainability** - We seek to further diversify our funding base, to ensure that our growth and core activities are funded and we operate efficiently and effectively.

**Raise Profile** – We seek to increase our profile and media presence to drive greater awareness and build strong relationships.

**Enhance Employee Experience** – We seek to improve our performance management approach, implement a targeted development plan and improve our internal communications to drive staff engagement. In addition, we will deliver on our RAP (Reconciliation Action Plan), as part of our Diversity and Inclusion strategy.

**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.

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**DIRECTORS' REPORT (CONTD)**

**DIVIDENDS**

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

**SUBSEQUENT EVENTS**

In May 2019, the Federal Government announced a \$15m investment for Teach For Australia to train high achieving teachers who will become high quality school leaders in rural, remote or disadvantaged schools. This announcement was formalised with a \$7.5m contract to extend Teach For Australia's HATP (High Achieving Teachers Program) for Cohort 2022 in February 2020. In March 2020 Teach For Australia signed a \$7.5m Grant Agreement with the Federal Government to pilot a Future Leaders Program to encourage and support High Achieving Teachers to transition to positions of school leadership and promote quality leadership in schools, particularly in regional and rural Australia.

COVID-19 was first heard of in December 2019 and began significantly impacting Australian society in March 2020. At the date of these accounts, it continues to be an emerging issue across the globe and within our education community. Teach for Australia is working to limit the impact of this pandemic, by pivoting the delivery of our Leadership Development and Teach to Lead programs to a more digitally supported online environment. Teach For Australia is fortunate to have already been well positioned as an organisation for more remote ways of working and our staff have been quick to respond with necessary changes to and flexibility in program delivery.

Educating our children is a critical societal activity and teachers and leaders within our partner schools continue to require support as they navigate unprecedented changes in the way instruction is conceived and delivered in the current environment.

Teach for Australia is cognisant of the possible impact of this issue on future scale of Cohorts due to impact on supply and demand for teaching and leadership services over the medium term. We are also monitoring potential impact on the cash flows of the Company, predominantly through the potential for reduced philanthropic funding, as well as the economic pressures which may result in changes to federal and state funding for future Cohorts. These potential impacts are not yet quantifiable and are not accounted for within this report.

**INDEMNIFYING OFFICERS 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 \$12,600.

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**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 section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC) is included at page 12 of this financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors

  
Larry Kamener

**Director**

  
Paul Brasher

**Director**

Place: Melbourne

Date: 14 May 2020

The Board of Directors  
Teach for Australia  
Level 1, 103 Flinders Lane  
Melbourne VIC 3000

14 May 2020

Dear Board Members

## **Teach for Australia**

In accordance with *Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Teach for Australia.

As lead audit partner for the audit of the financial statements of Teach for Australia for the financial year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) 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) any applicable code of professional conduct in relation to the audit.

Yours sincerely



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Sandra Lawson  
Partner  
Chartered Accountants

## Independent Auditor's Report to the Members of Teach for Australia

### Opinion

We have audited the financial report of Teach for Australia (the "Entity"), which comprises the statement of financial position as at 31 December 2019, 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, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In our opinion, the accompanying financial report of Teach for Australia is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2019 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### 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 Entity in accordance with the auditor independence requirement of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Entity'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 Entity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.



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Sandra Lawson  
Partner  
Chartered Accountants  
Melbourne, 14 May 2020

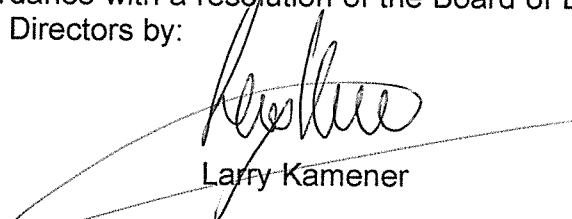

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**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 37 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 2019 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:

 Larry Kamener	<b>Director</b>
 Paul Brasher	<b>Director</b>

Place: Melbourne

Date: 14 May 2020



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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	4,966,827	4,433,824
Other financial assets	3	7,733,918	7,076,805
Trade and other receivables	4	1,257,612	4,123,932
<b>TOTAL CURRENT ASSETS</b>		<u>13,958,357</u>	<u>15,634,561</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	572,503	110,430
Investments	6	3,743,340	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,315,843</u>	<u>110,430</u>
<b>TOTAL ASSETS</b>		<u>18,274,200</u>	<u>15,744,991</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	548,235	733,567
Funding in advance		6,850,965	6,872,271
Lease liabilities	8	166,654	-
Short term provisions	9	463,840	443,953
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,029,694</u>	<u>8,049,791</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	8	358,477	-
Long term provisions	9	38,949	30,275
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>397,426</u>	<u>30,275</u>
<b>TOTAL LIABILITIES</b>		<u>8,427,120</u>	<u>8,080,066</u>
<b>NET ASSETS</b>		<u>9,847,080</u>	<u>7,664,925</u>
<b>EQUITY</b>			
Accumulated Reserves		<u>9,847,080</u>	<u>7,664,925</u>
<b>TOTAL ACCUMULATED FUNDS</b>		<u>9,847,080</u>	<u>7,664,925</u>

Notes to and forming part of these accounts are set out on pages 21 to 37.

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**STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>Revenue</b>	<b>10</b>	<b>15,563,966</b>	<b>13,566,364</b>
<b>Expenditure</b>			
Program costs			
- Recruitment		1,725,250	1,359,808
- School placement		1,198,997	1,039,502
- Teacher education		6,537,930	5,985,122
- Program office		1,013,954	781,318
- Other		43,200	-
<b>Total program costs</b>		<b>10,519,331</b>	<b>9,165,750</b>
Fundraising		1,268,500	1,001,260
Administration		1,593,983	1,725,446
<b>Total Expenditure</b>		<b>13,381,814</b>	<b>11,892,456</b>
<b>Surplus before income tax</b>	<b>11</b>	<b>2,182,152</b>	<b>1,673,908</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Net surplus for the year</b>		<b>2,182,152</b>	<b>1,673,908</b>

Notes to and forming part of these accounts are set out on pages 21 to 37.

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulated reserves at beginning of period</b>	<b>7,664,925</b>	<b>5,991,017</b>
<b>Surplus for the year</b>	<b>2,182,152</b>	<b>1,673,908</b>
<b>Accumulated reserves at end of period</b>	<b><u>9,847,077</u></b>	<b><u>7,664,925</u></b>

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019	2018
<b>Cash flows from operating activities :</b>			
Payments to suppliers and employees		(13,261,149)	(12,959,827)
Receipts from funders		18,049,383	11,377,364
Interest received		319,009	284,677
Finance costs paid		(15,144)	-
<b>Net cash provided from / (used in) operating activities</b>	<b>16</b>	<u>5,092,099</u>	<u>(1,297,786)</u>
<b>Cash flows from investing activities :</b>			
Purchase of plant & equipment		(36,244)	(11,143)
Purchase of financial assets		(657,113)	(5,776,805)
Purchase of investments		(3,702,752)	-
<b>Net cash used in investing activities</b>		<u>(4,396,109)</u>	<u>(5,787,948)</u>
<b>Cash flows from financing activities:</b>			
Repayment of lease liabilities		(162,987)	-
<b>Net cash used in financial activities</b>		<u>(162,987)</u>	<u>-</u>
<b>Net increase/ (decrease) during the year</b>		<u>533,003</u>	<u>(7,085,734)</u>
<b>Balance at the beginning of the year</b>	<b>2</b>	<u>4,433,824</u>	<u>11,519,558</u>
<b>Balance at the end of the year</b>	<b>2</b>	<u>4,966,827</u>	<u>4,433,824</u>

Notes to and forming part of these accounts are set out on pages 21 to 37.

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

**1. STATEMENT OF ACCOUNTING POLICIES**

**Statement of Compliance**

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 Act 2012.

For the purposes of these financial statements, Teach For Australia is a not-for-profit private sector entity.

The financial report was authorised for issue by the Directors on 14 May 2020.

The financial report is presented in Australian dollars.

**Basis of Preparation**

The financial report has been prepared on a historical cost basis, except for certain non-current assets and financial instruments that have been measured at revalued amount or fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The accounting policies adopted are consistent with those of the previous year, unless otherwise noted.

**Amendments to Accounting Standards that are mandatorily effective for the current reporting period.**

The company has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

**AASB 16 - Leases**

In the current year, the company has applied AASB 16 Leases which is effective for annual periods that begin on or after 1 January 2019. AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**Application of new and revised Australian Accounting Standard (cont'd)**

**AASB 16 – Leases (cont'd)**

The impact of the adoption of AASB 16 on the company's financial statements is described below:

**Impact of the new definition of a lease**

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in AASB 117 and Interpretation 4.

**Impact on lease accounting**

AASB 16 changes how the company accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases (except as noted), the company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments.
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss.
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136 Impairment of Assets.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the company has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'administration expenses' in profit or loss.

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**Application of new and revised Australian Accounting Standard (cont'd)**

**AASB 16 – Leases (cont'd)**

The financial impact of the initial application of AASB 16 has been:

- The recognition of right of use assets has increased the Company's non-current assets by \$688,119.
- The recognition of lease liabilities associated with the recognition of these right of use assets has increased the Company's liabilities by \$688,119 which comprises the expected outflows under the contractual arrangements as well as a financing component for the leases.

Depreciation of the right of use assets for the period was \$180,086 and the interest expense recognised on lease liabilities was \$15,144.

The Statement of Financial Position discloses the value of the right-of-use asset and its related liability.

**New and revised Australian Accounting Standards in issue but not yet effective**

The following standards are on issue effective for annual reporting periods beginning on or after 1 January 2020:

- AASB2018-06 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations effective for annual reporting periods beginning on or after 1 January 2020, were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

- Amendments to References to the Conceptual Framework in IFRS standards

The potential effect of the other revised Standards / Interpretations listed above on the Company's financial statements has not yet been finalised but the Company does not expect any material impact on its financial position and performance, with the adoption of revised Standards/ Interpretations.

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**Accounting Policies**

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.

**(a) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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) Financial Instruments**

**Recognition and Derecognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

*Initial measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. All financial assets are initially measured at fair value adjusted for transaction costs.



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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**(b) Financial Instruments (cont'd)**

*Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period.

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

*Trade and other receivables and contract assets*

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

*Financial liabilities measured subsequently at amortised cost*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**(c) Depreciation**

The depreciable amounts of all fixed assets including lease assets are depreciated over their useful lives to the company commencing from the time the assets are held ready for use.

The depreciation rates used for each class of assets are:

<b>Class of Asset</b>	<b>Depreciation rate</b>
Right of Use assets	25-50% straight line
Plant and equipment	25-50% 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.

**(d) Income Tax**

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

**(e) 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.

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**(f) Leases**

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computer, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes corresponding adjustments to the related right of use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**(f) Leases (cont'd)**

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

**(g) Provision for 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.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the organisation in respect of services provided by employees up to reporting date.

Long service leave is accrued on a pro-rata basis after 5 years.

**(h) Cash, Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call or with maturity dates of less than three months with banks and other short-term highly liquid investments.

Bank overdrafts (if applicable) are shown within short-term borrowings in current liabilities on the balance sheet.

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

**1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)**

**(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) Revenue**

**Program specific funding**

The company has determined that funding received from Federal Government, State Government and Philanthropic organisations specific for delivery of the (Leadership Development Program) (LDP) and Teach to Lead (TTL) programs meet the enforceability and the 'sufficiently specific' criteria under AASB 15.

Funding from these sources is deferred under AASB 15 and recognised when (or as) the performance obligations are satisfied. In the case of the revenue for service revenue stream, this is as the performance obligation is being satisfied over time.

**General Donations and Other**

General donations and other from corporate and philanthropy that are not enforceable or the performance obligations are not sufficiently specific, are recognised immediately in statement of profit or loss recognition under AASB 1058.

**(k) 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.

*Impairment considerations:*

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.

**(l) Company details**

The company is a company limited by guarantee and incorporated in Australia. Its registered office and principal place of business is: Level1, 103 Flinders Lane Melbourne, Victoria 3000, Australia.

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

The average number of employees during the year was 74 (2018 – 69).

**2. CASH & CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	1,216,827	933,824
Term deposits less than 3 months maturity	3,750,000	3,500,000
	<u>4,966,827</u>	<u>4,433,824</u>

The weighted average interest rate on bank balances was 1.55% pa (2018 – 2.50%)

***Credit Standby Arrangement & Loan Facilities***

The company had a \$130,000 (2018 - \$130,000) credit card facility at the year end.  
The unused credit card facility at year end is \$4,000 (2018 - \$22,000).

**3. OTHER FINANCIAL ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current term deposits more than 3 months maturity	<u>7,733,918</u>	<u>7,076,805</u>

**4. TRADE & OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	1,106,678	3,979,360
Prepayments	120,428	100,276
Interest receivable	30,506	44,296
Total Current Trade & Other Receivables	<u>1,257,612</u>	<u>4,123,932</u>

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

**5. PROPERTY, PLANT & EQUIPMENT**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment, at cost	708,724	672,480
Accumulated depreciation	<u>(644,253)</u>	<u>(562,050)</u>
	<u>64,471</u>	<u>110,430</u>
Right of use assets – buildings, at cost	688,119	-
Accumulated depreciation	<u>(180,086)</u>	<u>-</u>
	<u>508,033</u>	<u>-</u>
Total property, plant and equipment	<u>572,503</u>	<u>110,430</u>

***Movements in Carrying Amounts***

	<b>Plant &amp; equipment</b>	<b>Right of use assets (buildings)</b>
Balance at the beginning of the period	110,430	-
Additions	36,244	688,119
Disposals	-	-
Depreciation	<u>(82,203)</u>	<u>(180,086)</u>
Balance at the end of the year/period	<u>64,471</u>	<u>508,033</u>

**6. INVESTMENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Equity instruments measured at FVTPL	1,143,591	-
Managed funds measured at FVTPL	2,251,419	-
Cash account	48,330	-
Pending settlements	<u>300,000</u>	<u>-</u>
<b>Total Investments</b>	<b><u>3,743,340</u></b>	<b><u>-</u></b>

***Investment income recognised as revenue***

Net income on investments	2,752	-
Fair value gains on investments	<u>40,588</u>	<u>-</u>
<b>Total Investment income recognised</b>	<b><u>43,340</u></b>	<b><u>-</u></b>

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

**7. TRADE & OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade creditors and accrued expenses	<u>548,235</u>	<u>733,567</u>
<b>Total trade &amp; other payables</b>	<u><b>548,235</b></u>	<u><b>733,567</b></u>

**8. LEASE LIABILITIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current lease liability	166,654	-
Non-current lease liability	358,477	-
<b>Total Lease liabilities</b>	<u><b>525,131</b></u>	<u><b>-</b></u>

**9. PROVISIONS**

***CURRENT***

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Employee entitlements at start of period	443,953	380,233
Employee entitlements used	(399,760)	(419,619)
Additional provisions	400,225	437,669
Transfer in from non-current	<u>19,422</u>	<u>45,670</u>
<b>Total current employee provisions</b>	<u><b>463,840</b></u>	<u><b>443,953</b></u>

***NON-CURRENT***

Employee entitlements at start of period	30,275	69,140
Additional provisions	28,096	6,805
Transfer to current	<u>(19,422)</u>	<u>(45,670)</u>
<b>Total non-current employee provisions</b>	<u><b>38,949</b></u>	<u><b>30,275</b></u>

***TOTAL***

	<u><b>502,789</b></u>	<u><b>474,228</b></u>
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**TEACH FOR AUSTRALIA**  
**(A company limited by guarantee)**  
**ACN 133 833 762**

**10. REVENUE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue for Service</b>		
Government Funding	11,654,174	10,142,311
Philanthropic	2,465,030	2,190,656
	<u>14,119,204</u>	<u>12,332,967</u>
<b>General Donations and Other</b>		
Philanthropic	976,835	880,900
Other	109,331	45,123
	<u>1,086,165</u>	<u>926,023</u>
<b>Interest Income</b>	<u>318,009</u>	<u>307,374</u>
<b>Total revenue from operating activities</b>	<b>15,523,378</b>	<b>13,566,364</b>
<b>Unrealised gain on investments</b>	<u>40,588</u>	<u>-</u>
<b>Total Revenue</b>	<b><u>15,563,966</u></b>	<b><u>13,566,364</u></b>

**11. SURPLUS BEFORE INCOME TAX EXPENSE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Surplus from ordinary activities before income tax expense has been determined after:		
Depreciation of property, plant and equipment	262,289	86,424
Interest expense on leases	15,144	-
Movement in provision for employee entitlements	28,561	24,855
Rental expense on taxes	<u>5,539</u>	<u>152,676</u>
Remuneration of Auditors:		
Audit of the financial report	12,600	10,000
Other services	<u>3,825</u>	<u>5,500</u>
<b>Total remuneration to auditors</b>	<b><u>16,425</u></b>	<b><u>15,500</u></b>

**12. 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 2019, the number of members was 6.

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

**13. KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>2019</b>	<b>2018</b>
Short term benefits	1,119,217	942,655
Other long term benefits	<u>172,870</u>	<u>201,517</u>
Total	<u><u>1,292,087</u></u>	<u><u>1,144,172</u></u>

**14. POST BALANCE SHEET EVENTS**

In May 2019, the Federal Government announced a \$15m investment for Teach For Australia to train high achieving teachers who will become high quality school leaders in rural, remote or disadvantaged schools. This announcement was formalised with a \$7.5m contract to extend Teach For Australia's HATP (High Achieving Teachers Program) for Cohort 2022 in February 2020. In March 2020 Teach For Australia signed a \$7.5m Grant Agreement with the Federal Government to pilot a Future Leaders Program to encourage and support High Achieving Teachers to transition to positions of school leadership and promote quality leadership in schools, particularly in regional and rural Australia.

COVID-19 was first heard of in December 2019 and began significantly impacting Australian society in March 2020. At the date of these accounts, it continues to be an emerging issue across the globe and within our education community. Teach for Australia is working to limit the impact of this pandemic, by pivoting the delivery of our Leadership Development and Teach to Lead programs to a more digitally supported online environment. Teach For Australia is fortunate to have already been well positioned as an organisation for more remote ways of working and our staff have been quick to respond with necessary changes to and flexibility in program delivery.

Educating our children is a critical societal activity and teachers and leaders within our partner schools continue to require support as they navigate unprecedented changes in the way instruction is conceived and delivered in the current environment.

Teach for Australia is cognisant of the possible impact of this issue on future scale of Cohorts due to impact on supply and demand for teaching and leadership services over the medium term. We are also monitoring potential impact on the cash flows of the Company, predominantly through the potential for reduced philanthropic funding, as well as the economic pressures which may result in changes to federal and state funding for future Cohorts. These potential impacts are not yet quantifiable and are not accounted for within this report.

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

**15. 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:

<b>Financial Assets</b>	<b>Weighted average effective interest rate</b>		<b>Floating Interest Rate</b>		<b>Fixed Interest Rate</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	1.55	2.31	1,216,827	933,824	3,750,000	3,500,000
Other financial assets	1.61	2.62	-	-	7,733,918	7,076,805

Interest rate risk is managed using a combination of floating rate and fixed interest rate finance.

**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.

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

**15. FINANCIAL RISK MANAGEMENT (CONT'D)**

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.

**Net Fair Value**

The net fair value of assets and liabilities approximates to their carrying values. 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.

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

	<b>2019</b>	<b>2018</b>
Surplus after income tax	2,182,152	1,673,908
<i>Non-cash items:</i>		
Depreciation	262,289	86,424
<i>Fair value gain on investments</i>	(40,588)	-
<i>Movements in assets and liabilities:</i>		
Decrease/(Increase) in trade and other receivables	2,866,323	(563,565)
(Decrease)/Increase in trade and other payables	(185,332)	(54,532)
(Decrease)/Increase in funding in advance	(21,306)	(2,464,876)
Increase in provisions	28,561	24,855
Net cash provided from / (used in) operating activities	5,092,099	(1,297,786)

**17. 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, was paid remuneration, including superannuation and benefits, of \$265,138 (2018 – \$252,368) for services provided in her role as Chief Executive Officer of the company.

All Board Directors are not paid or remunerated as per the Constitution, except the CEO, who is also a Director of the company.

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**18. SEGMENT REPORTING**

The company acts solely within Australia.

**19. CAPITAL COMMITMENTS**

As at 31 December 2019, the company had no capital commitments.

**20. 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 74 (2018 – 69).