

Teach For Australia

(A company limited by guarantee)

ACN 133 833 762

Financial Report
Year ended 31 December, 2017

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

FINANCIAL REPORT
FOR THE YEAR ENDED
31 December, 2017

CONTENTS

	Page
Directors' Report	2
Independent Auditor's Report	11
Auditor's Independence Declaration	13
Directors' Declaration	14
Statement of Financial Position	15
Statement of Profit and Loss & Other Comprehensive Income	16
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18

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

The directors present their report on the financial statements of the Company for the year ended 31 December, 2017.

DIRECTORS

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

Rufus Black (Resigned 08/08/17)	Anthony Mackay
Larry Kamener	Melodie Potts Rosevear
John Denton Resigned (08/08/17)	Steven Schwartz
Alyce Cleary Appointed (08/08/17)	Paul Brasher Appointed (27/03/17)
Peter Van Onselen (Appointed 27/03/17)	

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
Larry Kamener	Senior partner, Boston Consulting Group with specialist knowledge of the public sector	Chair
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	CEO
Steven Schwartz	Executive Director Australian Council for Humanities, Arts and Social Sciences, former Vice Chancellor of Macquarie University, Chair of Australian Curriculum, Assessment, and Reporting Authority (ACARA);	
Paul Brasher	Chair of Incitec Pivot, Non-Executive director of Amcor Limited, Deputy Chair of Essendon Football Club, Former Non-Executive Director of Perpetual Limited, Former Chairman of the Global Board of PwC, Former Chair of Reach Foundation, Former Board Member of Asia Link	Chair Audit & Risk Committee
Peter van Onselen	Contributory Editor of The Australian, Anchor on Sky News, Professor of Politics and Foundation Chair of Journalism at the University of Western Australia	
Alyce Cleary	Teach For Australia Alumna (Cohort 2010), Deputy Principal at Palm Beach - Currumbin State High School	Member Audit & Risk Committee

TEACH FOR AUSTRALIA
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ACN 133 833 762
DIRECTORS' REPORT

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, 2017 and the number of meetings attended by each director.

Name	Number eligible to attend	Number attended
Rufus Black	6	6
John Denton	6	0
Larry Kamener	9	8
Anthony Mackay	9	5
Melodie Potts Rosevear	9	9
Steven Schwartz	9	9
Paul Brasher	9	7
Peter Van Onselen	9	3
Alyce Cleary	4	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.

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 to 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).

To date, after 9 cohorts, Teach For Australia has received just over 9,500 applications for our Program. The number of applications remained strong and was comparable to 2016. At the end of 2017 recruitment activity, 125 Associates were placed to commence as Cohort 2018. The calibre of Associates entering the Program remained exceptional. Roughly 45% of entrants were from Science, Technology, Engineering and Maths backgrounds.

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 130 schools across the Australian Capital Territory, the

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

Northern Territory, Victoria, Western Australia and Tasmania, and 50 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 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 develops 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 an employment based teaching qualification, designed for concurrent teaching in diverse educational contexts. The Associates progress through a Master of Teaching (Secondary) at Deakin University's School of Education (Cohorts 2015-17).

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 and the Associate and Alumni network.

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 student data to target their teaching. 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.

Build a Pipeline of Leadership within 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
(A company limited by guarantee)
ACN 133 833 762
DIRECTORS' REPORT

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 (called 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.

Drive Reform and Innovation in the Education System

While Teach For Australia's mission is to recruit Australia's future leaders and inspire, connect and empower them to a lifetime of action challenging educational inequity – activated by the classroom and continued in various manifestations. Teach for Australia is committed to developing effective 'teachers as leaders' with the mindsets and understanding of educational inequity so they know how they can continue to contribute to this cause beyond the two years. The lifetime of action – six actions we want to see our Alumni take to further drive impact include:

- Teach and work with students from low socioeconomic backgrounds
- Lead schools serving low socioeconomic communities
- Innovate and solve problems in schools and the education system
- Influence education policy
- Support low socioeconomic communities
- Contribute – contribute their time, their skills, their resources, their funds to support those dedicated to this work

TRADING RESULTS

The attached financial statements show that the operations for the year resulted in a surplus after tax of \$243,168 (2016– \$315,860).

TEACH FOR AUSTRALIA
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ACN 133 833 762
DIRECTORS' REPORT

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In 2017, our strategic areas of focus were growth, impact, organisational sustainability and people & culture.

Growth

To accommodate growth, in July 2017, Teach for Australia embarked on a review of specific elements of its operating model. The current model has operations structured around functions, rather than geography, creating a heavy dependence on the national office. This model has not supported growth and impact in the regions and does not reflect the increasing national reach. To that end, after a robust consultative process with internal teams, the organization landed on a revised operating model that will take it into 2018 and beyond; each jurisdiction (state/territory) will be headed by a state manager and have greater accountability for executing the Program on the ground.

Our key achievement against our growth priority in 2017 was expansion of operations into a new jurisdiction, Tasmania. In Cohort 2017 11 Associates began teaching across multiple communities in Tasmania.

The recruitment activity in 2017 focused on the standard activities of attraction, selection and engagement leading into the first of the training events (national residential). The target for 2017 was ambitious and the team was able to overcome a number of hurdles to achieve 125 Associates for Cohort 2018. In parallel, the team responsible for generating demand amongst schools for placements was also able to deliver matches with 76 schools across 5 jurisdictions, including 24 new ones.

Sustainability

Continued engagement with Teach for Australia's key funder, the Federal Department of Education, was a critical activity in 2017. To that end, Teach for Australia cooperated and supported the independent evaluation commissioned by the Federal Department of Education over the period 2016/ 2017. The findings indicated that Teach For Australia is "substantively delivering against the Australian Government's key objective of placing high-quality teachers in schools serving low socioeconomic communities to meet specific skill requirements, for as long as possible". And furthermore found "Principals report that Associates outperform other new teachers when assessed against the Australian Professional Standards for Teachers".

In February 2017, with the Federal funding secured for two further cohorts, Teach For Australia embarked on tender process to select its university partner. After an extensive, competitive tender process, Teach For Australia announced the successful partner, the Australian Catholic University (ACU) to deliver a Masters of Teaching – Professional Practice (MTPP) to the 2018 and 2019 incoming Associates. This new partnership, underpinned by a shared value of social justice, marks a bold innovation in teacher preparation in Australia.

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

In 2017, all five participating jurisdictions agreed to fund Cohort 2018 and Teach for Australia will continue to engage all jurisdictional employers (government & Catholic) for continued support to our sustainability.

We will continue to coordinate and seek bipartisan engagement with government at Federal and state levels to support the program.

Our fundraising and development revenue in 2017 exceeded \$2.4m with major funding from the Paul Ramsay Foundation (Australia's largest private foundation), as well as significant contributions from Wesfarmers, The Baker Foundation, Sidney Myer Fund, Gandel Philanthropy, Ian Potter Foundation and private individuals.

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 2017, Teach For Australia produced *Our Promise: Tackling Educational Disadvantage (8 years of Teach For Australia)*. This report summarizes our impact over 8 years, highlighting some of the differences our Associates and Alumni have made in challenging educational inequity. Refer to Teach for Australia's website www.teachforaustralia.org for the full report.

Furthermore we also published, STORIES; a retrospective that documented Teach For Australia's achievements over the past nine years. The stories told 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.

In April 2017, the television production company Screentime launched a documentary on SBS following the experience of six Teach For Australia Associates. The documentary, titled '*Testing Teachers*', captured the year-long experience of five Associates in their first year of the program, and one in his second year. The experience of the Associates was contextualised through their placement at one of three schools working within a low socioeconomic community; one based on the outskirts of Melbourne (Victoria), one the outskirts of Perth (Western Australia) and one within the remote township of Tennant Creek (Northern Territory).

Overall, the documentary series was well-received by all stakeholder groups who sit internal to Teach For Australia's Program delivery; that is, Alumni, Associates, school principals and their core staff and the Teach for Australia Board. It was perceived by each stakeholder group as being an accurate representation of the communities where we work with. Further, these stakeholders (on average) rated *Testing Teachers* as being a worthwhile endeavour and believe that the organisation should be more involved in future opportunities to publicly highlight the issue of educational disadvantage.

TEACH FOR AUSTRALIA
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DIRECTORS' REPORT

We continue to invest in organisational 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, Teach for Australia launched an Alumni Network Health Index in 2017 that measured 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 inviting our alumni community to celebrate the launch of the documentary (Testing Teachers, SBS), the production of the monthly e-newsletter and regional graduation events.

With philanthropic funding from the William Buckland Foundation, Teach for Australia was in a position to launch its own program to train school mentors supporting Associates over the two years.

Teach To Lead, an initiative funded by philanthropic donors Sidney Myer Fund and Gandel Philanthropy in 2015, continued to grow its school leaders program with its second cohort of emerging school leaders. The pool of candidates included Teach for Australia Alumni and other professionals working in low socio economic schools, from primary and secondary sectors, regional and metropolitan. The first cohort graduated at the end of 2017; 100% of principals who sponsored their fellows believed that they had seen changes in the performance of the team that the fellows led over the previous year.

With seven cohorts having completed the Leadership Development Program at the end of 2017, a pipeline of leadership is emerging:

- 95% of Associates teach for at least two years.
- 88% of the most recent cohort of Alumni has remained in teaching for a third year.

Across the seven cohorts of Alumni, 83% of Alumni are currently working in education related fields, with 67% teaching. Over 30% of our teaching Alumni are in leadership roles in their schools including 5 Assistant Principals.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATION

In 2018, we continue with our 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 further 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.

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

- **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.

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 \$7,565.

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

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 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: 11/5/18

INDEPENDENT AUDITOR'S REPORT

To the Members of Teach For Australia

Opinion

I have audited the financial report of Teach For Australia, which comprises the Statement of Financial Position as at 31 December, 2017, the Statement of Profit and 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 Directors' Declaration.

In my opinion, the accompanying financial report of Teach For Australia is in accordance with the Australian Charities and Not - For - Profit Commission Act 2012 (ACNC), including :

- a) Giving a true and fair view of the Company's financial position as at 31 December, 2017 and its financial performance and its cash flows for the year then ended and
- b) Complying with Accounting Standards in Australia - Reduced Disclosure Requirements and the Australian Charities and Not - For - Profit Commission Regulations 2013.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the company in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December, 2017, but does not include the financial report and my auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Ahead For Business Pty Ltd
Suite 103, Level 1, 448 St Kilda Road
Melbourne Vic 3004
Phone 03 9867 7711 / Fax 03 9867 7226

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Professional Standards Legislation

Responsibilities of Committee of Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, 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.

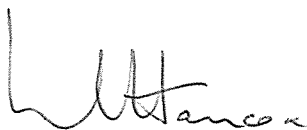
In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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 the financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of my auditor's report.



Wendy Hancox
Director
Ahead For Business Pty Ltd

Place: Melbourne

Date: 30 May, 2018

**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, 2017, 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 : 30 May, 2018

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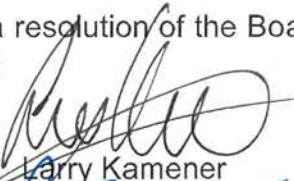
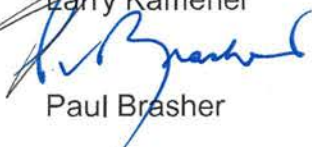
TEACH FOR AUSTRALIA
(A company limited by guarantee)
ACN 133 833 762

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 28 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, 2017 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

Paul Brasher

Director

Director

Place: Melbourne

Date: 1/5/18

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2017

	Note	2017	2016
CURRENT ASSETS			
Cash and cash equivalents	14	12,819,558	11,774,882
Trade & other receivables	4	3,560,367	2,129,082
TOTAL CURRENT ASSETS		<u>16,379,925</u>	<u>13,903,964</u>
NON CURRENT ASSETS			
Property, plant & equipment	5	185,711	243,573
TOTAL NON CURRENT ASSETS		<u>185,711</u>	<u>243,573</u>
TOTAL ASSETS		<u>16,565,636</u>	<u>14,147,537</u>
CURRENT LIABILITIES			
Trade & other payables	6	788,099	384,539
Funding in advance	2	10,299,764	8,570,817
Short term provisions	7	421,687	225,315
TOTAL CURRENT LIABILITIES		<u>11,509,550</u>	<u>9,180,671</u>
NON CURRENT LIABILITIES			
Long term provisions	7	27,686	181,634
TOTAL NON CURRENT LIABILITIES		<u>27,686</u>	<u>181,634</u>
TOTAL LIABILITIES		<u>11,537,236</u>	<u>9,362,305</u>
NET ASSETS		<u>5,028,400</u>	<u>4,785,232</u>
ACCUMULATED FUNDS			
Unrestricted Reserves		3,330,419	3,087,251
Restricted Reserves		1,697,981	1,697,981
TOTAL ACCUMULATED FUNDS		<u>5,028,400</u>	<u>4,785,232</u>

Notes to and forming part of these accounts are set out on pages 18 to 28.

TEACH FOR AUSTRALIA
(A company limited by guarantee)
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STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2017

	Note	2017	2016
CLASSIFICATION OF EXPENSES BY NATURE			
Revenue	2	11,797,599	9,272,739
Program Costs			
Travel & accommodation		518,804	420,440
Marketing, advertising		214,331	184,925
Teacher education		3,512,525	2,581,761
Events		135,733	96,132
Other		81,776	34,540
Administration		801,240	669,774
Staff and contractors		6,290,022	4,969,307
Surplus before income tax	3	243,168	315,860
Income tax expense		-	-
Net surplus for the year		243,168	315,860

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2017

	Note	Unrestricted Reserves	Restricted Reserves	Total
Balance at 1 January, 2017		3,087,251	1,697,981	4,785,232
Surplus for the year		243,168	-	243,168
Transfer to Restricted Reserves	16	-	-	-
Balance at 31 December, 2017		3,330,419	1,697,981	5,028,400

Notes to and forming part of these accounts are set out on pages 18 to 28.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 December, 2017

	Note	2017	2016
Cash flows from operating activities :			
Payments to suppliers and employees		(12,092,327)	(10,143,983)
Receipts from customers		12,848,149	10,800,477
Interest received		338,631	297,990
Interest paid		-	-
		<hr/>	<hr/>
Net cash provided from operating activities	13	1,094,453	954,484
		<hr/>	<hr/>
Cash flows from investing activities :			
Purchase of plant & equipment		(49,777)	(236,395)
		<hr/>	<hr/>
Net cash used in investing activities		(49,777)	(236,395)
		<hr/>	<hr/>
Net increase in cash held		1,044,676	718,089
Cash at beginning of year/period		11,774,882	11,056,793
		<hr/>	<hr/>
Cash at end of year/period	14	12,819,558	11,774,882
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Notes to and forming part of these accounts are set out on pages 18 to 28.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

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 unless stated otherwise.

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

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 depreciable amounts 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

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.

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.

h) 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

i) 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 is received, and the expenditure for such revenue has not occurred or is incomplete or 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.

The carry forward amount considers matching revenue with expenditure and ensures that sufficient future revenue is available to meet contractual commitments. Revenue from Federal Government contracts is recognised by assessing the number of Associates currently in training and the number of Associates planned to be trained in future years, in relation to the contracted funding.

Non restricted use contracted funding and donations and interest income are recognised on an accruals basis.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

2. REVENUE

	2017	2016
<i>Operating activities :</i>		
Government Funding		
Contracted funding brought forward	7,984,177	9,389,586
Contracted funding income received	10,759,531	5,945,136
Funding of projects in next year	(9,631,242)	(7,984,177)
Funding of projects in years following next year	-	-
Total Government Funding	<u>9,112,466</u>	<u>7,350,545</u>
Restricted Use Donations		
Donations brought forward	586,639	327,774
Donations received	2,503,743	1,865,199
Donations carried forward	(668,522)	(586,639)
Total Restricted Use Donations	<u>2,421,860</u>	<u>1,606,334</u>
Unrestricted Use Donations		
Foundations, philanthropic & public donations	-	-
Interest received from banks& other	263,273	315,860
Total revenue	<u><u>11,797,599</u></u>	<u><u>9,272,739</u></u>

3. SURPLUS BEFORE INCOME TAX EXPENSE

Surplus from ordinary activities before income tax expense has been determined after:		
Depreciation of property, plant & equipment	107,640	59,531
Movement in provision for employee entitlements	42,424	96,320
Rental expense on operating leases	142,826	138,830
	<u> </u>	<u> </u>
Remuneration of Auditors :		
Audit of the financial report	5,200	5,000
Other services	2,500	2,460
	<u><u> </u></u>	<u><u> </u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

4. TRADE & OTHER RECEIVABLES

CURRENT

	2017	2016
Trade debtors	3,450,350	1,716,167
Prepayments and recoverable	68,517	296,057
Interest receivable	41,500	116,858
	<u>3,560,367</u>	<u>2,129,082</u>

5. PROPERTY, PLANT & EQUIPMENT

	2017	2016
Plant and equipment, at cost	661,338	611,658
Accumulated depreciation	(475,627)	(368,085)
Total	<u>185,711</u>	<u>243,573</u>

Movements in Carrying Amounts

Balance at the beginning of the period	243,573	66,708
Additions	50,270	236,396
Disposals	(492)	-
Depreciation	(107,640)	(59,531)
Balance at the end of the year/period	<u>185,711</u>	<u>243,573</u>

6. TRADE & OTHER PAYABLES

CURRENT

	2017	2016
<i>Unsecured liabilities</i>		
Trade creditors and accrued expenses	788,099	384,539
	<u>788,099</u>	<u>384,539</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

7. PROVISIONS

CURRENT

	2017	2016
Employee entitlements at start of period	225,315	197,289
Employee entitlements used	(307,017)	(305,159)
Additional provisions	334,352	333,185
Transfer in from non-current	169,037	-
	<u>421,687</u>	<u>225,315</u>

NON CURRENT

Employee entitlements at start of period	181,634	113,340
Additional provisions	15,089	68,294
Transfer to current	(169,037)	-
	<u>27,686</u>	<u>181,634</u>

TOTAL

<u>449,373</u>	<u>406,949</u>
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8. LEASE AND HIRE PURCHASE COMMITMENTS

	2017	2016
a) Operating leases		
Commitments in relation to non-cancellable Operating leases are payable as follows :		
Due within 1 year	84,632	78,246
Due within 2-5 years	-	-
Due after 5 years	-	-
	<u>84,632</u>	<u>78,246</u>

The Melbourne office lease is for a period of 1 year from 06/08/17 with an option for a further 7 months. 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 2017, the number of members was 7.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

10. KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
Short term benefits	1,122,240	1,215,277
Other long term benefits	202,907	254,895
	<hr/>	<hr/>
Total	1,325,147	1,470,172
	<hr/>	<hr/>

11. POST BALANCE SHEET EVENTS

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

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	
	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$
Financial Assets						
Cash at Bank	2.41	2.6	415,766	874,887	12,403,794	10,899,995

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

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

	2017	2016
Surplus after income tax	243,168	315,860
Depreciation	107,640	59,531
Decrease/(Increase) in debtors	(1,431,285)	1,846,192
(Decrease)/Increase in creditors	403,559	(210,900)
(Decrease)/Increase in funding in advance	1,728,947	(1,152,519)
Increase in provisions	42,424	96,320
	<hr/>	<hr/>
Net cash (absorbed)/ provided from operating activities	1,094,453	954,484
	<hr/>	<hr/>

14. CASH & CASH EQUIVALENTS

	2017	2016
Cash at bank and in hand	12,819,558	11,774,882
	<hr/>	<hr/>
The weighted average interest rate on bank balances was 2.6% pa (2016 – 2.6%)		
<i>Reconciliation of Cash</i>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as :		
Cash at bank and in hand	12,819,558	11,774,882
Cash per cash flow statement	12,819,558	11,774,882
	<hr/>	<hr/>

Credit Standby Arrangement & Loan Facilities

The company had a \$110,000(2016 - \$85,000) credit card facility at the year end.

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 \$240,311 (2016 - \$240,688) for services provided in her role as Chief Executive Officer of the company. An associate of Ms Potts Rosevear was paid remuneration of \$190,055 (2016 - \$194,169).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

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, 2017, the company had no capital commitments.

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 64 (2016 – 51).