



FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Teach For Australia
(A company limited by guarantee)
ACN 133 833 762

FINANCIAL REPORT

For the year ended
31 December 2021

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Directors' Report

The Directors present their report on the financial statements of the Company for the year ended 31 December 2021.

DIRECTORS

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

Larry Kamener	Melodie Potts Rosevear
Dorothy Hisgrove (resigned 10/12/2021)	Elana Rubin
Ben Jensen	Keita Matsumoto
Christine Christian (appointed 16/2/2021)	Sarah Davies (appointed 16/2/2021)
Alyce Bradford (resigned 2/6/2021)	

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	Responsibilities	Special experience	Appointment date	Resignation date
Larry Kamener	Chair	Senior Advisor and former Senior Planner in the Boston Consulting Group, Founder and Chair of the Centre for Public Impact, Chair of Save the Children Australia, Chair of the Strategic Advisory Council of the Bastow Institute of School Leadership		
Melodie Potts Rosevear	CEO Member of Audit and Risk Committee	Founder of TFA, former Consultant at Boston Consulting Group, Think Tank leader at Cape York Institute, Member AICD		
Dorothy Hisgrove		Former 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		10 December 2021
Elana Rubin		Non-Executive Director of Mirvac, Afterpay Touch and Slater & Gordon, Director of Transurban QLD, ME Bank and VMIA		

Name	Responsibilities	Special experience	Appointment date	Resignation date
Ben Jensen		Founder of Learning First, Former Director School Education Program, Grattan Institute		
Keita Matsumoto	Member of Audit and Risk Committee	Teach For Australia Alumnus (Cohort 2016), Teach to Lead Alumnus (Cohort 2018), Partnership Manager at Our Place/Coleman Foundation, Board Director of Kindred Spirits Foundation.		
Christine Christian	Chair of Audit and Risk Committee	President and Board Member of the State Library of Victoria, Deputy Chair and Director of FlexiGroup Limited, Non-Executive Director of MaxCap Group and Lonsec, Council Member of La Trobe University.	16 February 2021	
Sarah Davies		CEO of the Alannah & Madeline Foundation, Former CEO of Philanthropy Australia, Former CEO at The Reach Foundation and The Australian Communities Foundation, Board Member of the Centre for Social Impact and Council Member of the National Museum of Australia.	16 February 2021	
Alyce Bradford	Member of Audit and Risk Committee	Teach For Australia Alumna (Cohort 2010), Principal Senior School at Palm Beach Currumbin State High School		2 June 2021

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 2021 and the number of meetings attended by each director.

Name	Board Meetings		Audit & Risk Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Larry Kamener	6	6		
Melodie Potts Rosevear	6	6	3	3
Dorothy Hisgrove	6	5		
Elana Rubin	6	6		
Ben Jensen	6	5		
Keita Matsumoto	6	6	3	3
Christine Christian	6	5	3	3
Sarah Davies	6	6		
Alyce Bradford	2	2	1	1

PRINCIPAL ACTIVITIES AND OBJECTIVES

Teach For Australia is dedicated to achieving equity in education—an Australia where your socio-economic background and postcode does not determine your future potential, the opportunities available to you in life or your ability to contribute to society.

Our **vision** is of an Australia where education gives every child, regardless of background, greater choice for their future.

Our **mission** is to grow a community of leaders committed to equity for children, by recruiting and developing exceptional people to teach and lead across Australia.

We know that the two key levers to positively impact student outcomes are teacher quality and school leadership. We're proud that since 2009 we've recruited, developed, supported and empowered great teachers in hundreds of schools for nearly 300,000 children in communities experiencing disadvantage.

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

The principal activities of Teach For Australia (TFA) during the course of the financial year 2021 were the delivery of our two programs—**Leadership Development Program** (LDP) and **Future Leaders Program** (FLP).

By working with schools and partners we are advancing our understanding of the problem of educational inequity and how our organisation can contribute and collaborate to solutions.

There have been no significant changes in the nature of those activities during the year.

What outcomes do we seek?

The Leadership Development Program (LDP) aims to recruit talented individuals to make a two-year commitment to work in schools in low socio-economic settings while undertaking a Masters degree in teaching with our university partner, Australian Catholic University (ACU).

The program seeks to:

- inject talented and committed teachers where they are needed most in the system,
- support schools with hard-to-staff vacancies,
- contribute towards improved students outcomes and access to opportunities, and
- create a pipeline of leaders to drive long-term transformational reform and innovation in Australian education.

In addition to this, we support the professional development and learning for early-career middle leaders from target schools through our Future Leaders Program. We know the leadership need is most prevalent in regional, rural and remote Australia. TFA sees a major priority in enhancing the leadership capability of our program participants and accelerating them into positions of further formal leadership, influence and impact within schools.

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In 2021, our organisational goals are:

- Develop, deliver and evaluate a seamless end-to-end LDP Associate journey from attraction, through to Alumni-hood
- Design, deliver and evaluate 2021 FLP pilot, and establish demand and plan for 2022
- Enhance Alumni impact through greater connection with and contribution to TFA's mission
- Pursue robust national footprint across programs and partnerships
- Enhance and develop clear, mutually beneficial partnerships that drive mission and sustainability
- Ensure TFA's financial position is secured into the future
- Create the enabling environment for people to perform, thrive and enjoy life at TFA
- Identify major innovation bets which open up additional opportunities for TFA to sustainably achieve its vision
- Define and implement knowledge management at TFA
- Embed Reconciliation in our people, programs and partnerships
- Elevate the sharing of stories to further our mission and impact

Key activities are as follows:

- We recruited and placed our next Leadership Development Program cohort, training 161 Associates commencing teaching in 2022.
- We launched the inaugural Future Leaders Program cohort with 37 aspirant leaders graduating in WA and NT following their year-long program. We also recruited 72 aspirant leaders for the second cohort who will participate in 2022 in schools across NT, WA, QLD and NSW.
- We revised Teach For Australia's organisational values for the first time since the organisation's inception. The new values are: Serve The Students; Have High Expectations; Make it Happen; Get There Together; Celebrate Along the Way.
- We continued to be responsive to the needs of our teacher and leader community, school partners and other allies during the ongoing pandemic conditions. This included ongoing substantial pivots in delivery of our core activity and programs due to safety restrictions brought about by the Covid-19 pandemic in 2020 which continued into 2021. We maintained a range of internal policies to support our national staff to navigate shifting professional and personal needs over the course of the year.

STRATEGIC OUTLOOK

In 2021, we continue to work towards our estimate of reaching 500,000 students who will have benefited from our exceptional teachers and leaders by 2024. We rely on our multi-year strategic pillars to inform our decision making and prioritisation during the year:

Lead: We will grow a community of leaders, underpinned by high-impact programs.

Reach: We will extend our reach nationally, underpinned by high-demand programs and partnerships.

Sustain: We will ensure a sustainable organisation, underpinned by great people and strong brand.

Learn: We will be known as an organisation that is constantly learning and grounded in diversity, innovation and evidence.

TRADING RESULTS

We are reporting a surplus after tax of \$983,380 (2020 \$2,220,464).

SUBSEQUENT EVENTS

On 14th January, 2022, the organisation moved its registered office and principal place of business to 33 Lincoln Square South, Carlton, Victoria, 3053, Australia.

There are no other matters after the financial year end that materially impact upon the results of these financial statements.

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 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 \$10,462.

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 9 of this financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read 'Larry Kamener', with a long horizontal stroke extending to the right.

Larry Kamener—**Director**

A handwritten signature in black ink, appearing to read 'Melodie Potts Rosevear', with a long horizontal stroke extending to the right.

Melodie Potts Rosevear—**Director**

Place: Melbourne
Date: 22 April 2022

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

22 April 2022

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 2021, 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



DELOITTE TOUCHE TOHMATSU



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 2021, 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 2021 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.



DELOITTE TOUCHE TOHMATSU



Sandra Lawson
Partner
Chartered Accountants
Melbourne, 22 April 2022

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 31 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 2021 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 Kamenzer—**Director**



Melodie Potts Rosevear—**Director**

Place: Melbourne
Date: 22 April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	2	10,372,824	4,924,601
Investments	3	1,682,321	8,753,214
Trade and other receivables	4	192,514	1,403,792
Total Current Assets		12,247,659	15,081,607
Non-Current Assets			
Property, plant & equipment	5	304,383	184,544
Investments	3	7,891,857	5,138,525
Total Non-Current Assets		8,196,240	5,323,069
Total Assets		20,443,899	20,404,676
Current Liabilities			
Trade and other payables	6	1,048,210	618,297
Funding in advance		5,401,288	6,813,404
Lease liabilities	7	153,811	169,417
Short term provisions	8	545,450	508,810
Total Current Liabilities		7,148,669	8,109,928
Non-Current Liabilities			
Lease liabilities	7	148,147	-
Long term provisions	8	96,162	227,206
Total Non-Current Liabilities		244,309	227,206
Total Liabilities		7,392,978	8,337,134
Net Assets		13,050,921	12,067,542
Equity			
Accumulated Reserves		13,050,921	12,067,542
Total Accumulated Funds		13,050,921	12,067,542

Notes to and forming part of these accounts are set out on pages 19 to 32.

STATEMENT OF PROFIT AND LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
Revenue	9	15,372,669	15,834,558
Expenditure			
Program costs			
Recruitment		2,049,428	1,843,963
School placement		1,869,374	1,501,100
Teacher education		6,530,436	6,456,269
Program office		874,161	869,339
Other		199	93,026
Total Program costs		11,323,598	10,763,697
Fundraising		1,837,577	1,421,401
Administration		1,228,115	1,428,996
Total Expenditure		14,389,289	13,614,094
Surplus before income tax	10	983,380	2,220,464
Other comprehensive income		-	-
Income tax expense	1(d)	-	-
Net surplus for the year		983,380	2,220,464

Notes to and forming part of these accounts are set out on pages 19 to 32.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Accumulated reserves at beginning of period	12,067,542	9,847,078
Surplus for the year	983,379	2,220,464
Accumulated reserves at end of period	13,050,921	12,067,542

Notes to and forming part of these accounts are set out on pages 19 to 32.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities:			
Payments to suppliers and employees		(13,748,673)	(13,082,003)
Receipts from funders		14,577,141	15,511,867
Interest received		49,655	114,834
Finance costs paid		(2,639)	(6,725)
Net cash provided from operating activities	15	<u>875,484</u>	<u>2,537,973</u>
Cash flows from investing activities:			
Proceeds from / (purchase of) financial assets		<u>4,747,979</u>	<u>(2,390,366)</u>
Net cash used in investing activities		<u>4,747,979</u>	<u>(2,390,366)</u>
Cash flows from financing activities:			
Repayment of lease liabilities		<u>(175,240)</u>	<u>(189,833)</u>
Net cash used in financial activities		<u>(175,240)</u>	<u>(189,833)</u>
Net increase/(decrease) during the year		<u>5,448,223</u>	<u>(42,226)</u>
Balance at the beginning of the year	2	<u>4,924,601</u>	<u>4,966,827</u>
Balance at the end of the year	2	<u>10,372,824</u>	<u>4,924,601</u>

Notes to and forming part of these accounts are set out on pages 19 to 32.

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 22 April 2022.

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 2021.

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

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

The application of these amendments did not have any material impact on the disclosures or the amounts recognised in the financial statements.

NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date of adoption of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	1 July 2021	31 December 2022
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 July 2021	31 December 2022

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.

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.

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.

(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:

Class of Asset	Depreciation rate
Right of Use assets	25-50% straight line which reflects the lease term.
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.

(E) 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).
- 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.

(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.

(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 Future Leadership Program (FLP) 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: Level 1, 103 Flinders Lane, Melbourne, Victoria 3000, Australia.

The average number of employees during the year was 83 (2020 – 82).

2. Cash & Cash Equivalents

	2021 \$	2020 \$
Cash at bank and in hand	5,872,824	2,424,601
Term deposits less than 3 months maturity	4,500,000	2,500,000
	<u>10,372,824</u>	<u>4,924,601</u>

Credit Standby Arrangement & Loan Facilities

The company had a \$180,000 (2020 - \$180,000) credit card facility at the year end. The unused credit card facility at year end is \$55,000 (2020 - \$60,000).

3. Investments

	2021 \$	2020 \$
Current		
Current term deposits more than 3 months maturity	<u>1,682,321</u>	<u>8,753,214</u>
Non-Current		
Equity instruments measured at FVTPL	2,626,930	1,403,813
Managed funds measured at FVTPL	5,238,380	3,519,238
Cash account	26,547	60,474
Pending settlements	<u>-</u>	<u>155,000</u>
Total Investments	<u>7,891,857</u>	<u>5,138,525</u>
Investment income recognised as revenue		
Net income/(loss) on investments	308,146	(26,188)
Fair value gain/(loss) on investments	474,528	(41,497)
Total investment income/(loss) recognised	<u>782,674</u>	<u>(67,685)</u>

4. Trade & Other Receivables

	2021 \$	2020 \$
Trade debtors	50,000	1,246,057
Prepayments	139,517	143,726
Interest receivable	<u>2,997</u>	<u>14,010</u>
Total Current trade & Other Receivables	<u>192,514</u>	<u>1,403,792</u>

5. Property, Plant & Equipment

	2021 \$	2020 \$
Plant and equipment, at cost	331,582	331,582
Accumulated depreciation	(329,321)	(301,095)
	<u>2,261</u>	<u>w30,487</u>
Right of use assets - buildings, at cost	830,018	522,237
Accumulated depreciation	(527,896)	(368,180)
	<u>302,122</u>	<u>154,057</u>
Total property, plant and equipment	304,383	184,544

Movements in Carrying Amounts

	Plant & equipment	Right of use assets (buildings)
Balance at the beginning of the period	30,487	154,057
Additions	-	307,781
Depreciation	(28,226)	(159,716)
	<u>2,262</u>	<u>302,122</u>
Balance at the end of the year/period	2,262	302,122

6. Trade & Other Payables

	2021 \$	2020 \$
Trade payables and accrued expenses	1,048,120	618,297
Total trade & other payables	1,048,120	618,297

7. Lease Liabilities

	2021 \$	2020 \$
Current lease liability	153,811	169,417
Non-current lease liability	148,147	-
Total Lease Liabilities	301,958	169,417

8. Provisions

	2021 \$	2020 \$
Current		
Employee entitlements at start of period	508,810	463,840
Employee entitlements used	(465,435)	(479,107)
Additional provisions	354,851	573,663
Transfer (to)/from non-current	147,224	(49,586)
Total Current Provisions	545,450	508,810
Non-Current		
Employee entitlements at start of period	227,206	38,949
Additional provisions	16,180	138,671
Transfer from/(to)current	(147,224)	49,586
Total Non-Current Provisions	96,162	227,206
Total Provisions	641,612	736,015

9. Revenue

	2021 \$	2020 \$
Revenue for Service		
Government funding	11,430,845	11,810,688
Philanthropic	2,065,318	2,484,550
Total	13,496,163	14,295,238
General donations and other		
Philanthropic	934,206	1,016,704
Other	418,117	449,279
Total	1,352,323	1,465,983
Interest Income	49,655	114,834
Investment Income		
Unrealised gain/(loss) on investments	430,418	(24,116)
Realised gain/(loss) on investments	44,110	(17,381)
Total Revenue	15,372,669	15,834,558

10. Surplus before Income Tax Expense

	2021 \$	2020 \$
<i>Surplus from ordinary activities before income tax expense has been determined after:</i>		
Depreciation of property, plant and equipment	187,942	222,078
Interest expense on leases	2,639	6,725
Movement in provision for employee entitlements	(94,403)	233,226
<i>Remuneration of Auditors:</i>		
Audit of financial report	37,740	12,915
Other services	-	-
Total remuneration to auditors	37,740	12,915

11. 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 2021, the number of members was 8.

12. Key Management Personnel Compensation

	2021 \$	2020 \$
Short term benefits	1,266,918	1,239,906
Other long term benefits	210,144	186,956
Total	1,477,062	1,426,862

13. Post Balance Sheet Events

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

14. 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:

Financial Assets	Weighted average effective interest rate		Floating Interest Rate		Fixed Interest Rate	
	2021 %	2020 %	2021 \$	2020 \$	2021 \$	2020 \$
Cash and cash equivalents	0.18%	0.20%	5,872,824	2,424,601	4,500,000	2,500,000
Other financial assets	0.25%	0.65%	-	-	1,682,321	8,753,214

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.

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

PRICE RISK

To date the Company has invested \$7.89m (2020: \$5.14m) in a managed diversified portfolio including managed funds, equity instruments and cash in line with target allocations and tolerance bands.

The portfolio is balanced to avoid over-exposure and price risk with regards to individual issuers, sectors or investment instruments.

In seeking to optimise investment returns, the Company is mindful of inherent risks.

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.

15. Reconciliation of Cash Flow from Operations with Surplus after Income Tax

	2021 \$	2020 \$
Surplus after income tax	983,379	2,220,464
<i>Non-cash items</i>		
Depreciation	187,942	222,078
Fair value gain on investments	(430,419)	(24,116)
Movements in assets and liabilities:		
(Increase)/Decrease on trade and other receivables	1,211,278	(146,180)
Increase/(Decrease) in trade and other payables	429,823	70,062
Increase/(Decrease) in funding in advance	(1,412,116)	(37,561)
Increase in provisions	(94,403)	233,226
Net cash provided from operating activities	875,484	2,537,973

16. Reserves Policy

As determined by the Board, it is Teach For Australia policy to retain only sufficient reserves to safeguard the continuity of its operations. The Reserves Policy seeks to strike a balance between spending on the organisations programmatic development and expansion, investments in realising our strategic objectives and maintaining the minimum level of resources necessary to ensure uninterrupted operations. Teach For Australia's Board reviews the level of reserves held periodically.

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 \$297,826 (2020 – \$279,437) 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.

18. Capital Commitments

As of 31 December 2021, the company had no capital commitments.