

ROOM TO READ AUSTRALIA LIMITED

ABN: 40 667 977 802

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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CONTENTS

Chairperson's Report	2
Executive Officer's Report	3
Directors' Report	4
Lead Auditor's Independence Declaration	6
Financial Report	
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Director's Declaration	14
Chairperson's Declaration in respect of	15
Fundraising Appeals	
Independent Audit Report to the Trustee	16

The registered office of business of Room to Read Australia Limited is

Level 32
Gateway Building
1 Macquarie Place
Sydney, NSW 2000

The principal place of business of Room to Read Australia Limited is

Level 32
Gateway Building
1 Macquarie Place
Sydney, NSW 2000

ROOM TO READ AUSTRALIA LIMITED
CHAIRPERSON'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Dear Friends,

2015 was a landmark year for Room to Read as we reached the incredible organisational milestone of impacting our 10 millionth child through our Literacy and Girls' Education Programs. This achievement was made possible by the incredible commitment of investors in Australia and around the world.

With 15 years of programmatic experience and learning behind us, Room to Read focused on scaling our work in 2015 to reach more children as quickly as possible. Over the year, we leveraged our partnerships and results to advocate for systemic change in our program countries and beyond. We officially launched an external technical assistance unit called Room to Read Accelerator, through which we have begun to help organisations and governments build capacity for effective education programming in new geographies, including Indonesia and Grenada.

In Australia, our local partners continued their enthusiastic support of our work helping to increase investments in our programs by 13% in 2015 – the third year we have seen double digit growth in this market. We were delighted to continue working with leading partners such as The Atlassian Foundation, our largest corporate partner globally, as well as Nuix, Positive Real Estate and the Navitas Education Trust who responded generously in support of our school rebuilding and recovery efforts following the devastating earthquakes in Nepal. We also welcomed the Eureka Benevolent Foundation, who made a significant investment in our early childhood literacy work in Cambodia.

Community engagement remains a powerful catalyst in driving support within Australia with our volunteer chapter leaders contributing strongly to our success through their signature events. Key fundraising and awareness-building events last year included our annual Wine Gala and Spring Trek in Sydney, outreach and engagement within Australian schools, and other community activities and events.

Room to Read enjoys a reputation as one of the most effective and fiscally responsible organisations in global education. Our commitment to full transparency, combined with consistent monitoring of our impact, assures our investors that their funding is achieving measurable results through our programs.

Our pledge to partners is to keep our overhead costs well below the industry average, to maximise the percentage of donations that go towards our programs, and to spend our program dollars wisely so that millions of children receive the maximum benefit from our work.

A key component of our global success is our strategic partnerships. In Australia, we rely on the professional expertise of organisations such as: KPMG, managing our annual audit and advising on governance; and public relations specialists ICON Communications, both donating their time and knowledge on outreach efforts; Credit Suisse, which provides our office space, infrastructure and telecommunications; and Hilton International, providing accommodation for our travelling executives.

Underpinning this work is the dedication of our leadership team. Our local board is led by John Keith, Leona Pearce and Chantal Lewis, and we are also supported by an Advisory Board comprised of talented executives from the finance, technology and telecommunications sectors, and many other skilled business executives who donate their time and expertise to support our operations.

We are deeply grateful for the ongoing generosity and dedication of all our local stakeholders, as well as the thousands of Australians committed to our mission to transforming education for underserved children throughout Asia and Africa. Together we are working to realise our vision of a world where all children have access to a quality education so that they may reach their full potential and contribute to their community and the world.


Erin Ganju
Chairperson

Date: May 2016

**ROOM TO READ AUSTRALIA LIMITED
EXECUTIVE OFFICERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

In 2015 Room to Read Australia once again enjoyed strong revenue growth and dynamic community partnerships.

Originally founded by volunteers in Sydney, market operations have now grown by over 400% since our inception in 2009. Collaboration with community members remains the hallmark of our business growth – with the invaluable support of our chapter volunteers, Advisory Board and business partners.

Community events, such as the Sydney Wine Gala and Spring Trek remain signature fundraising activities within our annual calendar contributing almost 40% to annual revenue. Throughout 2015 we also continued our investment in direct marketing communications with encouraging results in building support for our important earthquake response work in Nepal, as well as our core programs throughout Asia and Africa.

Our major business partners, Atlassian, Nuix, Positive Real Estate and Navitas provided vital support through both corporate grants and employee engagement, helping us to grow our workplace and monthly giving programs. Our Australian Advisory Board welcomed two new member families – Emma and Andrew Gray and Maile and Charles Carnegie, significantly bolstering an already strong local leadership team.

In 2015 we hosted visits from Room to Read's Co-Founder John Wood, Global Chief Development Officer Geetha Murali, and Senior Director of Research, Monitoring and Evaluation, Matthew Jukes, who provided invaluable assistance in cultivating new investors and reporting to our valued ongoing partners.

We also welcomed Esther Kanyata, a graduate of our Girls Education Program in Zambia, who met with major donors and presented a keynote speech at the Sydney Wine Gala. Following a similar visit to Sydney by Room to Read Cambodia's Country Director, Kall Kann in 2014, we formalised a partnership between Room to Read Australia and Room to Read Cambodia to implement a significant literacy project in Cambodia's Prey Veng province, which was our first international program collaboration in a Room to Read program country.

We send our deepest thanks to all our Australian partners for all they have done throughout 2015 to promote literacy and girls' education around the world and look forward to another inspiring and productive year in 2016.



Chantal Lewis
Development Director, Australasia
Date: May 2016

ROOM TO READ AUSTRALIA LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Directors' Report

The directors present their report together with the financial report of Room to Read Australia Limited "the Company" for the financial year ended 31 December 2015.

1. Directors

The names of the directors of the Company in office at any time during the year or since the end of the year are:

Director	Date of appointment	Date of resignation
Erin Ganju	16 September, 2008	-
John Wood	16 September, 2008	-
John Keith	21 May, 2012	-
Leona Pearce	21 May, 2012	-
Chantal Lewis	17 November, 2012	-

Name, qualification and independence status	Experience, special responsibilities and other directorships
Erin Ganju	Co-founder and CEO Room to Read
John Wood	Founder and Executive Chairman, Room to Read
John Keith	Managing Director, BNP Paribas, non Executive Director, Atomo Diagnostics
Leona Pearce	Previously Chief of Staff, Room to Read, previously Vice President, Goldman Sachs
Chantal Lewis	Development Director, Australasia, Room to Read

2. Principal activities

The principal activity of the Company is to serve as the Trustee for Room to Read Australia Foundation ("the Foundation").

There was no change in the nature of the company's or the Foundation's principal activities during the year.

The Foundation has as its principal activity the raising of funds for deployment to the countries in Asia and Africa where Room to Read has projects to improve literacy and gender equality in education.

3. Dividends

No dividends were declared or paid by the Company as it is prohibited by its Constitution.

4. Review of operations

Operating revenue

The Company's revenue for the financial year was nil (2014: nil).

Operating surplus

The operating surplus for the financial period was nil (2014: nil). The surplus available for future distribution for the financial period was nil (2014: nil).

ROOM TO READ AUSTRALIA LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

5. Matters subsequent to the end of the financial year

No other matters or circumstances have arisen since the end of the financial year which significantly affect, or may materially affect:

- (i) the operation of the Company or the Foundation in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the Company's or the Foundation's state of affairs in future financial years

6. Likely developments

The Company will continue to be trustee for the Room to Read Australia Foundation. There are no significant likely developments not otherwise disclosed in this report.

7. Environment regulation

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

8. Company Secretary

At the date of this report, the position of Company Secretary was held by Leona Pearce.

9. Executive Officer

At the date of this report, the position of Executive Officer was held by Chantal Lewis.

10. Directors Meetings

No directors meetings were held in 2015. Business of the Company and the Foundation was reviewed and approved by the directors through circular resolutions in 2015.

11. Directors' remuneration

Since the end of the previous financial year, no director has received or become entitled to receive, a benefit.

12. Loans to directors and executives

There were no loans to directors and executives during the year ended 31 December 2015.

13. Insurance of officers

The insurance of the directors and secretary of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the company, has been arranged and paid for by Room to Read.

14. Auditor

KPMG continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.

For and on behalf of the Board

John Keith.....
Director
Sydney
Date: 16 May 2016

Chantal Lewis.....
Director
Sydney
Date: 16 May 2016



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Room to Read Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2015 there have been:

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

KPMG

KPMG

Tim Aman
Partner

Sydney
16 May 2016

ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 December 2015 \$	Year ended 31 December 2014 \$
Revenue			
Donations		-	-
Donations in Kind – Fundraising		-	-
Donations in Kind - Services		-	-
Fund Raising Income		-	-
Interest Income		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Expenditure supporting fundraising activities		-	-
Other expenses		-	-
Total Expenses		-	-
Surplus for the period before income tax		-	-
Income tax expense		-	-
Surplus after income tax		-	-
Total Comprehensive income for the period		-	-
Distribution of the surplus			
Transfer of funds to AFAP for Room to Read Cambodia		-	-
Total Distribution		-	-
Surplus available for future distribution		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	Year ended 31 December 2015 \$	Year ended 31 December 2014 \$
Current assets			
Cash at Westpac Bank		-	-
Receivables		-	-
Prepayments		-	-
Total assets		-	-
Current liabilities			
Deferred Income		-	-
Intercompany Liabilities		-	-
Employee Liabilities		-	-
Total liabilities		-	-
Net assets		-	-
Accumulated funds			
Accumulated Funds beginning of year		-	-
Accumulated Surplus		-	-
Total accumulated funds		-	-

The above statement of financial position should be read in conjunction with the accompanying notes.

ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

		Year ended 31 December 2015	Year ended 31 December 2014
Total accumulated funds at the beginning of the financial year		-	-
Total comprehensive income for the period		-	-
Less income distributed		-	-
Total accumulated funds at the end of the year		-	-

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
Cash flows from operating activities		\$	\$
Receipts from donors and other contributions		-	-
Payments to suppliers/employees		-	-
Payments for distributions		-	-
Interest received		-	-
Net cash flow (used in)/provided by operating activities		-	-
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial period		-	-
Cash and cash equivalents at the end of the financial period		-	-

The above statement of cash flows should be read in conjunction with the accompanying notes.

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Summary of significant accounting policies

Room to Read Australia Limited (the 'Company') is an entity domiciled in Australia. The address of the Company's registered office is Level 32 Gateway Building, 1 Macquarie Place, Sydney, NSW 2000. The Company is a non-for-profit entity and primarily involved in the raising of funds for deployment to countries in Asia and Africa where Room to Read has projects to improve literacy and gender equality in education.

The principal accounting policies adopted in the preparation of the financial report are set out below.

(a) Basis of preparation

In the opinion of the Directors, the Company is not a reporting entity. The financial report has been drawn up as a general purpose financial report and has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the Charitable Fund Raising Act 1991. The financial report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

(c) Income tax

The Company is a registered charity and is exempt from the payment of income tax. This has been confirmed by the Australian Taxation Office.

(d) Cash and cash equivalents

Cash and cash equivalent represent amounts held with financial institutions that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are generally due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability of the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the amount which is expected to be collected.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Donations received and revenue from fundraising activities are treated as being Input Taxed and are therefore exclusive of GST. GST on expenses relating to fundraising activities is not recoverable from the Taxation Authority and is treated as an expense.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

(h) Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Long-term employee benefits

The Foundation's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Foundation's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Remuneration of auditors

The Company's financial statement audit was performed on an honorary basis and no audit fees were paid during the year (2014: Nil).

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

4. Commitments

(a) Capital commitments

The Company and the Foundation had no capital commitments at 31 December 2015 (2014: Nil).

(b) Lease commitments: Company as lessee

The Company and the Foundation had no lease commitments at 31 December 2015 (2014: Nil).

5. Key management personnel disclosures

(a) Directors

The following persons were directors of the Company during the year: Erin Ganju, John Wood, John Keith, Leona Pearce and Chantal Lewis.

(b) Executive Officer

At the date of this report, the position of Executive Officer was held by Chantal Lewis.

(c) There were no transactions with key management personnel during the year ended 31 December 2015. No key management personnel have received or are due to receive any remuneration from the Company (in 2014 there were no transactions or remuneration paid to key management personnel).

6. Related party disclosures


The parent entity is Room to Read, San Francisco.


ROOM TO READ AUSTRALIA LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2015

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 13:
 - (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) presents fairly a view of the Company's financial position as at 31st December 2015 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the directors draw attention to Note 1(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors.


John Keith 
Director
Sydney
Date: 16 May 2016

Chantal Lewis 
Director
Sydney
Date: 16 May 2016

ROOM TO READ AUSTRALIA LIMITED
DECLARATION BY THE CHAIRPERSON IN RESPECT OF FUNDRAISING APPEALS
FOR THE YEAR ENDED 31 DECEMBER 2015

I, Erin Ganju, Chairperson of Room to Read Australia Limited declare that in my opinion:

- (a) the financial report presents fairly a view of all income and expenditure of Room to Read Australia Limited with respect to fundraising appeal activities for the year ended 31 December 2015.
- (b) the statement of financial performance presents fairly a view of the state of affairs with respect to fundraising appeal activities as at 31 December 2015.
- (c) the provisions of the *Charitable Fundraising Act 1991* and Regulations and the conditions attached to the authority have been complied with during the year ended 31 December 2015.
- (d) the internal controls exercised by Room to Read Australia Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.


Erin Ganju
Chairperson
Date: May 2016



Independent auditor's report to the members of Room to Read Australia Limited

We have audited the accompanying financial report of Room to Read Australia Limited (the Company), which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 6 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

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



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Room to Read Australia Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

KPMG

Tim Aman
Partner

Sydney
16 May 2016