

ROOM TO READ AUSTRALIA LIMITED

ABN: 40 667 977 802

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Suite 201,
166 Glebe Point Road,
Glebe, NSW 2037

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

Suite 201,
166 Glebe Point Road,
Glebe, NSW 2037

ROOM TO READ AUSTRALIA LIMITED
CHAIRPERSON'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Dear Friends,

2020 was a time like no other. A year that we originally thought would be marked by celebrating 20 years of impact soon became a critical juncture in which the lessons we learned over the past two decades helped us respond to the greatest education crisis in recent history.

Across the year 1.6 billion students, 91% of all students around the world, experienced school closures. With broad-scale and sustained classroom disruptions in low-income communities, as well as lack of computers and internet access in homes, the global pandemic created an additional emergency challenging teachers, students and communities everywhere.

UNESCO estimated that half the learners kept out of classrooms did not have access to a household computer, and over 40% had no internet at home with no consistent means for continuing their studies when their schools closed. Without support, they risked falling severely behind and experiencing even greater risk of dropping out permanently.

As the first impacts of COVID-19 were felt around the world, Room to Read's teams worked extensively to find new and creative ways to deliver our programs meeting the evolving needs of our students and their families. From no-tech to low-tech to high-tech, we developed learning solutions for every context.

We were equipped to respond decisively to these extraordinary challenges because of the generosity of our global community of investors. Amid the chaos, our committed partners stepped up to offer support while navigating pandemic-related challenges of their own.

I want to pay particular tribute to our Australian Regional Board, led by Charles Gorman, for their steadfast generosity and leadership example as well as our long-standing partners Atlassian Foundation International and JAAM Foundation alongside the thousands of generous supporters within the Australian community who consistently respond to our calls to ensure the world's most vulnerable children are not forgotten, no matter the circumstances.

Thanks to their dedication to our mission, children who were already on the path to literacy had a better chance of continuing their studies through remote reading support. Young women in our Girls' Education Program were able to draw on their newly attained life skills and community mentors to navigate the challenges their families and communities faced. And we were able to reach many new children and families with innovations such as television and radio lessons, SMS and through our online learning platform, LiteracyCloud.org.

COVID-19 has led to the single largest threat to ensuring inclusive and equitable quality education, and the support of our Australian partners has never been more vital for the children we serve.

On behalf of Room to Read teams around the world, our teachers and students, I extend our profound thanks.

Geetha Murali
Chairperson
Date: 23 April 2021

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Geetha Murali
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ROOM TO READ AUSTRALIA LIMITED
EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Dear Friends,

Throughout 2020 I was deeply heartened by the steadfast support of our Room to Read family in Australia, particularly as many faced changes to their own lives in the face of COVID-19 and following the devastating bush fires that impacted the East Coast of Australia throughout the summer months.

Our Australian partners responded immediately and generously to our calls for assistance following the cancellation of our annual signature fundraising event in March – the Sydney Gala – as the first local lockdowns began in our own country. With this support, our distance learning programs ensured the world's most vulnerable children maintained the vital link to their education. Without our continued work, COVID-19 school closures would have meant an end to learning altogether for many.

Thousands of individuals and families, corporate partners and employees across Australia ensured our students, their teachers and families were not left behind throughout this crisis. I would like to pay particular tribute to Atlassian Foundation International who in addition to their annual grant, worked extensively to engage their teams around the world in increasing their workplace giving support of our Girls' Education Program. In addition, major partners such as the JAAM Foundation directed their grants towards our areas of greatest need, significantly enhancing our capacity to adapt our programs to the changing circumstances within the communities we serve. Our volunteer network through our Australian Chapters also helped raise awareness for the unfolding education emergency, as well as critical funds so our work could continue.

Thanks to our supporters in Australia, millions of students continued to learn in 2020, and will continue to receive emergency support in 2021. It is often said that tomorrow's scientists, healthcare workers, educators, and leaders are today's students. It's only through education that we can nurture the next generation of change-makers with the skills and resilience that they need to deal with crises, such as this current global pandemic.

Investment in global education has never been more important for our future. As always, we remain deeply grateful for your support.

DocuSigned by:

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Chantal Lewis

Senior Director, International Business Development, Room to Read
Date: 23 April 2021

ROOM TO READ AUSTRALIA LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020.

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
Leona Pearce	21 May 2012
Chantal Lewis	17 November 2012
Geetha Murali	20 March 2019
Laurie McMahon	19 March 2019
John Charles Gorman	6 March 2019

Name, qualification and independence status	Experience, special responsibilities and other directorships
Leona Pearce	Previously Chief of Staff, Room to Read, previously Vice President, Goldman Sachs
Chantal Lewis	Senior Director, International Business Development, Room to Read
Geetha Murali	Chief Executive Officer, Room to Read
Laurie McMahon	Chief Development and Communications Officer, Room to Read
John Charles Gorman	Member, Room to Read Regional Board, Australia

2. Principal activities

The principal activity of the Company includes serving as the Trustee for Room to Read Australia Foundation ("the Foundation"). In June 2017, the Company received accreditation as an Overseas Aid Organisation by the Department of Foreign Affairs and Trade and Treasury Departments through their Overseas Aid Gift Deduction Scheme, allowing the Company to establish a dedicated Overseas Aid Fund and receive Deductible Gift Recipient 1 Status. Room to Read Australia Overseas Aid Fund was established as a result.

The Company 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 \$ 4,364,939 (2019: \$9,640,994). The outbreak of the Coronavirus disease (COVID-19) became one of the biggest threats to the global economy and financial markets. The Company decided to cancel the Annual gala in Sydney which was scheduled in March 2020 and prepared a revised 2020 strategy for fundraising efforts that did not rely upon face to face meetings or events to raise revenue. The Company conducted a virtual gala during the year and raised funds by a direct mail campaign. One of our major donors worked extensively to engage their teams around the world in increasing their workplace giving support of the Girls' Education Program in addition to their annual grant. Some of our major partners directed their grant towards areas of greatest need, significantly enhancing the capacity to adapt the programs to the changing circumstances. The volunteer network through the Australian Chapters also helped in raising critical funds during the year.

**ROOM TO READ AUSTRALIA LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Operating surplus

The operating surplus for the financial period was \$ 3,673,832 (2019: \$8,966,513). The surplus carried over for future was \$3,580,008 (2019: \$7,156,896).

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 Foundation and will continue to receive funds through the Room to Read Australia Overseas Aid Fund for deployment to the countries in Asia and Africa where Room to Read has projects to improve literacy and gender equality in education after meeting its expenses. 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 Suzanne Mcarthur on pro-bono basis.

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 2020. Business of the Company and the Foundation was reviewed and approved by the directors through circular resolutions in 2020.

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 2020.

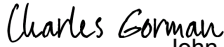
13. Insurance of officers


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

DocuSigned by:

.....23FB565E2EFF48C.....
John Charles Gorman
Director
Sydney

DocuSigned by:

.....918621807BC44AE.....
Chantal Lewis
Director
Sydney

Lead Auditor's Independent Declaration

ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 \$	Year ended 31 December 2019 \$
Revenue and Other Income			
Donations and Fundraising Income		4,364,939	9,579,226
Revenue from Contracts with Customers*		-	42,359
Interest Income		-	383
Gain on Foreign Currency Exchange		-	19,026
Total Revenue and Other Income	4	4,364,939	9,640,994
Expenses			
Expenditure supporting fundraising activities		26,967	156,726
Loss on Foreign Currency Exchange		247,461	
Other expenses		416,679	517,755
Total Expenses	5	691,107	674,481
Surplus for the period before income tax		3,673,832	8,966,513
Income tax expense		-	-
Surplus after income tax		3,673,832	8,966,513
Total Comprehensive income for the period		3,673,832	8,966,513
Distribution of the surplus			
Transfer of funds directly to other Room to Read entities		7,250,720	4,453,546
Total Distribution		7,250,720	4,453,546
(Deficit)/Surplus available for the year	12	(3,576,888)	4,512,967

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

*Previously recognised as Donations and Fundraising Income. On adoption of AASB15 presentation has been revised.

ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 \$	Year ended 31 December 2019 \$
Current assets			
Cash and Cash equivalents	6	760,641	2,585,657
Trade Receivables	7	2,894,185	4,698,151
Prepayments		4,938	7,915
Total assets		3,659,764	7,291,723
Current liabilities			
Other Liabilities	8	77,380	69,946
Intercompany Liabilities		2,376	64,883
Total liabilities		79,756	134,829
Net assets		3,580,008	7,156,894
Accumulated funds			
Accumulated Funds beginning of year		7,156,896	2,643,929
Accumulated (Deficit)/ Surplus		(3,576,888)	4,512,967
Total accumulated funds		3,580,008	7,156,896

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 2020

		Year ended 31 December 2020	Year ended 31 December 2019
Total accumulated funds at the beginning of the financial year		7,156,896	2,643,929
Total comprehensive income for the period		3,673,832	8,966,513
Less income distributed		7,250,720	4,453,546
Total accumulated funds at the end of the year		3,580,008	7,156,896

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 2020

	Notes	Year ended 31 December 2020	Year ended 31 December 2019
		\$	\$
Cash flows from operating activities			
Receipts from donors and other contributions		5,921,444	6,817,207
Payments to suppliers/employees		(495,740)	(634,370)
Payments for distributions		(7,250,720)	(4,453,546)
Interest received		-	383
Net cash inflow from operating activities	12	(1,825,016)	1,729,674
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial period		2,585,657	855,983
Cash and cash equivalents at the end of the financial period	6	760,641	2,585,657

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 2020

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 Suite 201, 166 Glebe Point Road, Glebe, NSW 2037. 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 Board of Directors, the Company is a public company limited by guarantee. 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.

The Company's functional currency is Australian dollars. The presentation currency used for the preparation of this financial report is Australian dollars.

New Accounting standards for the Company

- I. AASB 1058 came into effect for annual periods beginning on 1 January 2019 which superseded the current income recognition requirements contained in AASB 1004 Contributions, AASB 118 Revenue and AASB 111 Construction Contracts. The new income recognition requirements shifted the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.
 The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognized (at fair value) over any 'related amounts' is recognized as income immediately. The Company has adopted AASB 1058 Income of Not-for-profit entities. All donation income of the Company is recognized under AASB1058.
 AASB 1058 did not have a significant impact on the Company's accounting policies with respect to income streams. Additionally, the disclosure requirements in AASB 1058 have not generally been applied to comparative information.

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

II. AASB 16 Leases

AASB 16 Leases, which became mandatory for the Company's 2019 financial statements introduced a single lessee accounting model and required a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is a low value. A lessee is required to recognize a right-of-use asset representing its obligations to make lease payments. The Company reviewed the lease and has determined that the lease term is less than 12 months as at the reporting date. Therefore, the Company has elected to use the lessee exemption for short-term leases - i.e. leases for which the lease term as determined under IFRS 16 is 12 months or less and that do not contain a purchase option.

(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 as described below.

Donations of money are recognised when the cash is received. Accruals are made for donations which are received before but banked after the year-end. In addition, if donations are unconditionally pledged they are treated as donations in the year pledged.

Donations in kind are recognised as revenue in the period in which goods or services are received and the corresponding expense is recognised when the goods or services are utilised.

Donations received relating to charity events are disclosed as "fundraising" revenue/expense; other administrative natured items are disclosed as "service" revenue/expense.

Donations in kind are recognised at fair value.

AASB15 Revenue from Contracts with Customers became effective for periods beginning January 1, 2019 which introduced a single model of revenue recognition based on when an entity satisfies contractual performance obligation by transferring promised good or services to a customer. Revenue from Contracts with customers, as defined by AASB15, is disclosed as Operating revenue' in the statement of Comprehensive income. The Company has no such transactions during the period that requires disclosure under "Revenue from Contracts with customers".

(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 recognized initially at fair value and subsequently measured at amortized cost less expected credit losses. Trade receivables are generally due for settlement no more than 30 days from the date of recognition. The Company recorded the long-term portion of Trade receivables based on the discounted value of the receivable using a discount rate of 0.6% in 2020 (2.0% in 2019).

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Trade receivables continued

The Foundation recognizes loss allowances for expected credit losses ("ECL") on trade receivables. The Foundation applies the simplified approach and records lifetime ECL's on all trade receivables based on evidence supporting future expectations as to collectability.

(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.

(g) Goods and Services Tax (GST)

Revenues and expenses 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

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.

2. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, foreign exchange risk, liquidity risk and cash flow interest rate risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors of the Company oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial risk management (continued)

The carrying amount of financial assets represents the maximum credit exposure which at the reporting date of 31 December 2020 was:

Cash	6	760,641
Receivables	7	2,894,185
		3,654,826

(a) Market risk

(i) Price risk

The Company does not conduct activities which would expose it to a commodity price risk.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company has significant concentrations of credit risk with Atlassian Foundation International Limited of AU\$ 2,483,679 (AU\$ 4,123,376 in 2019)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of cash and cash equivalents held at reputable financial institutions.

(c) Cash flow interest rate risk

The Company maintains its surplus cash at its Bank of America account, and it is not expected that market interest rate changes will materially impact the Company's financial results.

(iii) Currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which pledges are denominated in a currency other than the functional currency of the Company.

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. 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.

	Year ended 31 December 2020	Year ended 31 December 2019
	\$	\$
4 Revenue and Other Income		
Donations & Fundraising Income	4,364,939	9,621,585
Gain on Foreign Currency exchange	-	19,026
Interest	-	383
	4,364,939	9,640,994
5. Expenses		
Surplus before income tax includes the following specific expenses:		
- Expenditure supporting fundraising activities	26,967	156,726
- Loss on Foreign Currency Exchange	247,461	
- Other expenses	416,679	517,755
	691,107	674,481
Note: The Company received ATO Payroll tax relief on account of COVID-19 related government concession of AU\$32,376. The company has pro-bono company secretarial arrangement since April 2020.		
6. Cash and cash equivalents		
Cash and cash equivalents	760,641	2,585,657

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December 2020	Year ended 31 December 2019
7. Trade receivables		
Trade Receivables	2,894,185	4,698,151
8. Other Liabilities		
Other Liabilities	77,380	69,946
9. Remuneration of auditors		
Room to Read Australia Limited financial statement audit for 2020 and 2019 was performed at an audit fee of \$ 16,830 and \$ 18,700 respectively.		
10. Commitments		
(a) Capital commitments		
The Company had no capital commitments at 31 December 2020 (2019: Nil).		
(b) Lease commitments: Company as lessee		
The Company had no lease commitments at 31 December 2020 (2019: Nil).		
11. Key management personnel disclosures		
(a) Directors		
The following persons were directors of the Company during the year: Leona Pearce, Chantal Lewis, John Charles Gorman, Laurie McMohan and Geetha Murali.		
(b) Executive Officer		
Chantal Lewis was the Senior Director, Australia of the Company at the end of the year.		
(c)		
There were no transactions with key management personnel during the year ended 31 December 2020. No key management personnel have received or are due to receive any remuneration from the Company (In 2019, there were no transactions or remuneration paid to key management personnel).		
12. Reconciliation of surplus for the year to net Cash inflow from		
	Year ended 31 December 2020	Year ended 31 December 2019
(Deficit)/ Surplus	(3,576,888)	4,512,967
Add non-cash items:		
Decrease/(Increase) in Receivables	1,803,966	(2,823,403)
Decrease/ (Increase) in Prepayments	2,977	17,085
Decrease (Increase) in Inter-company Liabilities	(62,505)	30,537
(Decrease)/Increase in Employee and other Provisions	7,434	(7,510)
Net Cash used in operating activities	(1,825,016)	(1,729,674)

ROOM TO READ AUSTRALIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the entity, the results of those operations or the state of affairs of the entity, in future financial years.

14. Related party disclosures

The parent entity is Room to Read, San Francisco.

During the year, Room to Read Australia Limited distributed \$7,250,720 (2019: \$4,453,546) to Room to Read related parties.

15. Liabilities and right of indemnity

Room to Read Australia Limited is the trustee of Room to Read Australia Foundation (the Foundation). Liabilities of the Foundation are not recorded in the financial statements.

Under the Charitable Trust Deed (the Deed) between the Company and the Foundation, the Company is indemnified by the Foundation in respect of any liability incurred while acting as Trustee (except from a breach of trust). The Company shall not be liable to the Foundation nor any person whatsoever to an extent greater than the assets of the Foundation.

16. Pledges Receivable

The Organization recognizes revenue from unconditional contributions when written notification of the commitment (pledge) is received from the donor. Promises received as of the end of a year for which the cash had not been received are reported as Pledges receivable in the statement of financial position. This includes a pledge commitment from Atlassian Foundation International Limited received in 2019 of US\$3M payable over a three-year period, to be distributed at US\$500,000 every six months. We received US\$1MM in 2020 out of this pledge commitment.

17. Information required to be furnished under the Charitable Fundraising Act, 1991

	2020	2019
Donation activities undertaken		
Donation revenue	4,364,939	9,621,585
Less: Donation activity expenses	691,107	674,481
Net Fundraising Surplus	3,673,832	8,947,104

**ROOM TO READ AUSTRALIA LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

In the Directors' opinion:

- (a) The financial statements and notes set out on pages 9 to 19 are in accordance with the Australian Charities and Not-for-profits Commission 2012, including:
 - (i) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2020 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.

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

DocuSigned by:

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John Charles Gorman
Director
Sydney

DocuSigned by:

918621807BC44AE...
Chantal Lewis
Director
Sydney

**ROOM TO READ AUSTRALIA LIMITED
DECLARATION BY THE CHAIRPERSON IN RESPECT OF FUNDRAISING APPEALS
FOR THE YEAR ENDED 31 DECEMBER 2020**

I, Geetha Murali, 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 2020.
- (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 2020.
- (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 2020.
- (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.

DocuSigned by:

AA8BFF7838284EE...
Geetha Murali
Chairperson

[Independent audit report to the Members]