**ROOM TO READ AUSTRALIA LIMITED

ABN: 40 667 977 802**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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ABN: 40 667 977 802
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2021**

Dear Friends,

The start of a new year is a time to reflect on our accomplishments of the past, as well as the people who have gotten us where we are today. Our Australian Regional Board, our long-standing partners Atlassian Foundation International and thousands of generous supporters within the Australian community continue to be instrumental in our success, allowing us to weather a series of storms and emerge strong, unified, and more focused than ever on equipping children with the foundational skills proven to ensure they learn, grow and thrive. The power of our global community gives me great joy and hope for the future.

Because of our strong network of supporters across the globe we were able to scale our work to benefit more children in more geographies than ever before in 2021. As of today, we have worked in 21 countries, benefiting more than 32 million children across 49,000 communities. Even better, we have a line of sight to our goal of benefiting 40 million young learners by 2025 – a key objective laid out in our most recent strategic plan, Vision 2025.

Throughout the COVID-19 pandemic, we have pivoted our efforts to facilitate remote learning, including sharing lessons through radio and TV broadcasts, as well as via text message and educational materials delivered to the home. These efforts have been so successful that we plan to continue them, so we can benefit children beyond those participating directly in our programs in the years ahead.

I would be remiss not to call out a few key accomplishments of our programs. Life skills continued to serve as a lifeline for girls through the continued uncertainty of 2021, particularly as girls faced increased pressure to discontinue their education for financial reasons or to care for family during the pandemic. We not only found new ways to provide life skills lessons to girls – we also continued to equip more educators to deliver this type of training. For example, the Laos Girls’ Education Program team organized life skills training sessions for 40 teachers from 15 new target schools in Soukhouma. The training took place over five days and included government partners from provincial and district levels, school directors and teachers. These sessions focused on building capacity, knowledge and understanding of life skills teaching techniques for teachers so that they can provide life skills training to students in the Girls’ Education Program effectively.

On the Literacy side, we continued to provide training to teachers while also supporting schools in creating inviting libraries filled with engaging children’s books. We also were able to support new communities by providing books in local languages. In Pakistan, for instance, we adapted 28 storybooks into Urdu; distributed nearly 170,000 Urdu books to 2,000 libraries across the country, reaching more than 33,500 children; and established 20 public libraries in the Punjab Province, benefiting 8,000 children. We are excited to expand on this work in 2022 given the strong demand from partners and local governments.

Although 2021 was a challenging year, the importance of responding to the education emergency stemming from COVID-19 galvanized Room to Read’s global community and brought us closer together. It also cemented the role our organisation’s core values played as a framework for decision-making.

I want to thank the Australian Regional Board from the bottom of my heart for your unwavering commitment to Room to Read. You helped us find our footing when the path was anything but clear. Because of this support, many children around the world have been able to keep learning, growing and aspiring to be the next generation of dedicated parents, mentors, community leaders and change-makers.

As I think back on 2021, I am reminded of the words philanthropist Sheryl Sandberg said at our global gala, “Resilience is a muscle we build. We build it in ourselves, and we build it with each other.” There is no group I would rather be building my resilience muscle with than you. Here’s to an outstanding 2022 ahead!

Geetha Murali

Chairperson

Date:

**ROOM TO READ AUSTRALIA LIMITED
DIRECTORS’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

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 PearceChantal LewisGeetha MuraliLaurie McMahonJohn Charles Gorman |  21 May 2012  17 November 2012 20 March 2019  19 March 2019 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 | Previously Senior Development Director, Australasia, 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  |

1. **Principal activities**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.

1. **Dividends**No dividends were declared or paid by the Company as it is prohibited by its Constitution.
2. **Review of operations**

**Operating revenue**The Company’s revenue for the financial year was $8,977,040 (2020: $4,364,939).

**ROOM TO READ AUSTRALIA LIMITED
DIRECTORS’ REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Operating surplus** The operating surplus for the financial period was $8,502,917 (2020: $3,673,832). The surplus carried over for future was $7,273,116 (2020: $3,580,008).

1. **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 in future financial years, or
 (ii) the results of those operations in future financial years, or
 (iii) the Company’s state of affairs in future financial years

1. **Likely developments**The Room to Read Australia Foundation was wound up in November 2021 and the Company ceased to be a Trustee for the Foundation. The Company 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.
2. **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.
3. **Company Secretary**At the date of this report, the position of Company Secretary was held by Suzanne McArthur on pro-bono basis.
4. **Directors’ Meetings**

No directors’ meetings were held in 2021. Business of the Company and the Foundation was reviewed and approved by the directors through circular resolutions in 2021.

1. **Directors’ remuneration**Since the end of the previous financial year, no director has received or become entitled to receive, a benefit.
2. **Loans to directors and executives**There were no loans to directors and executives during the year ended 31 December 2021.
3. **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.
4. **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 Charles Gorman …………………………..Geetha Murali

 Director Director

Sydney San Francisco **Lead Auditor’s Independent Declaration**

**ROOM TO READ AUSTRALIA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **Year ended****31 December 2021****$**  | **Year ended****31 December 2020****$** |
| **Revenue**  |  |  |  |
|  |  |  |  |
| Donations and Fundraising Income |  | 8,977,040 | 4,364,939 |
| Revenue from Contracts with Customers\* |  |  - |  - |
| **Total Revenue**  | 4 | **8,977,040** | **4,364,939** |
|  |  |  |  |
| **Expenses** |  |  |  |
| Expenditure supporting fundraising activities  |  | 8,614 | 26,967 |
| Loss on Foreign Currency Exchange |  | 138,087 | 247,461 |
| Other expenses |  | 327,422 | 416,679 |
| **Total Expenses** | 5 | **474,123** | **691,107** |
|  |  |  |  |
| **Surplus for the period before income tax** |  | 8,502,917 | 3,673,832 |
|  |  |  |  |
| Income tax expense |  | - | - |
|  |  |  |  |
| **Surplus after income tax** |  | **8,502,917** | **3,673,832** |
|  |  |  |  |
| **Total Comprehensive income for the period** |  | **8,502,917** | **3,673,832** |
|  |  |  |  |
| **Distribution of the surplus** |  |  |  |
|  |  |  |  |
| Transfer of funds directly to Room to Read related parties |  | 4,809,809 | 7,250,720 |
| **Total Distribution** |  | **4,809,809** | **7,250,720** |
|  |  |  |  |
| **(Deficit)/Surplus available for the year**  | 12 | **3,693,108** | **(3,576,888)** |

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 2021**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **Year ended** **31 December** **2021****$** |  **Year ended****31 December** **2020****$** |
| **Current assets** |  |  |  |
| Cash and Cash equivalents |  6 | 1,104,260 | 760,641 |
| Trade Receivables  |  7 | 6,191,507 | 2,894,185 |
| Prepayments |  | 216 | 4,938 |
| **Total assets**  |  | **7,295,983** | **3,659,764** |
|  |  |  |  |
| **Current liabilities** Other LiabilitiesIntercompany Liabilities | 8 | 21,7651,102 | 77,3802,376 |
| **Total liabilities**  |  | **22,867** | **79,756** |
|  |  |  |  |
| **Net assets**  |  | **7,273,116** | **3,580,008** |
|  |  |  |  |
| **Accumulated funds** Accumulated Funds beginning of yearAccumulated (Deficit)/ Surplus |  | 3,580,008 3,693,108 | 7,156,896 (3,576,888) |
|  |  |  |  |
| **Total accumulated funds**  |  | **7,273,116** | **3,580,008** |

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 2021**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Year ended** **31 December 2021** | **Year ended** **31 December** **2020** |
| **Total accumulated funds at the beginning of the financial year** |  | **3,580,008** | **7,156,896** |
| Total comprehensive income for the period  |  | 8,502,917 | 3,673,832 |
| Less income distributed |  | 4,809,809 | 7,250,720 |
|  |  |  |  |
| **Total accumulated funds at the end of the year**  |  | **7,273,116** | **3,580,008** |

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 2021**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Notes** | **Year ended** **31 December** **2021** **$** | **Year ended****31 December****2020****$** |
| **Cash flows from operating activities**  |  |  |  |
| Receipts from donors and other contributions  |  | 5,541,631 | 5,921,444 |
| Payments to suppliers/employees  |  | (388,203) | (495,740) |
| Payments for distributions |  | (4,809,809) | (7,250,720) |
| **Net cash inflow from operating activities**  | 12 | **343,619** | **(1,825,016)** |
|  |  |  |  |
| **Net increase in cash and cash equivalents**  |  |  |  |
| Cash and cash equivalents at the beginning of the financial period  |  | 760,641 | 2,585,657 |
| **Cash and cash equivalents at the end of the financial period**  | 6 | **1,104,260** | **760,641** |

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 2021**

**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 not-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.

### 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.

### AASB 1058

*The Company has adopted AASB 1058 Income of Not-for-profit entities* which came into effect for annual periods beginning on 1 January 2019*.* 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.

### AASB16 Leases

### The Company reviewed the lease under AASB16 which became mandatory for the Company's 2019 financial statements 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

### 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.

**ROOM TO READ AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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 introduces 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”

### 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.

### 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.

1. *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 1.6% in 2021 (0.6% in 2020).

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.

### 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.

### 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.

**ROOM TO READ AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

### 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.

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.

The carrying amount of financial assets represents the maximum credit exposure which at the reporting date of 31 December 2021 was:

|  |  |  |
| --- | --- | --- |
| CashReceivables | 67 |  1,104,260  6,191,507 |
|  |  **7,295,767** |

### **Market risk**

* 1. **Price risk**

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

**ROOM TO READ AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### **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 Cannon Brookes foundation of AU$4,005,738 in 2021 (AU$ 0 in 2020) and Atlassian Foundation International Limited AU$ 1,298,322 in 2021 (AU$ 2,483,679 in 2020)

### **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.

**(i) 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.

### **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.

**ROOM TO READ AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

**Year ended 31 December**

 **2021**

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Revenue** | **$** |  **$** |
|  | Donations & Fundraising Income |  8,977,040 |  4,364,939 |
|  | Gain on Foreign Currency exchange |  - |  - |
|  |  |  |  |
|  |  |  **8,977,040** |  **4,364,939** |
| **5.** | **Expenses** |  |  |
|  | Surplus before income tax includes the following |  |  |
|  | specific expenses: |  |  |
|  | - Expenditure supporting fundraising activities |  8,614 | 26,967 |
|  | - Loss on Foreign Currency Exchange |  138,087 |  247,461 |
|  | - Other expenses |  327,422 |  416,679 |
|   |  |  **474,123** |  **691,107** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **6.** | **Cash and cash equivalents** |  |  |
|  |  |  |  |
|  | Cash and cash equivalents |  **1,104,260** |  **760,641** |
|  |  |  |  |

**Year ended**

 **31 December**

 **2020**

**ROOM TO READ AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

 **Year ended Year ended**

 **31 December 31 December**

 **2021 2020**

|  |  |  |
| --- | --- | --- |
| **7.** |  **Trade receivables** Trade Receivables 6,191,5072,894,185 |  |
|  |  |  |
| **8.**  |  **Other Liabilities** |  |
|  |  Other Liabilities 21,765 77,380 |  |
|  |  |  |
| **9.** | **Remuneration of auditors** |  |
|  | Room to Read Australia Limited financial statement audit for 2021 and 2020 was performed at an audit fee of $ 16,500 and $ 16,830 respectively.  |  |
| **10.** | **Commitments** |  |
| **(a)** | **Capital commitments** |  |
|  | The Company had no capital commitments at 31 December 2021 (2020: Nil). |  |
| **(b)** | **Lease commitments: Company as lessee** |  |
|  | The Company had no lease commitments at 31 December 2021 (2020: 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)** | There were no transactions with key management personnel during the year ended 31 December 2021. No key management personnel have received or are due to receive any remuneration from the Company (In 2020, 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 Year ended 31 December 31 December 2021 2020**

 (Deficit)/ Surplus 3,693,108  (3,576,888)

 Add non-cash items:

 Decrease/(Increase) in Receivables  (3,297,322) 1,803,966

 Decrease/ (Increase) in Prepayments 4,722  2,977

 Increase in Inter-company Liabilities (1,274) (62,505)

(Decrease) /Increase in Employee and other Provisions (55,615)  7,434

\_\_\_\_\_\_\_\_ \_\_\_\_\_\_ Net Cash used in operating activities 343,619 (1,825,016)

**ROOM TO READ AUSTRALIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 $4,809,809 (2020: $7,250,720) to Room to Read related parties.

**15. 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 Cannon Brookes Foundation in 2021 of US$3M payable over three year period, to be distributed at US$1MM every year and 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 $1M each in 2020 in 2021 from Atlassian Foundation International Limited out of US$3M pledge commitment.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | **2021** |  **2020** |
|  |  |  |  |  |  |
| **Donation activities undertaken** |  |  |  |
| Donation revenue |  |  | 8,977,040 | 4,364,939 |
| Less: Donation activity expenses |  | 474,123 |  691,107 |
| **Net Fundraising Surplus** |  | **8,502,917** | **3,673,832** |

**ROOM TO READ AUSTRALIA LIMITED
DIRECTORS’ DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

In the Directors’ opinion:

* 1. The financial statements and notes set out on pages 8 to 18 are in accordance with the Australian Charities and Not-for-profits Commission 2012, including:
		1. complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and
		2. giving a true and fair view of the Company’s financial position as at 31 December 2021 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.

John Charles Gorman Geetha Murli

Director Director

Sydney

**ROOM TO READ AUSTRALIA LIMITED
DECLARATION BY THE CHAIRPERSON IN RESPECT OF FUNDRAISING APPEALS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021.

(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 2021.

(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 2021.

(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.

Geetha Murali

Chairperson

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[ Independent audit report to the Members]