

Annual Financial Report

September 30

2015

ABN 27 075 428 787

ReachOut Australia
(formerly Inspire Foundation)

**REACH
OUT.COM**

Helping all young people
be happy and well



About ReachOut Australia (formerly Inspire Foundation)

ReachOut is Australia's leading online mental health organisation for young people, providing practical support to help them get through everything from everyday issues to tough times.

Since 1998, ReachOut has worked alongside young people to deliver online tools that address youth mental health and reduce youth suicide. Available anytime and pretty much anywhere, ReachOut was visited by 3.9 million people in the financial year ending 30 September 2015, including 1.3 million Australians.

Formerly Inspire Foundation, the Company's name was changed to ReachOut Australia on 15 December 2014 to better reflect the core service provided.

Our vision

Helping all young people be happy and well.

Our mission

Delivering innovative e-mental health services that enable young people to take control of their mental health and wellbeing.

Our activities

Our work is mapped across three broad strategic priorities:

1. Research, develop and implement new e-mental health products to better help more young people through ReachOut, especially young people who are unlikely to access traditional mental health services.
2. Lead transformational change to give young people the help they need, where and when they need it. This includes reaching as many young people with our service as possible, and pioneering new thinking and research that prepares the youth mental health sector for future service delivery models.
3. Be a high-performing organisation that effects social change, with highly capable employees, diverse funding sources, and first-class systems, policies and procedures.

ReachOut Australia

Corporate Information

ABN 27 075 428 787

Directors as at 30 September 2015

Helen Conway
Dr Alan Huynh
Michael Price
Nigel Smyth
Julie White (Chair)
Andrew Wilson
David Winterbottom

Company Secretary

Heather Doig

Chief Executive Officer

Jonathan Nicholas

Registered office and principal place of business

Building B, Level 2,
35 Saunders Street
Pyrmont NSW 2009

Company contact details

Building B, Level 2,
35 Saunders Street
Pyrmont NSW 2009
P: +61 (0)2 8029 7777
E: info@reachout.com
W: www.reachout.com

Auditors

Jacoby Cameron & Co
255 Castlereagh Street
Sydney NSW 2000

Directors' Report

The Directors present their report on ReachOut Australia, formerly Inspire Foundation, ("the Company") for the year ended 30 September 2015.

Principal activities

The principal activities of ReachOut during the year was as a charitable company dedicated to the improvement of wellbeing and mental health for young people through the provision of mental health services in an online environment.

Review of financial operations and results of ReachOut Australia

The total income for the financial year ended 30 September 2015 was \$6,046,706. In the same period, expenditure was \$5,903,443 leaving a surplus of \$143,263.

Matters subsequent to the end of financial year

The directors are not aware of any other matter of circumstance that has arisen that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 30 September 2015.

Indemnity and insurance of officers

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the 12 months ended 30 September 2015. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of directors' and officers' liability and legal expenses' insurance contracts; as such disclosure is prohibited under the terms of the contract.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Environmental Regulation

ReachOut Australia is not subject to any significant environment regulations.

Directors' Report (continued)

Directors

The names of the Directors of the Company in office during or since the end of the year are:

Helen Conway - Director – appointed 25 November 2013

Helen Conway has 30 years' experience, primarily in business and, more recently, in the public sector. She spent 10 years in private legal practice, including seven years as a partner in a major law firm in Sydney, and then moved into the corporate sector where she worked as a senior executive in the insurance, transport, energy, retail and construction industries for 18 years. At the same time, she undertook various directorships in the health, transport and superannuation sectors. From 2011 to 2015, Helen served as CEO of the Australian Government's Workplace Gender Equality Agency, a statutory authority with regulatory and other responsibilities. Helen is currently the Deputy Chair of Aon Superannuation Pty Ltd, a member of the Australian Advisory Board of the Aon Group and an Honorary Fellow of the Australian Institute of Business and Economics at the University of Queensland.

Dr Alan Huynh – Director – appointed 31 March 2014

Dr Alan Huynh is a senior resident medical officer with NSW Health and a Clinical Associate Lecturer at Sydney Medical School. He has a long-standing interest in youth development, mental health and the power of applying new technologies. He served as Chair of the 7th Commonwealth Youth Forum and is a past Youth Chair of the Federation of Ethnic Communities' Councils of Australia. For his work with young people from diverse backgrounds, Alan received the inaugural Australian Human Rights Commission Young People's Human Rights Medal, the Australian Leadership Award and the Queensland Multicultural 'Outstanding Young Achiever' award.

Michael Price - Director – appointed 20 February 2012

Michael Price is an Executive Director of Macquarie Bank with qualifications in accounting and law. He has been with the Bank for 25 years and is Chairman of the Bank's Specialised Investment Solutions Division. Prior to joining Macquarie, Michael worked at KPMG. Michael is also Chair of the Social Finance Advisory Council at Social Ventures Australia, an organisation working to build the impact and sustainability of the not-for-profit sector in Australia and a director of In-Form Limited, a company raising funds for youth mental health charities.

Nigel Smyth - Director – appointed 25 November 2013

Nigel Smyth joined the Board in November 2013, having retired from Macquarie Group in July 2013. Until the end of 2012 Nigel was the Group Head of the Market Operations and Technology Group. Prior to joining Macquarie, he was a Principle of Fitzgerald McLaren Consulting, where he program managed the integration of Bankers Trust European Equity Operations into Deutsche Bank. He is currently a Director of Pillar Administration, board member of Middle Harbour Yacht Club and has held board positions with the Centre for Social Impact and livewire.org.au.

Directors' Report (continued)**Julie White - Director – appointed 20 February 2012, appointed Chair 25 November 2013**

A Board Member since February 2012, Julie White assumed the role of Chair in November 2013, bringing with her over 30 years of experience in both the not-for-profit and corporate sectors. In addition to her role with ReachOut Australia, Julie is the Chair of the Coca-Cola Australia Foundation; a non-executive director of Social Finance Australia and Women's Community Shelters and also serves on a number of advisory Boards. Previously, Julie was Global Head of the Macquarie Group Foundation.

Andrew Wilson – Director – appointed 31 March 2014

Andrew Wilson is the Head of Strategy and Planning at Coca-Cola Amatil. Previously Andrew was a Case Team Leader at Bain and Company and has more than seven years of management consulting experience. Over time he has advised across a broad range of industries on corporate strategy, organisation design and operational effectiveness problems. Prior to joining Bain, Andrew worked in product development for ResMed, a global medical device company. Andrew has a degree in Biomedical Engineering from Sydney University and an MBA from London Business School. Andrew joined the Board in March 2014.

David Winterbottom - Director – appointed 20 February 2012

David Winterbottom is a Partner of KordaMentha, and one of Australia's leading Turnaround and Restructuring professionals. David is the Managing Partner of KordaMentha's Sydney office, and advises a wide variety of companies on constructive approaches to operational, strategic and liquidity problems. Prior to joining KordaMentha, David was a Partner with Ernst & Young's Corporate Restructuring practice and a Partner with Arthur Andersen's Corporate Recovery Practice. David is a Chartered Accountant and an Official Liquidator of the Supreme Court of Australia. He is also a Director of Calibre Capital Real Estate Fund.

Meetings of directors

During the 12 months from October 2014 to September 2015, 8 meetings of directors were held. The number of meetings attended by each of the directors in the 12 months ended 30 September 2015 was:

Name of Director	Eligible to attend	Attended
H Conway	8	8
A Huynh	8	4
M Price	8	7
N Smyth	8	7
J White	8	7
A Wilson	8	8
D Winterbottom	8	7

Directors' Report (continued)

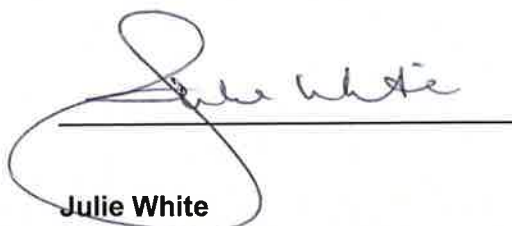
Directors are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly from the Company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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

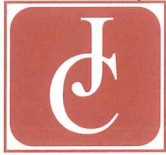
On behalf of the directors



A handwritten signature in black ink, appearing to read 'Julie White', is written over a horizontal line. The signature is stylized and loops back under the line.

Julie White
Chair

Sydney
30 November 2015



JACOBY CAMERON & CO.

CHARTERED ACCOUNTANTS

REACHOUT AUSTRALIA (FORMERLY INSPIRE FOUNDATION)
A.B.N. 27 075 428 787

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF REACHOUT AUSTRALIA (FORMERLY INSPIRE
FOUNDATION)

I declare that, to the best of my knowledge and belief, during the year ended 30 September 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.*

Jacoby Cameron & Co
JACOBY CAMERON & CO
Chartered Accountants

Grant Thomson
Grant Thomson

Date: 2 December 2015

Level 4
255 Castlereagh Street
SYDNEY NSW 2000

Statement of Comprehensive Income

For the year ended 30 September 2015

	Note	2015	2014
		\$	\$
Revenue	3	5,883,369	5,466,089
Employee expenses	4	(2,998,787)	(2,625,151)
Marketing and Fundraising expenses		(421,575)	(254,886)
Administration expenses		(259,780)	(248,743)
Travel expenses	4	(172,619)	(186,484)
Design and delivery of services	4	(1,840,772)	(2,029,192)
Occupancy expenses		(127,591)	(83,619)
Depreciation expense	4	(22,497)	(13,240)
Surplus from operating activities		39,747	24,774
Financial income	4	163,337	129,560
Financial expense		(59,821)	(9,754)
Total Comprehensive Income for the year	4	143,263	144,580
Opening net income recognised in accumulated funds		1,692,437	1,547,857
Operating surplus for the period	4	143,263	144,580
Total income and expense recognised in accumulated funds		1,835,701	1,692,437

The operating surplus for the year is the only change in equity for the current year.

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 September 2015

	Note	2015 \$	2014 \$
Assets			
Current Assets			
Cash and cash equivalents	6	6,634,025	4,333,125
Trade and other receivables	7	154,844	151,531
Total Current Assets		6,788,868	4,484,656
Non-Current Assets			
Plant and equipment	8	197,006	37,093
Total Non-Current Assets		197,006	37,093
Total Assets		6,985,874	4,521,749
Liabilities			
Current Liabilities			
Trade and other payables	9	569,853	377,451
Unspent project grants	19	4,290,890	2,217,683
Provision for employee benefits	10	250,283	207,404
Total Current Liabilities		5,111,026	2,802,538
Non-Current Liabilities			
Provision for employee benefits	10	39,148	26,773
Total Non-Current Liabilities		39,148	26,773
Total Liabilities		5,150,173	2,829,311
Net Assets		1,835,701	1,692,438
Accumulated Funds			
Accumulated surplus		1,835,701	1,692,438
Total Accumulated Funds		1,835,701	1,692,438

Project grants are funds received by the Company and designated for use for a specific purpose. These funds are held until spent appropriately, or in line with funding agreements.

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 September 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from donations and other income		10,389,217	6,216,787
Payments to suppliers and employees		(8,064,668)	(5,869,665)
Interest received		158,762	143,076
Net cash provided by operating activities	16	2,483,311	490,198
Cash flows from investing activities			
Payment for purchase of plant and equipment		(182,410)	(23,757)
Net cash used in investing activities		(182,410)	(23,757)
Net increase in cash and cash equivalents		2,300,901	466,441
Cash and cash equivalents at the beginning of the year		4,333,124	3,866,683
Cash and cash equivalents at the end of the year	6	6,634,025	4,333,124

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 September 2015

Note 1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The Company is a not for profit entity and company limited by guarantee domiciled in Australia.

The financial report was authorised for issue by the directors on 30 November 2015.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and associated regulations as appropriate for not-for-profit oriented entities.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs. The following material accounting policies, which are consistent with the previous period, have been adopted in the preparation of this report.

All amounts are in Australian dollars.

Accounting policies

(a) Financial instruments

Non derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. These non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances, term deposits and corporate bonds. The company's investment strategy is to earn a financial return whilst guaranteeing capital preservation. In the current year that strategy has led to increased investment in corporate bonds to generate increased interest income.

Notes to the Financial Statements (continued)**For the year ended 30 September 2015****(b) Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Class of plant and equipment	Useful Life
Office Equipment	5-10 years
Computer Equipment	3 years
Leasehold Improvements	N/a

Note: as of 23 September 2015 ReachOut Australia executed a five year lease to occupy new premises. As of the 2015-16 financial year leasehold improvements will be depreciated over five years, the term of the lease.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit and loss.

Impairment

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Notes to the Financial Statements (*continued*)

For the year ended 30 September 2015

(c) Provision for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, annual leave and sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period they are incurred.

(d) Leased assets

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of the amount of Goods and Services Tax (GST).

Donations in kind

The Company receives various pro-bono services and donations in kind. Revenue has not been brought to account in the financial statements for services as management are unable to reasonably estimate the value of these donations and services. Revenue has been brought to account in the financial statements for contributed assets as management are able to reasonably estimate the fair value of these assets.

Grants

The Company receives grants to undertake certain projects. Where the grant is subject to a reciprocal transfer, a liability associated with the reciprocal transfer (or project outcome) is recorded upon receipt of the grant. Income is recorded when specific project goals and conditions associated with the grant are satisfied. Income from donations and appeals is recognised as revenue of the Company upon receipt.

Notes to the Financial Statements (*continued*)

For the year ended 30 September 2015

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

The Company's investment strategy is to earn a financial return whilst guaranteeing capital preservation. In the current year that strategy has led to further investment in bank term deposits and corporate bonds.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(g) Taxation

The company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended; it is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The Company holds deductible gift recipient (DGR) status. It is also exempt from fringe benefits, sales and capital gains taxes and state payroll tax.

(h) Goods and Services Tax (GST)

Revenue, expenses and plant and equipment are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Notes to the Financial Statements (continued)**For the year ended 30 September 2015****(i) Comparative figures**

Comparative figures of the Company for the previous 12 month period are included throughout these statements.

(j) Use of the term “surplus”

The Company is a not-for-profit organisation. As such, the term “profit” is not applicable and the term “surplus” is used where required.

(k) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Note 2. Members’ guarantee

The company is Limited by Guarantee under the Corporations Act 2001. If the company is wound up, the Constitution of the Company states that each member undertakes to contribute an amount not exceeding \$10 towards the meeting of any outstanding obligations of the company.

There were 7 members of the Company at 30 September 2015.

Note 3. Revenue

	2015	2014
	\$	\$
Revenue includes the following:		
Donations	1,762,418	1,657,714
Government Grants Income	3,769,218	3,550,713
Consulting	53,330	40,994
Sponsorships	20,000	0
Fundraising Events Income	251,379	190,982
Sundry Income	27,023	25,686
	5,883,369	5,466,089
Interest Income	163,337	129,560
Total Income	6,046,706	5,595,649

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

Note 4. Total Comprehensive income from ordinary activities

- (a) Operating surplus from ordinary activities has been arrived at after charging the following items:

	2015	2014
	\$	\$
Design and delivery of services	1,840,772	2,029,192
Operating lease rental expense	131,482	88,478
Depreciation of plant and equipment	22,497	13,240
Amounts set aside to provide for employee entitlements	31,398	(2,588)

Total expenses of \$5,903,443 for 2015 include direct costs of fundraising of \$175,479 and other costs of \$5,727,964. In 2014, total expenses were \$5,451,068 which included \$201,642 for the direct cost of fundraising and other costs of \$5,249,426.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

(b) Results of fundraising appeals

	2015	2014
	\$	\$
Gross donations from fundraising appeals	2,033,797	1,848,696
Less: direct costs of fundraising appeals	175,479	201,642
Net surplus obtained from fundraising appeals	1,858,318	1,647,054

Application of net surplus obtained from fundraising appeals

	2015	2014
	\$	\$
Employee expenses	2,998,787	2,625,151
Design and delivery of services	1,624,983	1,722,707
Marketing and awareness	246,096	53,244
Consulting	160,259	282,858
Travel	172,619	186,484
Youth involvement	55,530	23,627
Other administrative expenses	259,780	355,355
	5,518,054	5,249,426
Net (deficit)	(3,679,736)	(3,602,372)

The net deficit between the net surplus obtained from fundraising appeals and total expenditure was funded from the following sources:

	2015	2014
	\$	\$
Consultancies	53,330	40,994
Government grants	3,769,218	3,550,713
Interest received	163,337	129,560
Sundry income	27,023	25,686
	4,012,909	3,746,953
Operating surplus	143,263	144,581

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

(c) Comparisons of certain monetary figures and percentages

	2015		2014	
	\$	%	\$	%
Direct cost of fundraising / Gross income from fundraising	175,479 2,033,797	8.6%	201,642 1,848,696	10.9%
Net surplus obtained from fundraising / Gross income from fundraising	1,858,318 2,033,797	91.4%	1,647,054 1,848,696	89.1%
Total costs of services provided (including employee expenses) / Total expenditure	5,727,963 5,903,443	97.0%	5,249,426 5,451,068	96.3%
Total costs of services provided (including employee expenses) / Total income received	5,727,963 6,046,706	94.7%	5,249,426 5,595,649	93.8%

Note 5. Fundraising activities conducted during the year

Various fundraising activities such as Tax-time and Christmas appeals and community events like City2Surf in Sydney were conducted during the year, as well as generally receiving unsolicited donations.

Note 6. Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and on hand	3,066,112	1,994,882
Term Deposits	1,145,032	897,705
Corporate Bonds	2,422,881	1,440,538
	6,634,025	4,333,125

The company's investment strategy is to earn a financial return whilst guaranteeing capital preservation. In the current year that strategy has led to further investment in bank Term Deposits and Corporate Bonds.

This information is presented in accordance with the Charitable Fundraising Act 1991 and Regulations.

Notes to the Financial Statements (*continued*)

For the year ended 30 September 2015

Note 7. Trade and other receivables

	2015	2014
	\$	\$
Receivables	68,966	106,083
Prepayments	85,877	45,447
	154,844	151,530
Past due but not impaired		
30-60 days	446	1,340
61-90 days	0	137
90+ days	0	114
	446	1,591

Trade receivables are non-interest bearing and are generally on 30 day terms.

Note 8. Plant and equipment

	2015	2014
	\$	\$
Plant and equipment		
Plant and equipment, at cost	477,101	294,691
Donated plant and equipment at fair value	139,165	139,165
Accumulated depreciation	(419,260)	(396,763)
Total Plant and Equipment	197,006	37,093
Reconciliation		
<i>Cost and fair value</i>		
Opening balance	433,856	410,099
Acquisitions	182,410	23,757
Disposals	0	0
Closing balance	616,266	433,856
<i>Depreciation</i>		
Opening balance	(396,763)	(383,523)
In year depreciation	(22,497)	(13,240)
Impairment loss	0	0
Disposals	0	0
Closing balance	(419,260)	(396,763)
<i>Written down value</i>		
Opening balance	37,093	26,576
Closing balance	197,006	37,093

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

Note 9. Trade and other payables

	2015	2014
	\$	\$
Current		
Trade creditors	213,260	198,240
Sundry creditors	3,289	6,411
GST	241,738	64,242
PAYG withheld	55,678	27,696
Accruals	55,887	80,862
	569,853	377,451

The average credit period on trade and other payables (excluding GST) is one month. No interest is payable on outstanding payables during this period.

Note 10. Provisions

	2015	2014
	\$	\$
Current		
Employee benefits		
Annual leave	102,095	94,491
Fringe benefits	150	3,980
Long service leave	68,391	56,971
Superannuation	79,646	51,962
	250,283	207,404
Non-Current		
Employee benefits		
Long service leave	39,148	26,773
Office lease make good	0	0
	39,148	26,773

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

Note 11. Commitments

Operating leases include premises and a printer.

	2015	2014
	\$	\$
Payable		
Not longer than one year	158,065	109,859
Longer than one year but not longer than five years	828,503	459,598
Longer than five years but not longer than ten years	705,157	121,488
	1,691,726	690,945

On 23 September 2015, the Company signed a new office lease for five years with an option to renew for a further three years. An extension to the lease incorporating more office space in the same premises is expected to commence on 14 February 2016. The above commitments reflect this extension.

Note 12. Key management personnel disclosures**Compensation**

The aggregate compensation made to key management personnel of the company is set out below:

	2015	2014
	\$	\$
Key management personnel disclosures	324,793	313,979

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

Note 13. Financial instruments

The company's financial assets and liabilities included in current assets and liabilities in the balance sheet are carried at amounts that approximate fair values. These include cash, receivables and creditors and accrued expenses.

The company's investment strategy is to maximise financial return whilst guaranteeing capital preservation. In the current year that strategy has led to further investment in corporate bonds which have generated interest income at an average rate of 5.2% per annum, approximately 2% higher than rates on offer for Term Deposits.

The main risk arising from the company's financial instruments is credit risk. This represents the loss that would be recognised if counterparties failed to perform as contracted. The only source of credit risk is found in the trade receivables balance. Refer to Note 7 for details on trade receivables that are past due but not impaired.

Note 14. Contingent liabilities

Below details the only contingent liability as at the end of the year other than those identified elsewhere in the report.

	2015	2014
	\$	\$
Bank guarantee in respect of operating leases	103,627	0

Note 15. Events subsequent to reporting date

No matters or circumstances have arisen since the end of the year which may significantly affect the operations of the Company or the results of those operations for the period under report.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

Note 16. Reconciliation of cash flows from operating activities with net surplus for the year

	2015	2014
	\$	\$
Net surplus for the year	143,263	144,580
Non-cash flows in net surplus for the year:		
Depreciation	22,497	13,240
Revaluation of corporate bonds	(51,291)	
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	37,117	286,000
Increase / (decrease) in provisions	55,253	0
Increase / (decrease) in trade and other creditors	192,402	61,560
Increase / (decrease) in unspent project grants	2,087,899	(14,902)
Increase / (decrease) in employee benefits	(3,830)	(279)
Net cash provided by operating activities	2,483,311	490,199

The Company does not have any financing facilities.

Note 17. Remuneration of the Auditor

During the year, the following fees were paid or payable for services provided by the Auditor, Jacoby Cameron & Co to the Company:

	2015	2014
	\$	\$
External audit of the financial statement	21,000	21,100

Note 18. Company Details

The registered office and principal place of business of the Company is:
Level 2, 35 Saunders Street
Pyrmont NSW 2009 Australia

The Company operates entirely in Australia providing charitable services to the community.

Note 19. Unspent Project Grants

During the course of each financial year donations and grants are made to fund activities that will be executed over the course of the current or subsequent financial year. In instances where these funds are tied to the activities of the subsequent year, they are listed under 'Unspent project grants'.

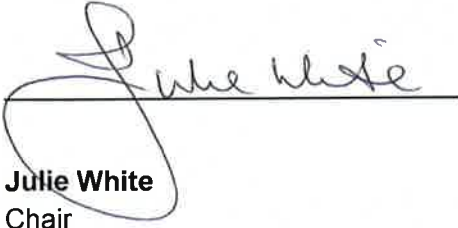
Directors' Declaration

For the year ended 30 September 2015

In the directors' opinion:

- 1 The financial statements and notes set out on pages 8 to 23 are in accordance with the Corporations Act 2001, including:
 - a. giving a true and fair view of the financial position of the Company as at 30 September 2015 and of the performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2 There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3 The financial report gives a true and fair view of all income and expenditure of ReachOut Australia with respect to fundraising appeal activities for the financial year ended 30 September 2015.
- 4 The balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 September 2015.
- 5 The provisions of the NSW Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority / licence have been complied with for the financial year ended 30 September 2015; and
- 6 The internal controls exercised by ReachOut Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Julie White
Chair

Sydney
30 November 2015



JACOBY CAMERON & CO.

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the members of ReachOut Australia (formerly Inspire Foundation)

We have audited the accompanying financial report of ReachOut Australia (formerly Inspire Foundation), which comprises the balance sheet as at 30 September 2015, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 and fair presentation of the financial report 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.

In addition, our audit report has also been prepared for the members of the company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations.

It should be noted that accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited nor necessarily reflect after the event accounting adjustments and normal year end financial adjustments for such matters as accruals, prepayments, provisions and valuations necessary for year end financial report preparation.

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

Auditor's Opinions
Opinion Pursuant to the Corporations Act 2001

In our opinion the financial report of ReachOut Australia (formerly Inspire Foundation) is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

The financial report also complies with International Financial Reporting Standards as disclosed in Note 2

Opinion Pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion:

- a) The financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 September 2015
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 October 2014 to 30 September 2015, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations
- c) Money received as a result of fundraising appeal activities conducted during the period from 1 October 2014 to 30 September 2015 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d) There are reasonable grounds to believe ReachOut Australia (formerly Inspire Foundation) will be able to pay its debts as and when they fall due.


JACOBY CAMERON & CO


Grant Thomson (Partner)

255 CASTLEREAGH STREET
SYDNEY NSW 2000

Dated 2 December 2015