Annual Financial Report

September 30

2019

ABN 27 075 428 787

ReachOut Australia

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Corporation Information

Directors

The following Directors (Responsible Entities) were in office at the date of this report.

Julie White (Chairperson)
Helen Conway
Alison Hughes
Dianne James
Michael Price
Nigel Smyth
Ian Thorpe
Andrew Wilson
David Winterbottom

Company Secretary	Janina Jancu
Chief Executive Officer	Ashley de Silva
Registered office and principal place of business	Level 2 35 Saunders Street Pyrmont NSW 2009
Company contact details	PO Box 597 Pyrmont NSW 2009 P: +61 (0)2 8029 7777 E: info@reachout.com W: www.reachout.com
Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent Street Sydney NSW 2000
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Auditor's Independence Declaration

To the Responsible Entities of ReachOut Australia

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of ReachOut Australia for the year ended 30 September 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter

James Winter
Partner – Audit & Assurance

Sydney, 25 November 2019

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2019

	Notes	30 Sep 2019 $	30 Sep 2018 $
Revenue from operating activities	4	9,233,116	8,254,941
Other income	4	165,516	164,292
Employee expenses		(3,868,792)	(3,737,198)
Marketing expenses		(1,136,796)	(923,364)
Fundraising expenses		(433,687)	(365,839)
Travel expenses		(163,245)	(160,738)
Design and delivery of services		(2,608,794)	(1,960,677)
Occupancy expenses		(304,208)	(305,883)
Depreciation and amortisation expense		(114,605)	(133,101)
Administration expenses		(345,137)	(308,490)
Surplus for the year		**423,368**	**523,943**
Other comprehensive income:			
Net fair value gain / (loss) of financial assets		61,504	(24,937)
Total comprehensive income for the year		**484,872**	**499,006**

The accompanying notes form part of these financial statements

Statement of Financial Position

As at year ended 30 September 2019

Assets	Notes	30 Sep 2019 $	30 Sep 2018 $
Current			
Cash and cash equivalents	6	2,639,487	2,600,588
Trade and other receivables	7	163,444	18,143
Prepayments		113,784	126,990
Financial assets	10	171,372	168,234
Total current assets		**3,088,087**	**2,913,955**
Non-current			
Plant and equipment	8	135,345	175,093
Intangible assets	9	35,968	69,055
Financial assets	10	3,166,166	2,631,027
Total non-current assets		**3,337,479**	**2,875,175**
Total assets		**6,425,566**	**5,789,130**
Liabilities			
Current			
Trade and other payables	11	480,347	553,733
Unspent project grants	12	2,272,667	2,214,580
Deferred income		218,164	-
Provisions	13	199,330	211,024
Total current liabilities		**3,170,508**	**2,979,337**
Non-current			
Provisions	13	115,352	154,959
Total non-current liabilities		**115,352**	**154,959**
Total liabilities		**3,285,860**	**3,134,296**
Net assets		**3,139,706**	**2,654,834**
Funds			
Accumulated funds		2,751,125	2,304,834
Reserves	14	388,581	350,000
Total funds		**3,139,706**	**2,654,834**

The accompanying notes form part of these financial statements

Statement of Changes in Funds

For the year ended 30 September 2019

	Innovation Reserve	FVOCI reserve	Accumulated funds	Total funds
	$	$	$	$
Balance at 1 October 2017	-	-	**2,155,828**	**2,155,828**
Surplus for the year	-	-	523,943	523,943
Other comprehensive deficit for the year	-	-	(24,937)	(24,937)
Total comprehensive income for the year	-	-	499,006	499,006
Transfer from accumulated funds	350,000	-	(350,000)	-
Balance at 30 September 2018	**350,000**	-	**2,304,834**	**2,654,834**
Balance at 1 October 2018	**350,000**	-	**2,304,834**	**2,654,834**
Surplus for the year	-	-	423,368	423,368
Other comprehensive income for the year	-	61,504	-	61,504
Total comprehensive income for the year	-	61,504	423,368	484,872
Transfer to accumulated funds	(22,923)	-	22,923	-
Balance at 30 September 2019	**327,077**	**61,504**	**2,751,125**	**3,139,706**

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 September 2019

	Notes	30 Sep 2019 $	30 Sep 2018 $
Cash flows from operating activities			
Receipts from donations, grants and other income		9,962,379	8,444,890
Payments to suppliers and employees		(9,570,454)	(8,160,021)
Interest and investment income received		165,516	164,294
Net cash flows provided by operating activities	19	**557,441**	**449,163**
Cash flows from investing activities			
Purchases of plant and equipment and intangibles		(41,769)	(27,447)
Acquisition of financial assets		(473,635)	(4,661)
Net cash flows used in investing activities		**(515,404)**	**(32,108)**
Cash flows from financing activities			
Acquisition of financial assets		(171,372)	-
Net cash flows used in financing activities		**(171,372)**	-
Net (decrease)/increase in cash and cash equivalents		**(129,335)**	**417,055**
Cash and cash equivalents at the beginning of the year		2,768,822	2,351,767
Cash and cash equivalents at the end of the year	6	**2,639,487**	**2,768,822**

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 September 2019

Note 1. Statement of significant accounting policies

ReachOut Australia (the "Company") is a not-for-profit company limited by guarantee, domiciled in Australia, and registered with the Australian Charities and Not-for-profits Commission (ACNC) and under the Charitable Fundraising Act 1991 (NSW).

The financial report for the year ended 30 September 2019 was authorised for issue by the Responsible Entities on 25 November 2019.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW).

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.

Significant accounting policies

(a) 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.

Grants and project income

Government grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and revenue is recognised as services are performed or conditions fulfilled.

Project grants from non-government funders are subject to conditions and agreed terms, and are carried as unspent project grants (liability) until spent, as these funds are not deemed to be controlled under AASB 1004 Contributions until the project expenditure occurs.

Notes to the financial statements (continued)

Donations and fundraising

Income from donations and appeals is recognised as revenue upon receipt, in accordance with AASB 1004 Contributions.

Interest and investment income

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.

(b) Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Notes to the financial statements (continued)

Investments in listed securities that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. For these investments, subsequent movements in fair value are recognised in other comprehensive income. Investment income from these investments continues to be recorded as other income within the profit or loss.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and Other Receivables

The Company makes use of a simplified approach in accounting for trade and other receivables; it records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Notes to the financial statements (continued)

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

(d) 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 and amortisation

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 Hardware	3 years
Leasehold Improvements	5 years

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

An item of 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.

Notes to the financial statements (continued)

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.

(e) Intangible assets

Recognition of intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 1(d).

The following useful lives are applied:

Class of intangible assets	Useful life
Computer software	3 - 5 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(f) Provision for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, annual and long service 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.

Notes to the financial statements (continued)

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.

(g) 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.

(h) 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.

(i) 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 Statement of Cash Flows 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.

(j) Reserves

Innovation Reserve

The Innovation Reserve is funds set aside by the entity for its use in assisting to fund the investigation and validation of new ideas.

Fair Value through Other Comprehensive Income ("FVOCI') Reserve

The FVOCI Reserve includes unrealised fair value movements in the Financial Assets designated as FVOCI as disclosed in Note 10, and represents the fair value increase against the cost of these held investments.

(k) Critical accounting estimates and judgements

The Responsible Entities 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.

Notes to the financial statements (continued)

Note 2. Reclassification of financial information

Comparative information within the organisation's financial statements has been reclassified where necessary to reflect a more accurate recording and classification.

Note 3. Members' guarantee

The Company is a company limited by guarantee under the Australian Charities and Not-for-profits Commission Act 2012. 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.

At 30 September 2019, the number of members was 9 (2018: 8).

Notes to the financial statements (continued)

Note 4. Revenue

Revenue from operating activities:	30 Sep 2019 $	30 Sep 2018 $
Donations and fundraising	3,203,265	2,529,929
Government grants	4,417,936	4,829,483
Non-government grants	1,565,166	839,202
Consulting revenue	33,500	49,365
Sundry income	13,249	6,962
	9,233,116	**8,254,941**
Other income		
Interest and investment income	165,516	164,292
Total revenue	**9,398,632**	**8,419,233**

Note 5. Expenses from continuing operations

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

	30 Sep 2019 $	30 Sep 2018 $
Operating lease rental expense	248,896	264,982
Depreciation and amortisation expense	114,605	133,101

Note 6. Cash and cash equivalents

	30 Sep 2019 $	30 Sep 2018 $
Cash at bank and on hand	1,324,871	748,901
Term deposits	1,314,616	1,851,687
	2,639,487	**2,600,588**

Note 7. Trade and other receivables

	30 Sep 2019 $	30 Sep 2018 $
Receivables	121,689	3,300
Allowance for credit losses	-	-
Other debtors	41,755	14,843
	163,444	**18,143**

Notes to the financial statements (continued)

Note 8. Plant and equipment

	Leasehold Improvements $	Plant and Equipment $	TOTAL $
Cost			
Balance as at 1 October 2018	288,035	166,260	454,295
Additions	-	41,769	41,769
Disposals	-	-	-
Balance as at 30 September 2019	**288,035**	**208,029**	**496,064**
Depreciation			
Balance as at 1 October 2018	(157,730)	(121,472)	(279,202)
Depreciation	(57,607)	(23,910)	(81,517)
Disposals	-	-	-
Balance as at 30 September 2019	**(215,337)**	**(145,382)**	**(360,719)**
Carrying amount			
Balance as at 30 September 2018	**130,305**	**44,788**	**175,093**
Balance as at 30 September 2019	**72,698**	**62,647**	**135,345**

Note 9. Intangible assets

	Computer Software $
Cost	
Balance as at 1 October 2018	187,160
Additions	-
Disposals	-
Balance as at 30 September 2019	**187,160**
Amortisation	
Balance as at 1 October 2018	(118,105)
Amortisation charge	(33,087)
Disposals	-
Balance as at 30 September 2019	**(151,192)**
Carrying amount	
Balance as at 30 September 2018	**69,055**
Balance as at 30 September 2019	**35,968**

Notes to the financial statements (continued)

Note 10. Financial assets

Current	30 Sep 2019 $	30 Sep 2018 $
Short term bank deposits	171,372	168,234

Non-Current		
Fair value through other comprehensive income (FVOCI) financial assets		
- Australian listed securities, notes and preference shares investment portfolio	3,166,166	2,631,027

The financial instruments are quoted on the Australian Securities Exchange.

Note 11. Trade and other payables

Current	30 Sep 2019 $	30 Sep 2018 $
Trade creditors	194,290	96,157
Sundry creditors and accruals	127,914	158,819
GST payable	77,672	125,552
PAYG withheld	64,243	56,866
Deferred rent	16,228	22,783
Superannuation payable	-	93,556
	480,347	**553,733**

Note 12. Unspent project grants

Current	30 Sep 2019 $	30 Sep 2018 $
Unspent grants - government	1,381,219	1,392,395
Unspent grants - non government	891,449	822,185
	2,272,668	**2,214,580**

Note 13. Provisions

Current	30 Sep 2019 $	30 Sep 2018 $
Employee benefits		
- Annual leave	157,205	142,816
- Long service leave	42,125	68,208
	199,330	**211,024**

Notes to the financial statements (continued)

Note 13. Provisions (continued)

Non-Current	30 Sep 2019 $	30 Sep 2018 $
Employee benefits		
- Long service leave	33,423	96,438
Office lease make good provision	81,929	58,521
	115,352	**154,959**

Note 14. Reserves

	Innovation Reserve $	FVOCI Reserve $	Total Reserves $
Balance 1 October 2017	-	-	-
Transfer from accumulated funds	350,000	-	350,000
Balance 30 September 2018	**350,000**	**-**	**350,000**
Balance 1 October 2018	350,000	-	350,000
Fair value revaluation of investments	-	61,504	61,504
Transfer to accumulated funds	(22,923)	-	(22,923)
	327,077	**61,504**	**388,581**

Note 15. Commitments

Operating leases commitments where the company is the lessee include premises and a printer.
The Company has a 5 year lease for its current premises expiring 30 November 2020 with an option for a further 3 year term.

Payable	30 Sep 2019 $	30 Sep 2018 $
No longer than one year	193,463	161,630
Longer than one year but no longer than five years	37,610	350,198
Longer than five years but no longer than ten years	-	-
	231,073	**511,828**

Note 16. Contingent liabilities

There is a bank guarantee in relation to the operating lease of $171,372 (2018: $168,234) secured against the term deposits held with Westpac Banking Corporation.

Notes to the financial statements (continued)

Note 17. Related party transactions

Key management personnel disclosures

Key management personnel ("KMP") include the Board of Directors and the Chief Executive Officer (prior year Chief Executive Officer and Deputy Chief Executive Officer). The Directors act in an honorary capacity and receive no paid compensation for their services.

Donations may be received from related parties.

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

	30 Sep 2019 $	30 Sep 2018 $
Key management personnel remuneration	**232,900**	**441,906**

Note 18. Events subsequent to reporting date

Nil matters.

Note 19. Reconciliation of cash flows from operating activities

	30 Sep 2019 $	30 Sep 2018 $
Net surplus for the year	423,368	523,943
Non-cash flows in net surplus for the year:		
Depreciation and amortisation	114,605	133,101
Changes in operating assets and liabilities		
Increase in trade and other receivables and prepayments	(132,096)	(16,562)
(Decrease) / increase in trade and other creditors	(73,388)	71,746
Increase / (decrease) in unspent project grants	115,190	(360,357)
Increase in deferred income	161,063	-
(Decrease) / increase in provisions	(51,301)	97,292
Net cash provided by operating activities	**557,441**	**449,163**

Notes to the financial statements (continued)

Note 20. Charitable fundraising and donations disclosures

Statement of Income and Expenditure of Fundraising Appeals

	30 Sep 2019 $	30 Sep 2018 $
General donations	2,380,517	2,084,938
Fundraising events and appeals	822,748	444,991
Corporate and non-government grants received	1,565,166	839,202
Less allocation of fundraising funds:		
Direct costs of fundraising appeals	(433,687)	(365,839)
Net surplus obtained from fundraising appeals	**4,334,744**	**3,003,292**

Statement of Income and Expenditure of Fundraising Appeals

	30 Sep 2019 $	30 Sep 2018 $
Assets and liabilities resulting from fundraising		
Fundraising funds recognised as deferred income and committed to future projects (carried as liabilities – refer Note 12)	**891,449**	**822,185**

Funds received for specific purposes or programs are applied in accordance with the intention of the donation or grant.
Other than deferred revenue disclosed as a liability in Note 12, fundraising balances are not separately disclosed in the assets and liabilities and are applied to the charitable purposes of the company through accumulated funds.

Responsible Entities' Declaration

For the year ended 30 September 2019

In the Responsible Entities' opinion:

1 The attached financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:

a. giving a true and fair view of the financial position of the Company as at 30 September 2019 and of its performance and its cash flows, for the year ended on that date; and

b. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013;

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.

This declaration is made in accordance with a resolution of the Board of Directors (the Responsible Entities):

Julie White

Julie White
Chairperson

Sydney
25 November 2019

Principal Officer's Declaration

I, Ashley de Silva, Principal Officer of ReachOut Australia declare that in my opinion:

1. the Statement of Profit and Loss and Comprehensive Income of ReachOut Australia for 2019 gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals:
2. the Statement of Financial Position of ReachOut Australia for 2019 gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation;
3. the provisions of the Charitable Fundraising Act 1991, the Regulations under that Act and the conditions attached to the Charitable Fundraising Authority have been complied with by the organisation; and
4. the internal controls exercised by ReachOut Australia are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Ashley de Silva
CEO and Principal Officer

25 November 2019

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Independent Auditor's Report

To the Members of ReachOut Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of ReachOut Australia (the "Registered Entity"), which comprises the statement of financial position as at 30 September 2019, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion:

1. the financial report of ReachOut Australia has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:
   a. giving a true and fair view of the Registered Entity's financial position as at 30 September 2019 and of its financial performance for the year then ended; and
   b. complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013;
2. the financial report of ReachOut Australia shows a true and fair view of the financial result of fundraising appeals for the year ended 30 September 2019;
3. the financial report and associated records of ReachOut Australia have been properly kept during the year ended 30 September 2019 in accordance with the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015;
4. money received as a result of fundraising appeals conducted during the year ended 30 September 2019 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015; and
5. there are reasonable grounds to believe that ReachOut Australia will be able to pay its debts as and when they fall due.

Grant Thornton

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Responsible Entities for the financial report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act, the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015, and for such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter
Partner – Audit & Assurance

Sydney, 25 November 2019