Annual Financial Report

September 30

2020

ABN 27 075 428 787

ReachOut Australia

Contents

Corporation Information

Directors

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

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

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
ABN	27 075 428 787

Directors' Report

The Directors present their report together with the financial statements of ReachOut Australia for the year ended 30 September 2020.

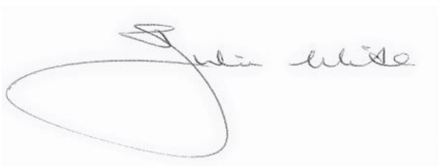
The financial year 2019/2020 was a challenging one for the community as Australia and the world experienced the global COVID-19 pandemic. Nowhere was this more evident than in the mental health sector, with ReachOut seeing record numbers of access across its services.

The impact of the pandemic on the operations of the company remains uncertain and cannot be quantified at this time. The company has taken reasonable steps to manage its response and consider appropriate methods to meet its contracted deliverables, vision and mission, protect revenue, manage risk and contain costs.

The company continues to make fiscally responsible decisions which include retaining a buffer of five months of operating expenses as accumulated reserves ($4.2m). With the generous support of partners, the financial year 2019/2020 closed with a surplus of $1.8m. To ensure that ReachOut continues to provide sector-leading services powered by the latest technology and research, the Directors have approved $1.5m of this surplus be expended in the next twelve months to commence an innovative service response that meets the evolving needs of young people.

These funds will allow the company to advance its data and analytics capability, ensuring the service can better harness the considerable insights of its data warehouse to connect service users with personalised support. It will also help strengthen the peer support response and trial new approaches. In addition the funds will help ReachOut continue to adapt to the changing needs of young people, parents and educators, and increase engagement efforts at a time of great need.

Signed on behalf of the Directors



Julie White
Chairperson

Sydney
30 November 2020

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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 2020, 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, 30 November 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2020

	Notes	30 Sep 2020 $	30 Sep 2019 $
Revenue from operating activities	3	10,945,795	9,233,116
Other income	3	979,823	165,516
Employee expenses		(4,631,192)	(3,868,792)
Marketing expenses		(923,571)	(1,136,796)
Fundraising expenses		(355,250)	(433,687)
Design and delivery of services		(3,367,005)	(2,772,039)
Occupancy expenses		(156,191)	(304,208)
Depreciation - right of use assets		(150,020)	-
Finance charge		(6,581)	-
Depreciation and amortisation expense		(109,722)	(114,605)
Administration expenses		(371,636)	(345,137)
Surplus for the year		**1,854,450**	**423,368**
Other comprehensive income:			
Net fair value gain / (loss) of financial assets		(61,532)	61,504
Total comprehensive income for the year		**1,792,918**	**484,872**

The accompanying notes form part of these financial statements

Statement of Financial Position

As at year ended 30 September 2020

	Notes	30 Sep 2020 $	30 Sep 2019 $
Assets			
Current			
Cash and cash equivalents	5	4,131,508	2,639,487
Trade and other receivables	6	221,475	163,444
Prepayments		141,981	113,784
Financial assets	10	166,531	171,372
Total current assets		**4,661,495**	**3,088,087**
Non-current			
Plant and equipment	7	67,062	135,345
Right of use assets	8	685,780	-
Intangible assets	9	13,392	35,968
Financial assets	10	2,710,634	3,166,166
Total non-current assets		**3,476,868**	**3,337,479**
Total assets		**8,138,363**	**6,425,566**
Liabilities			
Current			
Trade and other payables	11	313,754	480,347
Contract liabilities	12	1,800,510	2,490,831
Provisions	13	274,996	199,330
Lease liabilities	14	193,863	-
Total current liabilities		**2,583,123**	**3,170,508**
Non-current			
Provisions	13	130,396	115,352
Lease liabilities	14	492,220	-
Total non-current liabilities		**622,616**	**115,352**
Total liabilities		**3,205,739**	**3,285,860**
Net assets		**4,932,624**	**3,139,706**
Funds			
Accumulated funds		4,243,930	2,751,125
Reserves	15	688,694	388,581
Total funds		**4,932,624**	**3,139,706**

The accompanying notes form part of these financial statements

Statement of Changes in Funds

For the year ended 30 September 2020

	Innovation Reserve $	FVOCI reserve $	Accumulated funds $	Total funds $
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
Transfers	(22,923)	-	22,923	-
Balance at 30 September 2019	**327,077**	**61,504**	**2,751,125**	**3,139,706**
Balance at 1 October 2019	**327,077**	**61,504**	**2,751,125**	**3,139,706**
Surplus for the year	-	-	1,854,450	1,854,450
Other comprehensive income for the year	-	(61,532)	-	(61,532)
Total comprehensive income for the year		(61,532)	1,854,450	1,792,918
Transfers	361,617	28	(361,645)	-
Balance at 30 September 2020	**688,694**	**-**	**4,243,930**	**4,932,624**

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 September 2020

	Notes	30 Sep 2020 $	30 Sep 2019 $
Cash flows from operating activities			
Receipts from donations, grants and other income		11,643,966	9,962,379
Payments to suppliers and employees		(10,527,947)	(9,570,454)
Interest and investment income received		152,323	165,516
Finance charges		(6,581)	-
Net cash flows provided by operating activities	20	**1,261,761**	**557,441**
Cash flows from investing activities			
Purchases of plant and equipment and intangibles		(18,863)	(41,769)
Acquisition of financial assets		-	(473,635)
Proceeds from sale of financial assets		394,000	-
Net cash flows provided by/ (used in) investing activities		**375,137**	**(515,404)**
Cash flows from financing activities			
Net acquisition of bank guarantees		4,841	(171,372)
Repayment of lease liabilities - principal		(149,718)	-
Net cash flows used in financing activities		**(144,877)**	**(171,372)**
Net change in cash and cash equivalents		**1,492,021**	**(129,335)**
Cash and cash equivalents at the beginning of the year		2,639,487	2,768,822
Cash and cash equivalents at the end of the year	5	**4,131,508**	**2,639,487**

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 September 2020

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 2020 was authorised for issue by the Responsible Entities on 30 November 2020.

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 except in relation to the new and amended standards adopted, have been adopted in the preparation of this report.

All amounts in the Financial Statements are in Australian dollars and are rounded to the nearest dollar.

New and amended standards adopted

The Company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 October 2019:

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

The Company has elected to adopt these new accounting standards using the modified retrospective (cumulative catch-up) method from 1 October 2019 and therefore the comparative information for the year ended 30 September 2019 has not been restated.

The adoption of AASB 15 and AASB 1058 resulted in no material impact on the financial statement balances at 1 October 2019. The adoption of AASB 16 resulted in the recognition of a right of use asset and a lease liability at 1 October 2019 of $175,023.

Significant accounting policies

(a) Revenue recognition

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grants and project income

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognised based on either cost or time incurred, whichever best reflects the transfer of control.

Revenue recognition policies for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the Company at significantly below its fair value.

Once the asset has been recognised, the Company recognises any related liability amounts (e.g. provisions, financial liabilities, contract liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

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.

Donations and fundraising income

Donations and fundraising amounts collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest and investment income

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

The Company's investment strategy is to preserve capital whilst maximising income for its core purpose.

(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. 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

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost; or
- fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets
- Trade and other receivables are subsequently measured at amortised cost.

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

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

Classification and measurement of financial liabilities

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 method.

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, demand deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(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.

Impairment of non-financial assets

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. 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.

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) Leases

AASB 16 replaces AASB 117 Leases and some lease-related interpretations. AASB 16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. The Company has only one operating lease relating to its head office that needs to be considered under the new standard.

AASB 16 defines the lease as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". Subject to the exemptions, the lessee is recognised on the balance sheet. This involves recognising a 'right-of-use' asset and a lease liability.

The only exception are short-term leases that have a remaining lease term of less than 12 months from the date of initial application (1 October 2019) and low-value leases. The Company is using the modified retrospective approach that the standard allows where the comparatives have not been restated. Lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

The lease liability is initially measured as the present value of future lease payments. The initial measurement of the right-of-use asset is based on the lease liability, with adjustments for any prepaid rents, lease incentives received and initial direct costs incurred. In subsequent periods, the lease liability is accounted for similarly to a financial liability using the effective interest method. The right-of-use asset is accounted for similarly to a purchased asset and depreciated.

Financial report impact of adoption of AASB 16

The following measures and practical expedients have been used on transition:

- Contracts which had previously been assessed as not containing leases under AASB 117 and associated accounting interpretations were not re-assessed on transition to AASB 16;
- a single discount rate was applied to all leases with similar characteristics;
- leases with an expiry date prior to 30 September 2020 were excluded from the statement of financial position and the lease expenses for these leases have been recorded on a straight-line basis over the remaining term
- hindsight was used when determining the lease term where the contract contains options to extend or terminate the lease.

The Company had a 5 year lease for its head office premises expiring 30 November 2020 and a modification to the current lease was signed in the current period extending the lease term to 30 November 2023. There is no further option beyond 2023.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 October 2019 was 3.76%.

(h) Fair value measurement

When a financial asset is measured at fair value for recognition purposes, the fair value is based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured on financial assets at FVOCI using the quoted market rate at balance date.

(i) Contract liabilities

Contract liabilities is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve months after the reporting date or the conditions will only be satisfied more than twelve months after the reporting date, the liability is discounted and presented as non-current.

(j) 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.

(k) 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.

(l) Reserves

Innovation Reserve

The Innovation Reserve is funds set aside by the entity for its use in assisting to fund the investigation, validation and execution of Board approved strategic initiatives.

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.

(m) 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.

Note 2. 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 2020, the number of members was 9 (2019: 9).

Note 3. Revenue and other income

Revenue from operating activities:	30 Sep 2020 $	30 Sep 2019 $
Revenue from contracts with customers – AASB 15		
Government grants	4,814,563	4,417,936
Non-government grants	1,375,660	1,565,166
Consulting revenue	-	33,500
Sundry income	13,415	13,249
	6,203,638	**6,029,581**
Income recognised under AASB 1058:		
Donations and fundraising	4,742,157	3,203,265
Government COVID-19 stimulus funding income	827,500	-
	5,579,657	**3,203,265**
Other income		
Interest and investment income	152,323	165,516
Total revenue and other income	**11,925,618**	**9,398,632**
Total revenue and other income comprises:		
Revenue from continuing activities	10,945,795	9,233,116
Other income	979,823	165,516

Note 4. Expenses from continuing operations

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

	30 Sep 2020 $	30 Sep 2019 $
Defined contribution superannuation expense	392,833	335,664

Note 5. Cash and cash equivalents

	30 Sep 2020 $	30 Sep 2019 $
Cash at bank and on hand	754,052	1,324,871
Term deposits	3,377,456	1,314,616
	4,131,508	**2,639,487**

Note 6. Trade and other receivables

	30 Sep 2020 $	30 Sep 2019 $
Trade Receivables	50,405	121,689
Other debtors	171,070	41,755
	221,475	**163,444**

Note 7. Plant and equipment

	Leasehold Improvements $	Plant and Equipment $	TOTAL $
Cost			
Balance as at 1 October 2019	288,035	208,029	496,064
Additions	-	19,596	19,596
Disposals	-	(2,299)	(2,299)
Balance as at 30 September 2020	**288,035**	**225,326**	**513,361**
Depreciation			
Balance as at 1 October 2019	(215,337)	(145,382)	(360,719)
Depreciation	(57,607)	(29,539)	(87,146)
Disposals	-	1,566	1,566
Balance as at 30 September 2020	**(272,944)**	**(173,355)**	**(466,299)**
Carrying amount			
Balance as at 30 September 2019	**72,698**	**62,647**	**135,345**
Balance as at 30 September 2020	**15,091**	**51,971**	**67,062**

Note 8. Right of use assets

	Buildings $	TOTAL $
Initial recognition at 1 October 2019	175,023	175,023
Additions - new lease not yet commenced	660,777	660,777
Depreciation charge	(150,020)	(150,020)
Balance as at 30 September 2020	**685,780**	**685,780**

Note 9. Intangible assets

	Computer Software $
Cost	
Balance as at 1 October 2019	187,160
Additions	-
Disposals	-
Balance as at 30 September 2020	**187,160**
Amortisation	
Balance as at 1 October 2019	(151,192)
Amortisation charge	(22,576)
Disposals	-
Balance as at 30 September 2020	**(173,768)**
Carrying amount	
Balance as at 30 September 2019	**35,968**
Balance as at 30 September 2020	**13,392**

Note 10. Financial assets

Current	30 Sep 2020 $	30 Sep 2019 $
Short term bank deposits	166,531	171,372
Non-Current		
Fair Value Through Other Comprehensive Income (FVOCI) financial assets		
- Australian listed securities including notes	2,710,634	3,166,166

The financial instruments are quoted on the Australian Securities Exchange.

Note 11. Trade and other payables

Current	30 Sep 2020 $	30 Sep 2019 $
Trade creditors	-	194,290
Sundry creditors and accruals	181,984	127,914
GST payable	50,680	77,672
PAYG withheld	78,827	64,243
Other	2,263	16,228
	313,754	**480,347**

Note 12. Contract liabilities

Current	30 Sep 2020 $	30 Sep 2019 $
Unspent grants - government	1,215,104	1,381,219
Unspent grants - non government	445,785	891,449
Other service liabilities	139,621	218,163
	1,800,510	**2,490,831**

Note 13. Provisions

Current	30 Sep 2020 $	30 Sep 2019 $
Employee benefits		
- Annual leave	226,720	157,205
- Long service leave	48,276	42,125
	274,996	199,330

Non-Current	30 Sep 2020 $	30 Sep 2019 $
Employee benefits		
- Long service leave	25,058	33,423
Office lease make good provision	105,338	81,929
	130,396	**115,352**

Note 14. Lease liabilities

Current	30 Sep 2020 $	30 Sep 2019 $
Lease liabilities – buildings	193,863	-
	193,863	**-**

Non-Current	30 Sep 2020 $	30 Sep 2019 $
Lease liabilities - buildings	492,220	
	492,220	**-**

Note 15. Reserves

	Innovation Reserve $	FVOCI Reserve $	Total Reserves $
Balance 1 October 2018	350,000	-	350,000
Fair value revaluation of investments	-	61,504	61,504
Transfer from accumulated funds	(22,923)	-	(22,923)
Balance 30 September 2019	**327,077**	**61,504**	**388,581**
Balance 1 October 2019	327,077	61,504	388,581
Fair value movement of investments	-	(61,532)	(61,532)
Transfer from accumulated funds	361,617	28	361,645
	688,694	**-**	**688,694**

Note 16. Commitments

Nil.

Note 17. Contingent liabilities

As per Note. 10 there is a bank guarantee in relation to the lease of $166,531 (2019: $171,372) secured against the term deposits held with Westpac Banking Corporation.

Note 18. Related party transactions

Key management personnel disclosures

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

	30 Sep 2020 $	30 Sep 2019 $
Key management personnel remuneration	**254,168**	**232,900**

Other related party transactions

The Directors act in an honorary capacity and receive no paid compensation for their services.

Donations may be received from related parties.

Note 19. Events subsequent to reporting date

There are no subsequent events to report.

Note 20. Reconciliation of cash flows from operating activities

	30 Sep 2020 $	30 Sep 2019 $
Net surplus for the year	1,854,450	423,368
Non-cash flows in net surplus for the year:		
Depreciation and amortisation	109,722	114,605
Depreciation of right-of-use asset	150,020	-
Changes in operating assets and liabilities		
Increase in trade and other receivables and prepayments	(86,227)	(132,096)
(Decrease) / increase in trade and other creditors	(166,592)	(73,388)
Increase / (decrease) in contract liabilities	(690,321)	276,253
(Decrease) / increase in provisions	90,709	(51,301)
Net cash provided by operating activities	**1,261,761**	**557,441**

Note 21. Charitable fundraising and donations disclosures

Statement of Income and Expenditure of Fundraising Appeals

	30 Sep 2020 $	30 Sep 2019 $
General donations	3,475,702	2,380,517
Fundraising events and appeals	1,266,455	822,748
Corporate and non-government grants received	1,375,660	1,565,166
Less allocation of fundraising funds:		
Direct costs of fundraising appeals	(355,250)	(433,687)
Net surplus obtained from fundraising appeals	**5,762,567**	**4,334,744**

Note 21. Charitable fundraising and donations disclosures (continued)

Statement of Income and Expenditure of Fundraising Appeals

	30 Sep 2020 $	30 Sep 2019 $
Assets and liabilities resulting from fundraising		
Amounts recognised as unspent grants and committed to future projects (carried as contract liabilities – refer Note 12)	445,785	891,449
Other service liabilities – amounts received in advance for future fundraising activities	89,217	-

Funds received for specific purposes or programs are applied in accordance with the intention of the donation or grant.

Other than other service liabilities 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 2020

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 2020 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
Chairperson

Sydney
30 November 2020

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 2020 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 2020 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

30 November 2020

Grant Thornton

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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 2020, 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 2020 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 2020;
3. the financial report and associated records of ReachOut Australia have been properly kept during the year ended 30 September 2020 in accordance with the Charitable Fundraising Act (NSW) 1991 and Charitable Fundraising Regulation 2015;
4. money received as a result of fundraising appeals conducted during the year ended 30 September 2020 has been properly accounted for and applied in accordance with the Charitable Fundraising Act (NSW) 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter

James Winter
Partner – Audit & Assurance

Sydney, 30 November 2020