

ReachOut Australia Annual Financial Report

30 September 2023 | ABN 27 075 428 787

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Corporation Information

ReachOut Australia Annual Financial Report
Year Ended 30 September 2023

Directors

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

Michael Gonski (Chairperson)
Tiara de Silva
Graeme Head AO
Emma Hogan
Dianne James
Josh Lowy
Stuart Munro
Glen Selikowitz
Erica Stewart
Brendan Thomas
Ian Thorpe AM

Company Secretary

Janina Jancu

Chief Executive Officer

Ashley de Silva

Registered office and principal place of business

Gadigal Country
Level 2
35 Saunders Street
Pymont NSW 2009

Company contact details

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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 2023.

The financial year 2022/2023 saw ReachOut celebrate its 25th birthday, and while the world's pace of change driven by the COVID-19 pandemic slowed, young people were faced with new challenges in the form of conflicts, political unrest, natural disasters, a cost-of-living crisis and a referendum. The collective impact of these events on the community and specifically young people has meant sustained pressure on the mental health sector and services like ReachOut. In response, ReachOut continued to invest and accelerate delivery of its strategic plan. This included further embedding and optimising the one-on-one PeerChat service, and making significant strides in technology ensuring the foundations to support future digital innovation are in place. The team undertook a major initiative to become accredited under the National Safety and Quality Digital Mental Health Standards in response to changes in the regulatory environment, transformed how social impact is measured with the launch of the Social Impact Framework, and continued ReachOut's commitment to improving First Nations young people's social and emotional wellbeing outcomes.

ReachOut continued to make fiscally responsible decisions which included committing to retaining at least five months of operating expenses in an Operating Reserve (\$7.1m). This presents a good balance between prudent concern around current and future economic conditions, and using funds raised to improve the service. In line with Board approval the financial year 2022/2023 closed with a surplus of \$2.3m - a key driver of this surplus was the most successful Laps for Life campaign ever. To support ReachOut continuing to accelerate the delivery of more impactful services, the Board has approved a deficit budget for the coming year and modelled deficit budgets for the following two years.

This approach enables ReachOut to take significant steps to ensuring young people have access to effective services powered by the latest technology and research. Key milestones for ReachOut in 2024 will be: evolving PeerChat to provide a blended model of appointments and on-demand while more than doubling the number of sessions delivered; continuing to build data and personalisation capability to optimise for impact and engagement; and rebuilding the Parents and Carers Coaching product. ReachOut will also invest in resourcing to improve existing products and services in ways that target specific measures of their Social Impact Framework, and will make a significant investment in the roll-out of an Information Security Management System to enhance data security. The signature fundraising event Laps for Life will continue to be a key focus for income generation to ensure ongoing sustainability and ability to deliver on ReachOut's ambitious vision.



Michael Gonski
Chair

Sydney
17 January 2024

Grant Thornton Audit Pty Ltd

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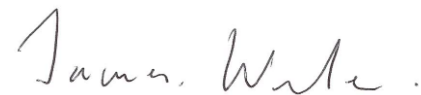
Auditor's Independence Declaration

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 2023, 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 AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance

Sydney, 17 January 2024

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ACN-130 913 594

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2023

	Notes	30 Sep 2023	30 Sep 2022
		\$	\$
Revenue from operating activities	3	15,744,200	13,591,601
Other income	3	432,753	168,925
Total revenue and other income		16,176,953	13,760,526
Expenditure			
Employee expenses		7,856,984	7,652,291
Marketing expenses		1,398,571	1,171,214
Fundraising expenses		976,861	1,226,413
Design and delivery of services		2,610,888	3,145,988
Occupancy expenses		113,593	123,602
Finance charge		7,992	14,376
Depreciation and amortisation expense		243,609	232,063
Administration expenses		702,040	579,222
Total expenditure		13,910,538	14,145,169
Surplus/(Deficit) for the year		2,266,415	(384,643)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Net fair value loss in financial assets		(22,861)	(8,916)
Total comprehensive income/ (deficit) for the year		2,243,554	(393,559)

The accompanying notes form part of these financial statements

Statement of Financial Position

As at year ended 30 September 2023

	Notes	30 Sep 2023	30 Sep 2022
		\$	\$
Assets			
Current			
Cash and cash equivalents	4	8,121,336	5,759,705
Trade and other receivables	5	47,660	52,848
Prepayments		131,765	49,338
Total current assets		8,300,761	5,861,891
Non-current			
Plant and equipment	6	24,378	36,595
Right-of-use assets	7	721,666	256,967
Financial assets	8	4,881,948	3,904,086
Total non-current assets		5,627,992	4,197,648
Total assets		13,928,753	10,059,539
Liabilities			
Current			
Trade and other payables	9	593,954	544,059
Contract liabilities	10	2,994,240	1,917,160
Provisions	11	379,669	376,945
Lease liabilities	12	204,205	234,188
Total current liabilities		4,172,068	3,072,352
Non-current			
Provisions	11	239,380	194,194
Lease liabilities	12	520,219	39,461
Total non-current liabilities		759,599	233,655
Total liabilities		4,931,667	3,306,007
Net Assets		8,997,086	6,753,532
Funds			
Accumulated funds		1,885,155	1,582,392
Reserves		7,111,931	5,171,140
Total funds		8,997,086	6,753,532

The accompanying notes form part of these financial statements

Statement of Changes in Funds

For the year ended 30 September 2023

	Operating Reserve	FVOCI Reserve	Accumulated funds	Total funds
		\$	\$	\$
Balance at 1 October 2021	5,116,398	45,838	1,984,855	7,147,091
Deficit for the year	-	-	(384,643)	(384,643)
Other comprehensive income for the year	-	(8,916)	-	(8,916)
Total comprehensive deficit for the year	-	(8,916)	(384,643)	(393,559)
Transfers	17,820	-	(17,820)	-
Balance at 30 September 2022	5,134,218	36,922	1,582,392	6,753,532
Balance at 1 October 2022	5,134,218	36,922	1,582,392	6,753,532
Surplus for the year	-	-	2,266,415	2,266,415
Other comprehensive loss for the year	-	(22,861)	-	(22,861)
Total comprehensive income for the year	-	(22,861)	2,266,415	2,243,554
Transfers	1,963,652	-	(1,963,652)	-
Balance at 30 September 2023	7,097,870	14,061	1,885,155	8,997,086

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 September 2023

	Notes	30 Sep 2023	30 Sep 2022
		\$	\$
Cash flows from operating activities			
Receipts from government funding		8,648,513	8,582,980
Receipts from donations, grants and other income		8,950,168	5,709,516
Payments to suppliers and employees		(14,415,770)	(14,502,872)
Interest and investment income received		432,753	168,925
Finance charges		(7,992)	(14,376)
Net cash flows provided by / (used in) operating activities	19	3,607,672	(55,827)
Cash flows from investing activities			
Acquisition of plant and equipment and intangibles		(11,132)	(28,767)
Acquisition of financial assets		(1,964,165)	(404,591)
Proceeds from maturity of financial assets		963,442	412,184
Net cash flows used in investing activities		(1,011,855)	(21,174)
Cash flows from financing activities			
Repayment of lease liabilities - principal and interest		(234,184)	(218,567)
Net cash flows used in financing activities		(234,184)	(218,567)
Net change in cash and cash equivalents		2,361,631	(295,568)
Cash and cash equivalents at the beginning of the year		5,759,705	6,055,273
Cash and cash equivalents at the end of the year	4	8,121,336	5,759,705

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 September 2023

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).

ReachOut exists to make it easy for young people to manage their mental health, and is the most accessed online mental health service for young people and their parents in Australia. The trusted self-help information, peer-support program and referral tools save lives by helping young people be well and stay well. The information offered to parents and carers makes it easier for them to help the young people in their lives.

The financial report for the year ended 30 September 2023 was authorised for issue by the Responsible Entities on 4 December 2023.

Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards AASB 1060 - Simplified Disclosures, Interpretations of the Australian Accounting Standards Board, the Charitable Fundraising Act 1991 (NSW), and the Australian Charities and Non-for-profits Commission Act 2012.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency. The following material accounting policies, which are consistent with the previous period, have been adopted in the preparation of this report.

Significant accounting policies

(a) Revenue recognition

i. 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.

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 revenue

Grant revenue 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.

ii. Revenue recognition for income that is 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, if received, are recognised at their fair value when the asset is received.

Donations in-kind

The Company receives various pro-bono services and donations in kind. Income 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 are recognised as income when the Company gains control, economic benefits are probable, and the amount of the donation can be measured reliably.

Interest and investment income

Interest income 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

Cash and cash equivalents, term deposits and Trade and other receivables are initially measured and subsequently measured at amortised cost.

Investments in listed debt instruments are classified as FVOCI as they have contractual cash flows of principal and interest. For these investments, a gain or loss on a financial asset is measured at fair value through other comprehensive income and is recognised in other comprehensive income, except for impairment gains or losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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. Impairment is assessed also on debt instruments classified at fair value through other comprehensive income.

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 and demand deposits that are readily convertible to known amounts of cash.

(d) Plant and equipment

Plant and equipment are 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	Shorter of lease term and useful life

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.

(e) 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.

(f) Leases

AASB 16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. 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.

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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Reserves***Operating Reserve***

The Operating Reserve is funds set aside by the entity equivalent to an estimated portion of annual operating expenses. Should significant operating disruption occur at any time in the future, and there is an inability for the entity to utilise or access other funds, the operating reserve would be accessed.

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 8, and represents the fair value increase against the cost of these held investments.

(l) 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.

Significant judgements in applying the entity’s accounting policies

1. Impairment of financial assets – refer Note 1 (b).
2. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities – refer to Note 1 (a).

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 2023, the number of members was 11 (2022: 8).

Note 3. Revenue and expense items

	30 Sep 2023	30 Sep 2022
Revenue from operating activities:	\$	\$
Revenue from contracts – AASB 15		
<i>Government grants</i>		
Commonwealth Department of Health	4,832,892	5,461,570
Commonwealth Department of Social Services	2,324,461	2,409,591
Non-government grants	564,777	-
	7,722,130	7,871,161
Income recognised under AASB 1058:		
Donations and fundraising income	8,014,137	5,696,386
Sundry income	7,933	24,054
	8,022,070	5,720,440
Total revenue from operating activities	15,744,200	13,591,601
Other income		
Interest income and investment distributions	432,753	168,925
Total other income	432,753	168,925
Total revenue and other income	16,176,953	13,760,526

	30 Sep 2023	30 Sep 2022
Expenses:		
The employee expenses for the year includes the following specific expenses:	\$	\$
Superannuation contributions	738,250	685,308

Note 4. Cash and cash equivalents

	30 Sep 2023	30 Sep 2022
	\$	\$
Cash at bank and on hand	2,542,630	1,121,193
Term deposits	5,578,706	4,638,512
	8,121,336	5,759,705

Note 5. Trade and other receivables

	30 Sep 2023	30 Sep 2022
	\$	\$
Trade receivables	3,340	4,240
Other debtors	44,320	48,608
	47,660	52,848

Note 6. Plant and equipment

	Leasehold Improvements	Plant and Equipment	TOTAL
	\$	\$	\$
Cost			
Balance as at 1 October 2022	297,005	209,007	506,012
Additions	-	11,132	11,132
Disposals	-	-	-
Balance as at 30 September 2023	297,005	220,139	517,144
Depreciation			
Balance as at 1 October 2022	(291,171)	(178,246)	(469,417)
Depreciation	(1,794)	(21,555)	(23,349)
Disposals	-	-	-
Balance as at 30 September 2023	(292,965)	(199,801)	(492,766)
Carrying amount			
Balance as at 30 September 2022	5,834	30,761	36,595
Balance as at 30 September 2023	4,040	20,338	24,378

Note 7. Right-of-use assets

	Buildings	TOTAL
	\$	\$
Balance as at 1 October 2022	256,967	256,967
Addition for lease modification	684,959	684,959
Depreciation charge	(220,260)	(220,260)
Balance as at 30 September 2023	721,666	721,666

Note 8. Financial assets

	30 Sep 2023	30 Sep 2022
	\$	\$
Bank deposits relating to bank guarantees	169,965	168,115
Listed corporate bonds/notes at quoted market value at reporting date (FVOCI financial assets)	4,711,983	3,735,971
	4,881,948	3,904,086

Note 9. Trade and other payables

	30 Sep 2023	30 Sep 2022
	\$	\$
Current		
Sundry creditors and accruals	405,507	386,559
GST payable	188,447	157,500
	593,954	544,059

Note 10. Contract liabilities

	30 Sep 2023	30 Sep 2022
Current	\$	\$
Unspent grants - government	2,551,655	1,824,310
Unspent grants – non-government	356,807	-
Other service liabilities	85,778	92,850
	2,994,240	1,917,160

Note 11. Provisions

	30 Sep 2023	30 Sep 2022
Current	\$	\$
Annual leave provision	350,595	350,711
Long service leave provision	29,074	26,234
	379,669	376,945

	30 Sep 2023	30 Sep 2022
Non-Current	\$	\$
Long service leave provision	130,141	84,955
Office lease make good provision	109,239	109,239
	239,380	194,194

Note 12. Lease liabilities

	30 Sep 2023	30 Sep 2022
Current	\$	\$
Lease liabilities – buildings	204,205	234,188
	204,205	234,188

	30 Sep 2023	30 Sep 2022
Non-Current	\$	\$
Lease liabilities - buildings	520,219	39,461
	520,219	39,461

	30 Sep 2023	30 Sep 2022
Maturity of lease payments	\$	\$
Less than one year	243,726	242,179
One to five years	557,059	40,621
More than five years	-	-
	800,785	282,800

Note 13. Commitments

Nil.

Note 14. Contingent liabilities

There is a bank guarantee in relation to the lease of \$169,965 (2022: \$168,115) secured against term deposits held with Westpac Banking Corporation.

Note 15. Related party transactions**Key management personnel disclosures**

Key management personnel include the Directors, Chief Executive Officer and the Leadership Team. The Directors act in an honorary capacity and receive no paid compensation for their services.

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

	30 Sep 2023	30 Sep 2022
	\$	\$
Key management personnel remuneration	1,456,153	1,594,369

Other related party transactions

Donations may be received from key management personnel or their related parties.

2023: Nil.

2022: Graeme Head is a partner of EY Australia, and a director of ReachOut Australia. During the year ReachOut Australia paid \$25,000 to EY Australia for consulting services provided on a commercial basis. Michael Gonski is a partner of Herbert Smith Freehills, and a director of ReachOut Australia. During the year Herbert Smith Freehills provided pro-bono services to ReachOut Australia.

Note 16. Auditor remuneration

Remuneration to the Company's auditors Grant Thornton Audit Pty Ltd is disclosed below.

	30 Sep 2023	30 Sep 2022
	\$	\$
Audit of financial statements	33,000	30,050
Other assurance services	5,500	5,000
Total remuneration of auditors	38,500	35,050

Note 17. Events subsequent to reporting date

There are no subsequent events to report.

Note 18. Economic dependency

As indicated in Note 3, a significant portion of the Company's funding is from government, upon which the Company is significantly reliant to continue to deliver its services and programs.

Note 19. Cash flow information**a) Reconciliation of cash flows from operating activities**

	30 Sep 2023	30 Sep 2022
	\$	\$
Net surplus/(deficit) for the year	2,266,415	(384,643)
Non-cash flows in net surplus/(deficit) for the year:		
Depreciation and amortisation	23,349	11,803
Depreciation of right-of-use asset	220,260	220,260
Changes in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables and prepayments	(77,236)	94,237
Increase in trade and other payables	49,896	30,862
Increase/(Decrease) in contract liabilities	1,077,079	(75,297)
Increase in provisions	47,909	46,951
Net cash provided by/ (used in) operating activities	3,607,672	(55,827)

b) Non-cash investing and finance activities

During the year the Company extended their property lease arrangement and as a result have increased right-of-use assets by \$464,699 and increased lease liabilities by \$480,758.

Note 20. Charitable fundraising and donations disclosures

	30 Sep 2023	30 Sep 2022
	\$	\$
Statement of Income and Expenditure of Fundraising Appeals and Donations		
General donations	4,382,322	3,383,192
Fundraising events and appeals	3,631,815	2,313,194
Corporate and non-government grants received	564,777	-
Sundry income	7,933	24,054
<i>Less allocation of fundraising funds:</i>		
Direct costs of fundraising appeals	(976,861)	(1,226,413)
Net surplus obtained from fundraising appeals and donations	7,609,986	4,494,027

	30 Sep 2023	30 Sep 2022
	\$	\$
Assets and liabilities resulting from fundraising and donations		
Amounts recognised as unspent grants and committed to future projects (carried as contract liabilities – refer Note 10)	356,807	-
Other service liabilities – amounts received in advance for future fundraising activities	85,778	92,850

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 10, 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 2023

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 2023 and of its performance and its cash flows, for the year ended on that date; and
 - b. complying with Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2022;
- 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):



Michael Gonski

Chair

Sydney

17 January 2024

Declaration in accordance with Charitable Fundraising Regulation 2021 (NSW)

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

1. The Company is able to pay all of its debts as and when the debts become due and payable;
2. The 30 September 2023 financial statements of the Company satisfy the requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2021 (NSW);
3. The contents of the 30 September 2023 financial statement of the Company are true and fair; and
4. The Company has appropriate and effective internal controls.

A handwritten signature in black ink, appearing to read 'Ashley de Silva', with a horizontal line underneath the name.

Ashley de Silva

CEO

17 January 2024

Grant Thornton Audit Pty Ltd

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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 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, 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, including:

- a) giving a true and fair view of the Registered Entity's financial position as at 30 September 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022.

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.

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Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the Declaration in accordance with the Charitable Fundraising Regulation 2021 (NSW) and the Directors' Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 –Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2021 (NSW), 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, 17 January 2024