REACH | 25 YEARS

2019
ANNUAL REPORT

OUR WORK IN 2019 WOULD NOT BE POSSIBLE WITHOUT THE SUPPORT OF:

PFD FOODSERVICES
BONDS
reece
AFL
Kmart
MELBOURNE
IOOF
Erdi Foundation
pwc
K&L GATES
Deloitte.
Perpetual
Westpac
KFC Youth Foundation
GRIST
McLardy McShane
SWINBURNE
TAC TRANSPORT ACCIDENT COMMISSION
VICTORIA State Government

A MESSAGE FROM OUR CEO & CHAIR

2019 was such a massive milestone for us as we celebrated 25 years of inspiring young people to believe in themselves to get the most out of life.

With more than 40,000 instances of young people participating in Reach experiences across the country, we celebrated our 25th anniversary doing what we do best – supporting young people to build the skills that they need to navigate the crazy years of adolescence.

Much-loved Reach alumni Sasha Lawrence who stepped into the role of Acting CEO at the end of 2018 carefully guided us through major organisation-wide changes that began in late 2018.

These significant changes to Reach operations were implemented to ensure our future financial sustainability and included a consolidation of our NSW operations and a restructure of the organisation to improve efficiencies and increase collaboration.

Redundancy costs for staff impacted by the 2018 restructure were paid this year, contributing to us reporting a deficit in 2019.

We have worked incredibly hard this year to get stuck into the back-end detail of our business which incorporated a review of our financial models, including our cashflow forecasting tools. This work was completed halfway through 2019 and has set us up for a viable and exciting future.

Our brilliant partners including the Harris Family Foundation, PFD Foods, The KFC Youth Foundation and BONDS continue to back the power of Reach. Because of all our passionate supporters we have been able to deliver incredible experiences for young people this year. A special shout out to new kids on the block Reece and the IOOF Foundation for beginning their relationship with us!

And, it was because of the combined generosity of the IOOF Foundation and the Erdi Foundation, that we were able to deliver our very first Hero's Day in Sydney! 347 Year 9 students came together en masse to explore who they are now and how they want to be remembered. It is such a powerful thing to witness, let alone experience. We hope this is just the very beginning of Sydney's annual Hero's Day journey.

Our 25th anniversary has given us an amazing opportunity to dig deep and really think about our impact on young people. We created and shared a range of online content in celebration of 25 years of Reach. These are incredible stories of adversity, resilience and passion from people who have been involved in the Reach journey. This wasn't always easy for the people who took part and we're so thankful to everyone who shared their stories.

Throughout this year of reflection, we land in a place of being beyond excited about what the future holds. We've done the hard yards to make sure that Reach can continue for the next 25-years and we can't wait to see the continued impact we can have on the young people who find the courage to discover how to be the most powerful version of themselves.

Sasha Lawrence

Anthony Klein

REACH'S BOARD OF DIRECTORS

Mr Anthony Klein (Chair)
Chair since Jan 2019
Director since Oct 2014

Mr Christopher Wilson
Retired Mar 2020
Chair since May 2016
Director since Nov 2013

Mr Peter Williams
Retired Sep 2019
Director since Jun 2014

Ms Alice MacDougall
Director since Sep 2014

Mr Michael McShane
Director since Apr 2015

Mr Christopher Witnall
Retired Aug 2019
Director since May 2015

Mr Tom Imbesi
Director since Jun 2016

Ms Verity Lomax
Retired Nov 2019
Director since Nov 2017

Ms Ashleigh Maher
Director since Nov 2017

Mr Fergus Watts
Director since Feb 2020

Mr David Lundberg
Director since Feb 2020

2019 KEY STATS AT A GLANCE

40,243 instances of participation in Reach workshops

111 Total number of Crew

752 Total number of youth-led workshops delivered

11,000 Number of participant feedback forms filled out

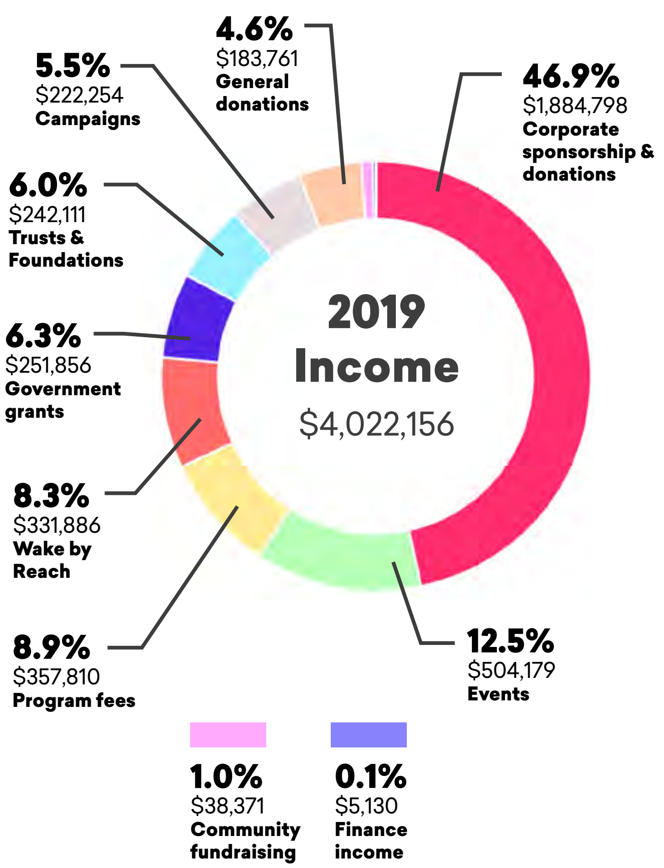
Secondary school students' impact stats

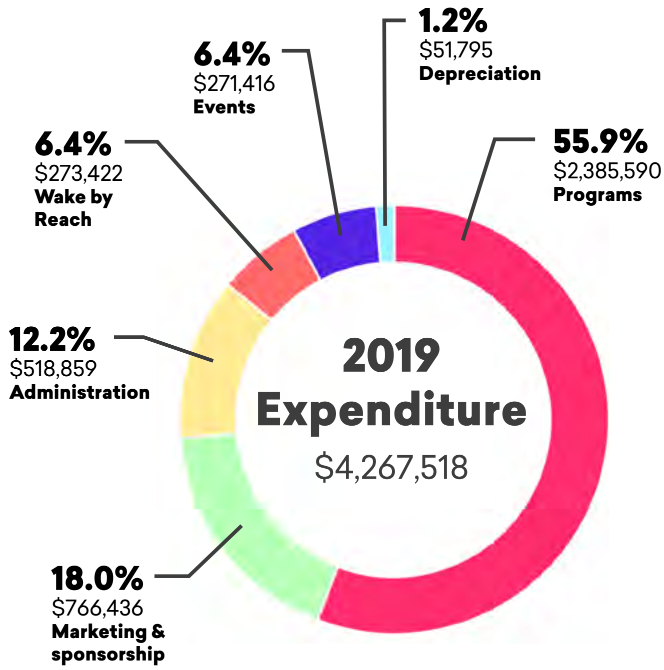
- **93%** reported an increase in empathy
- **86%** reported increased feelings of grit
- **86%** reported feeling more empowered to make positive choices.

Primary school students' impact stats

- **90%** reported an increase in hope
- **87%** reported increased empathy
- **89%** reported feeling more empowered to make positive choices.

INCOME AND EXPENDITURE





THE THINGS WE'RE SUPER PROUD OF

Celebrating our **25th anniversary** with powerful events in both Sydney and Melbourne and a range of online content that shares the varied stories of the many faces of Reach.

Hosting our first ever **Heroes Day in NSW** with 347 young people taking part, with thanks to support from the Erdi Foundation and IOOF Foundation.

Working with **1314 young people** in **Alice Springs**.

Hearing that **96.2% of participants** in Fused (our 5-week after school hours program) **would like to attend another Reach experience.**

Partnering with ReachOut on co-branded resources for teachers, parents, and young people.

Securing seed **funding from Perpetual** to deliver The Pitch - a pilot program for Reach Crew to pitch their innovative program ideas. The Pitch resulted in three new Reach programs coming to life! Here, for LGBTIQ+ young people, The Vault community music studio, and Turning Tides for young people and the adults in their life.

Hearing that our **Crew Development** program was selected by students from schools across Melbourne to be **funded by the Lord Mayor's Charitable Foundation's Youth in Philanthropy Program.**

Signing a **three-year partnership with the Reece Group** valued at **$500,000**, helping to scale up our Diverge workshops to reach more young people than ever.

Working with the Melbourne Demons on our **Tear Online Bullying Down**, Round for Reach campaign which reached more than 7 million people and raised **$55,000**.

Launching our **Make it Four** campaign and raising **$348,627** in 24 hours from corporate and community donations.

Working with over **5000 people** across more than 30 corporations in every major Australian city through the delivery of our **Wake experiences**, including teaching 1000 Deloitte graduates how to learn from failure and co-designing a New Managers' Experience and delivering it to 450 leaders at PwC.

ABOUT US

In 1994 Reach started out with a simple aim: to inspire young people to believe in themselves and get the most out of life.

After almost three decades of working with young Australians, that reason for existing remains true to our core.

We know that being young is not without its struggles and one of the biggest hurdles young people face is finding the confidence and support to believe in themselves and get the most out of life.

We know this because young people drive Reach, delivering workshops that are designed by young people, delivered by young people, for young people.

CONTACT DETAILS

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2019 ANNUAL REPORT

REACH | 25 YEARS

The Reach Foundation
ABN 87 069 837 627

THE REACH FOUNDATION

ABN 87 069 837 627

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT
31 DECEMBER 2019

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The Directors of The Reach Foundation ("Reach") are pleased to present their report for the year ended 31 December 2019.

Directors

The names of the Directors of Reach during and since the end of the financial year are:

Mr Anthony Klein (Chair)
Mr Christopher Wilson – retired in February 2020
Mr Peter Williams – retired in September 2019
Ms Alice Macdougall
Mr Michael McShane
Mr Christopher Whitnall – retired in August 2019
Mr Tom Imbesi
Ms Verity Lomax– retired in November 2019
Ms Ashleigh Maher
Mr Fergus Watts – appointed in February 2020
Mr David Lundberg – appointed in February 2020

Anthony Klein- Chair

Anthony has been a Director of Reach since October 2014, having been an External Expert member of the Audit and Risk Sub-committee for the prior two years.

In addition to his role as a Director, Anthony has been a long term supporter, volunteer and fundraiser for Reach over the past 17 years. From January 2019 Anthony was appointed as the Chair of the Reach Board.

Anthony is currently a Partner at PricewaterhouseCoopers. He has over 26 years professional experience as a corporate tax, international tax and M&A tax specialist, including two years working with PwC Hong Kong/China. Through his role at PwC, Anthony also provides services to a number of organisations in the not-for-profit and charitable sectors.

Christopher Wilson

Chris joined the Board in November 2013.

Chris is currently a Partner in the Koda Capital Philanthropy and Social Capital team and previously was a Director of JBWere's Philanthropic Services team. Chris has over a decade of experience in financial services, working predominantly with high-net-worth individuals, corporations, and charitable institutions. Chris is a founder of Plus One, a non-profit group which makes available corporate professional development training to non-profit leaders. He was also a Founding Committee Member of Impact100Melbourne, a fundraising initiative designed to raise $100,000 from 100 donors in support of the Melbourne community. Chris also Chairs the Reach Board's Fundraising & Marketing Sub-Committee.

Chris retired from the Reach Board in February 2020.

Peter Williams

Pete joined the Reach Board in June 2014. He is a recognised thought leader and practitioner in innovation, with a particular focus on digital innovation.

Although his professional training was as a Chartered Accountant, Pete started working with internet technologies in 1993 while working in the UK. On his return to Australia in 1996, Pete founded an eBusiness consulting group within Deloitte Australia. Since that time, Pete founded Deloitte Digital, now one of the largest web and mobile development firms in the world today.

Pete retired from the Reach Board in September 2019.

Alice Macdougall

Alice was appointed a Director in September 2014. She joined the Board's Audit and Risk and Fundraising Sub-committees at the same time.

Alice is Special Counsel, Herbert Smith Freehills. With 16 years' practice as a charity lawyer specialising in tax, structuring and governance for charities and foundations, she is considered one of Australia's most respected and experienced charity and non-profit legal experts. Prior to moving into charity law, Alice had 13 years' experience as a corporate lawyer including 4 years in London.

As well as having a strong commitment to the wellbeing of young people, Alice is a supporter of diversity in the workplace and retention and promotion of women. She was also a founding member of the Freehills Community committee. She is currently a member of the Law Institute of Victoria, the Australian Charity Law Association, the ACNC Professional User Group, Victorian Women Lawyers and a member of the Law Council of Australia's Charity law committee; and is also a Director of Carey Baptist Grammar School.

Michael McShane

Mike joined the Reach Board in April 2015, having been involved with Reach for many years. He has participated in Camp Maasai and a range of other programs, and both personally and through his business, has provided significant support to Reach through major fundraising events such as the annual McLardy McShane Lunch and golf days.

After being in the insurance industry for 24 years, Mike started his own Insurance Broking business in 1999, McShane Business Services, which he grew consistently over eight years and then merged with Don McLardy & Associates in 2007 to create McLardy McShane. Mike continues to be hands on in the business which has now grown to have branches in Melbourne, Sydney, Perth & Brisbane as well as 12 Regional Branches.

Christopher Whitnall

Chris joined the Reach Board in May 2015. As well as his role on the Board, he has been a volunteer and supporter with Reach for 20 years and part of the Reach NSW Working Group since the beginning of the NSW expansion.

He is the Founder and Managing Director of talkforce – a Communications, Facilitation and Leadership Consultancy based in Sydney delivering projects across Australia, New Zealand and Asia. As well as his involvement with Reach, Chris also has been a long-term supporter and volunteer with Weave Youth and Community Services and Reach Out.

Chris retired from the Reach Board in August 2019.

Tom Imbesi

Tom joined the Reach Board in June 2016. He is the Chairman of Deloitte Australia and has 33 years experience in auditing, both in Australia and in the USA. Tom specialises in the provision of assurance and advisory services to large ASX listed companies.

Verity Lomax

Verity joined the Reach Board in November 2017. Verity has leadership experience developing state-wide social policies as Chief of Staff to a Minister in the NSW Government, combined with leading the Australia-Myanmar Chamber of Commerce as a passionate advocate for high impact social change. As CEO at the Chamber of Commerce, Verity led the development of the organisation-wide Corporate Responsibility Strategy. Verity is an Associate for Spark Strategy, a social business Advisory firm that sees profit-for-purpose models as a vehicle for social change. Verity leads the government practice in this role, and works predominantly in the Northern Territory with government, not-for-profits and social enterprises.

Verity retired from the Reach Board in November 2019.

Ashleigh Maher

Ash joined the Reach Board in November 2017. Ash is a Sydney-based public relations and communications specialist who joins the Reach Board after working closely with the organisation for ten years. In addition to Ash's extensive experience in the Australian music industry and corporate sector, Ash leads strategy and innovation at Sydney's acclaimed No Lights No Lycra dance event, which she co-founded in 2014. Ash spent more than a decade working as a senior facilitator at Reach, where she helped to pioneer the expansion of Reach into NSW in 2011. Ash continues to support the work of Reach in Sydney today.

Fergus Watts

Fergus joined the Reach board in January 2020. His first experience of the Reach Foundation was as a 15 year old when he attended a Heroes Day. Fergus trained to become a Facilitator at Reach and ran workshops across Adelaide and Melbourne in between his commitments as a professional AFL footballer with St Kilda FC and Adelaide FC.

Fergus is the Founder and Executive Chairman of Bastion Collective, Australia's largest independent marketing agency network. Reach was the very first client of Bastion Collective back in 2008.

Fergus is a shareholder and advisor of Apollo Branded Content, a global music and events business based in London. And Smartme, a cutting edge technology company specialising in the comparison and management of household bills.

David Lundberg

David joined the Reach Board in January 2020. David became involved with Reach in 2019 and, in particular, has supported the Fused program in the south east of Victoria.

David has run industrial services businesses for the last 28 years in both Australia and the US employing around 2000 people across the two countries. He is also Executive Chairperson for the SaaS scheduling start up Alloc8.io.

Board meetings
Eight board meetings were held during the 2019 year:

	Eligible to Attend (i)	Attended
Anthony Klein (Chair)	8	8
Chris Wilson	8	7
Peter Williams	6	3
Alice Macdougall	8	8
Chris Whitnall	5	4
Michael McShane	8	4
Tom Imbesi	8	5
Verity Lomax	7	7
Ashleigh Maher	8	8

Audit and Risk Sub-committee
Three Audit and Risk Sub-committee meetings were held during the year.

	Eligible to Attend	Attended
Tom Imbesi (Chair)	3	3
Anthony Klein	3	3
Alice Macdougall	3	2

Fundraising and Marketing Sub-committee
Six Fundraising Sub-committee meetings were held during the year

	Eligible to Attend	Attended
Chris Wilson (Chair)	6	5
Mike McShane	6	4
Alice Macdougall	6	5

Short and long term objectives

Reach aims to positively change the lives of young people in Australia no matter what their circumstances. Reach provides young people with the tools to prevent mental illness and enhance wellbeing and life opportunities.

Principal activities

Reach's principal activities during the year consisted of running interactive workshops, weekends away and large-scale events, for young people, led by young people. Combining the prerequisites for a child-safe environment with freedom of speech and creativity, Reach provides a real space for young people to express themselves and explore solutions to the issues young people face. Reach encourages all young people, no matter their circumstances, to believe they can achieve. No significant changes in the nature of these activities occurred during the year.

During 2019 Reach delivered 752 Youth-led workshops (2018 – 992 workshops) with 40,243 instances of participation (2018 – 41,376 instances). This total included just over 33,000 instances of participation for young people and over 7000 instances of participation for adults, comprising both adult participation in workshops with young people and workshops delivered to our corporate partners through our social enterprise, Wake.

How is performance measured?

Reach's financial performance was monitored throughout the year by analysing the following: program fees and fundraising (including corporate donations, trusts and foundations, state and federal government and events), less costs associated with program delivery and general operations.

Non-financial related performance is measured through regular tracking of the business plan, including the number of participants, workshops and schools, number of active crew, number of active volunteers and supporters, number of assessments completed by the wellbeing team and attendance at Reach Events.

Effectiveness and impact of the work is measured through program evaluation and participant feedback. Our feedback questions aim to evaluate the impact of our workshops in relation to Reach's overarching objectives relating to various markers of social and emotional wellbeing.

Throughout 2019 Reach received over 11,000 participant feedback forms across all our school and community workshops. Based on the results, following a workshop;

- Secondary School aged students; 93% reported an increase in empathy, 86% reported increased feelings of grit (sticking to things when they get tough) and 86% reported feeling more empowered to make more positive choices in their lives.

- Primary School aged students; 90% reported an increase in hope (feeling able to achieve goals), 87% reported an increase in empathy, and 89% reported feeling more empowered to make more positive choices in their lives.

Review of operations

The deficit for 2019 was $193,567 before depreciation ($245,362 after depreciation), compared to a deficit of $322,879 before depreciation ($387,652 after depreciation) in 2018.

In December of 2018, we implemented significant changes to the organisation to ensure Reach's future sustainability. These changes included consolidating our NSW operations and restructuring the organisation to improve efficiencies and increase collaboration. These changes had an impact on our 2019 finances and activities, in particular:

- Redundancy costs for staff impacted by the restructure that were paid in 2019
- A significant reduction in program delivery in Term 1 of 2019 due to the change in staff. For instance, in Term 1 of 2019 we had 2,104 instances of participation in our programs. This has increased by 184% in Term 2 of 2020, where we had 5,978 instances of participation.

The positive effects of the organisational change undertaken at the end of 2018 were being realised from late 2019 and into 2020.

At the beginning of 2019 Reach recruited a new Chief Operating Officer who led the review of our finance function. We engaged PwC Australia's Business Recovery Services team to assist with reviewing our financial models, including cashflow forecasting tools. This work was completed halfway through 2019 (well after the 2019 budget had been set). As a result of this work, the rigour of our financial reporting and budgeting has increased significantly.

Given the impact the 2018 organisational changes were having on our 2019 finances, management was able to reduce expenditure by approximately $500K below the amount budgeted. However, we did have a shortfall in some income lines which were caused by factors out of our control. For instance, a large fundraising event scheduled for the end of the year was cancelled with short notice due to the venue being inoperable. Throughout 2019, the fundraising team worked hard to secure new partnerships which resulted in 80% of our corporate partnerships budget for 2020 being secured by the commencement of that year.

Whilst we are disappointed about the FY19 deficit, we are optimistic about our future performance. With a now stable workforce and the implementation of various technology platforms to improve efficiencies, we are confident in delivering a surplus in 2020.

Refer to the Subsequent Events section below for a brief review of the impact the restrictions relating to COVID-19 have had on our business.

Change in state of affairs

There was no significant change in the state of affairs of the Company during the financial year.

Environmental regulations

Reach's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Reach is not permitted to distribute amongst its members (either directly or indirectly) any net surplus by way of dividend, and no such distributions have been made during the financial year.

Subsequent events

Subsequent to balance date, the existence of novel Coronavirus and the associated infectious disease known as COVID-19 has become widely known, and begun to rapidly spread throughout the world, including in Australia. The Company considers this to be a non-adjusting post balance sheet event. Since balance date, this has caused increasing disruption to populations and to business and economic activity. The restrictions that have been put in place to prevent the spread of the disease, including the closure of schools and workplaces, are having a significant impact on the operations of the Company. However, due to a combination of management cuts to expenditure and the ability of the Company to access significant Government support programs, as at the date of this report

COVID-19 is not expected to have a net detrimental impact on the financial position of the Company for the year ended 31 December 2020. No other matters or circumstances have occurred subsequent to year end that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or state of affairs of the Company in subsequent financial years.

Indemnification

The Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance of officers

During the financial year, insurance for the Directors and Officers of Reach was arranged and provided by the Department of Human Services insurance program for the State Government of Victoria Funded Community Service Organisations. It was renewed at no cost to Reach.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of Reach, and any other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the Directors and Officers or the improper use by the Directors and Officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to Reach.

Proceedings on behalf of Reach

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

Members' contribution upon winding up

The Company is a company limited by guarantee. There is one class of member. The amount which a member is liable to contribute if the Company is wound up is $100 per member. The total maximum contribution is determined by the total number of members within one year of the winding up of the Company.

Auditor's independence declaration

The auditor's independence declaration is included on page 32 of the annual report.

Signed in accordance with a resolution of the Directors under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012.

On behalf of the Directors

Director
Anthony Klein (Chair of Board)

Director
Tom Imbesi (Chair of Audit and Risk sub-committee)

Dated 9 June 2020
Melbourne

REACH

THE REACH FOUNDATION
FINANCIAL REPORT – 31 DECEMBER 2019

The Reach Foundation
Statement of Comprehensive Income
For the financial year ended 31 December 2019

	Notes	2019 $	2018 $
General donations – individual giving		**183,761**	**413,791**
Corporate sponsorship & donations		**1,884,798**	**1,351,898**
Campaigns (i)		**222,254**	**-**
Community fundraising (i)		**38,371**	**414,441**
Trusts and foundations		**242,111**	**132,225**
Wake by Reach		**331,886**	**408,128**
Government grants	4(a)	**251,856**	**240,684**
Program fees		**357,810**	**503,260**
Events		**504,179**	**717,594**
Finance income	5	**5,130**	**17,362**
Program expenses		**(2,385,590)**	**(2,757,590)**
Wake by Reach expenses		**(273,422)**	**(303,704)**
Event expenses		**(271,416)**	**(316,251)**
Marketing and sponsorship expenses		**(766,436)**	**(691,771)**
Administration expenses		**(518,859)**	**(452,946)**
Deficit for the year – before depreciation		**(193,567)**	**(322,879)**
Depreciation expense	10(a)	**(51,795)**	**(64,773)**
Deficit for the year – after depreciation		**(245,362)**	**(387,652)**
Total comprehensive loss for the year		**(245,362)**	**(387,652)**

(i) *For 2019 Campaigns Revenue has been separately disclosed (previously included as Community Fundraising) as this revenue is a combination of funds raised from the community as well as matching funds from corporate partners.*

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

The Reach Foundation
Statement of Financial Position
At 31 December 2019

	Notes	2019 $	2018 $
Current assets			
Cash and cash equivalents	16(a)	**389,931**	**673,961**
Trade receivables	8	**49,565**	**51,164**
Other receivables	9	**143,572**	**346,306**
Total current assets		**583,068**	**1,071,431**
Non-current assets			
Plant and equipment	10	**258,685**	**307,683**
Total non-current assets		**258,685**	**307,683**
TOTAL ASSETS		**841,753**	**1,379,114**
Current liabilities			
Trade and other payables	11	**98,335**	**186,639**
Provisions	12	**91,891**	**138,509**
Deferred income	13	**324,326**	**443,175**
Total current liabilities		**514,552**	**768,323**
Non-current liabilities			
Provisions	12	**17,129**	**55,357**
Deferred income	13	**-**	**-**
Total non-current liabilities		**17,129**	**55,357**
TOTAL LIABILITIES		**531,681**	**823,680**
NET ASSETS		**310,072**	**555,434**
Accumulated funds	14	**(294,308)**	**(48,946)**
Reserves	15	**604,380**	**604,380**
EQUITY		**310,072**	**555,434**

The above statement of financial position should be read in conjunction with the accompanying notes.

The Reach Foundation
Statement of Changes in Equity
For the financial year ended 31 December 2019

	Total $
Balance at 31 December 2017	**943,086**
Deficit for the year before transfer to reserves	(387,652)
Balance at 31 December 2018	**555,434**
Deficit for the year before transfer to reserves	(245,362)
Balance at 31 December 2019	**310,072**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

The Reach Foundation
Statement of Cash Flows
For the financial year ended 31 December 2019

	Notes	2019 $	2018 $
Cash flows from operating activities			
Receipts from the course of operations		**4,107,064**	**4,270,320**
Interest/other income received		**5,130**	**17,362**
Payments to suppliers and employees		**(4,393,427)**	**(4,439,712)**
Net cash used in operating activities	16(b)	**(281,233)**	**(152,030)**
Cash flows from investing activities			
Payments for plant and equipment		**(2,797)**	**(11,565)**
Net cash used in investing activities		**(2,797)**	**(11,565)**
Net decrease in cash and cash equivalents		**(284,030)**	**(163,595)**
Cash and cash equivalents at the beginning of the financial year		**673,961**	**837,556**
Cash and cash equivalents at the end of the financial year	16(a)	**389,931**	**673,961**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1 Reporting entity

The Reach Foundation (the “Company“) is a not-for-profit company, registered with the Australian Charities and Not-for-Profits commission (ACNC) and limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is 152-156 Wellington Street, Collingwood, VIC 3066. The Company is primarily involved in running interactive workshops, weekends away and large scale events for young people.

Note 2 Basis of preparation

(a) Statement of compliance

These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-Profits Commission Regulation 2013 (ACNC), the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act (NSW) 1991.

The financial statements were authorised for issue by the Board of Directors on9June 2020.

(b) Basis of measurement

The financial statements have been prepared on the basis of historical cost, except as otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

(c) Use of estimates and judgments

In the application of the Company’s accounting policies, which are described below, the directors are required to make judgments, estimates and assumptions about reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(d) Changes in significant accounting policies

The Company has initially applied AASB 15 and AASB 1058 (see d.1) and AASB 16 Leases (see d.2) from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

Due to transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

(d.1) AASB 15 - Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 and AASB 1058 establish a comprehensive framework for determining whether, how much and when revenue is recognised. They replace AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement.
Under AASB 1058, income is recognised in profit or loss when:

- Services provided are volunteer services;
- Assets are acquired for which the consideration provided is significantly less than fair value and the asset enables the Company to further its objectives;
- The contract does not contain enforceable rights and obligations and does not create sufficiently specific performance obligations.

Note 2 Basis of preparation (continued)

(d) Changes in significant accounting policies (continued)

(d.1) AASB 15 - Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities (continued)

The Company has adopted AASB 15 and AASB 1058 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2019). Accordingly, the information presented for 2018 has not been restated -i.e. it is presented, as previously reported, under AASB 118, AASB 111 and related interpretations. Additionally, the disclosure requirements in AASB 15 and AASB 1058 have not generally been applied to comparative information.

There was no material impact on retained earnings at 1 January 2019, the statement of financial position or the Company's statement of cash flows as a result of adopting AASB 15 and AASB 1058.

Refer to note 3(b) on the Company's accounting policies with respect to revenue.

(d.2) Leases

The Company initially applied AASB 16 Leases from 1 January 2019.

The Company applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for the year ended 31 December 2019 is not restated - i.e. it is presented, as previously reported, under AASB 117 Leases and related interpretations. The details of the changes in accounting policies are discussed below. Additionally, the disclosure requirement in AASB 16 have not generally been applied to comparative information.

(i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Interpretation 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3(k).

On transition to AASB 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 January 2019.

(ii) As a lessee

As a lessee, the Company leases office space. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under AASB 16, the Company recognises right-of-use assets and lease liabilities for most of these leases i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand- alone price.

Leases classified as operating leases under AASB 117

Previously, the Company classified property leases as operating leases under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019 (see Note 3(k)). Right-of-use assets are measured at either:

Note 2 Basis of preparation (continued)

(d) Changes in significant accounting policies (continued)

(d.2) Leases (continued)

(ii) As a lessee (continued)

Leases classified as operating leases under AASB 117 (continued)

- their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application;
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: The Company has applied this approach to all leases.

The Company used a number of practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of application; and
- did not recognise right-of-use assets and liabilities for leases of low value assets.

(iii) Impact on financial statements

The Company has assessed that the application of AASB 16 has no material impact on its financial statements, including on retained earnings at 1 January 2019.

Note 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

(a) Income tax

Reach is exempt from taxation under Subdivision 50-B of the Income Tax Assessment Act 1997.

(b) Revenue recognition

Policy applicable from 1 January 2019

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when:

- It transfers control over a good or service to a customer;
- Services provided are volunteer services;
- Assets are acquired for which the consideration provided is significantly less than fair value and the asset enables the Company to further its objectives;
- The contract does not contain enforceable rights and obligations and does not create sufficiently specific performance obligations.

Policy applicable before 1 January 2019

Operating revenue includes program income, sponsorship income, events income, foundations and trust grants, government grants and donations, including donations received for capital projects. Amounts disclosed as revenue are net of taxes paid.

Note 3 Significant accounting policies (continued)

(b) Revenue recognition (continued)

Policy applicable before 1 January 2019 (continued)

Donations are brought to account on a cash received basis. All other revenue and expense items are accounted for on an accrual basis based on the timing of associated programs.

(c) Finance income and finance costs

Finance income comprises interest income on funds invested and changes in fair value of financial assets through profit and loss. Interest income is recognised as it accrues in profit and loss, using the effective interest method.

Finance expenses comprise bank charges.

(d) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement, net of any expected credit losses.

(e) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(f) Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an item of plant or equipment is acquired for no or nominal consideration, the fair value of the asset at acquisition date is deemed as its cost.

At each reporting date, the directors review a number of factors affecting plant and equipment, including their carrying values, to determine if these assets, grouped into cash-generating units, may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset's 'fair value less costs to sell' and 'value in use', is compared to the carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the statement of comprehensive income as an impairment expense.

As the future economic benefits of Reach's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, Reach would replace the asset's remaining future economic benefits, 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Depreciation

The depreciable amounts of all plant and equipment are depreciated on a diminishing value basis over their estimated useful lives. Depreciation commences from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The annual depreciation rates (diminishing value method) used for each class of depreciable assets are:

Leasehold improvements	13% - 26%
Plant and equipment	24% - 53%
Motor vehicles	30%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Note 3 Significant accounting policies (continued)

(f) Plant and equipment (continued)

The gain or loss on disposal of all plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is recognised in the statement of comprehensive income in the year of disposal.

(g) Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled wholly within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not able to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Contributions are made by Reach to an employee superannuation fund are recognised as expenses when incurred.

(h) Cash and cash equivalents

Cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which is readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(i) Long-term grants

Long-term grants that have sufficiently specific performance obligations are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant (typically upon receipt of the grant) and are then recognised in profit or loss on a systematic basis as the services are delivered. Further, revenue is recognised in profit or loss upon cash receipt for long-term grants that have no specific performance obligations.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as revenue on a systematic basis in the same periods in which the expenses are recognised.

(j) In-kind contributions

The Reach Foundation benefits from various parties in the form of assets and services provided on a discounted or pro-bono basis. For volunteer services that would have been purchased if they were not donated and the fair value of those services can be measured reliably, Reach recognises the revenue and offsetting expenses relating to these in-kind benefits. This policy has a $nil impact on net deficit and net assets.

(k) Leases

The Company has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and Interpretation 4.

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16. This policy is applied to contracts entered into, on or after 1 January 2019.

Note 3 Significant accounting policies (continued)

(k) Leases (continued)

Policy applicable from 1 January 2019 (continued)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of use asset has been reduced to zero.

Note 3 Significant accounting policies (continued)

(k) Leases (continued)

Policy applicable from 1 January 2019 (continued)

As a lessee (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

Peppercorn or Concessionary lease

A peppercorn or concessionary lease is a lease hat has significant below-market terms and is principally for the Company to further its activities.

The AASB issued AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Asset of Not-for-Profit Entities* providing temporary option for NFP entities to measure class or classes of right-of-use assets arising from application of new leases standard, AASB 16 *Leases*, to peppercorn or concessionary leases at:

- Fair value in accordance with AASB 13 *Fair Value Measurements*; or
- Cost in accordance with AASB 16, which would incorporate the measurement of lease liability.

The Company opted to measure the right-of-use asset relating to peppercorn or concessionary leases at cost in accordance with AASB 16.

Policy applicable before 1 January 2019

Payments made under operating leases are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Company has assessed that the application of AASB 16 has no material impact on its financial statements.

Note 4 Revenue from ordinary activities

(a) To support government objectives by delivering outcomes to young people. Conditions for each government contract have been fulfilled.

Note 5 Finance Income

	2019 $	**2018 $**
Interest	**5,130**	**17,362**

Note 6 Employee Expense

	2019 $	2018 $
Employee expense	**3,099,225**	**3,271,172**

Note 7 Remuneration of auditors

	2019 $	2018 $
Remuneration of the auditors for:		
Audit of the financial report (i)	**13,000**	**8,000**

(i) The audit was undertaken by KPMG at a reduced fee as part of KPMG's honorary work policy.

Note 8 Trade receivables

	2019 $	2018 $
Trade receivables (i)	**50,415**	**51,164**
Provision for doubtful debts	**(850)**	**-**
Net trade receivables	**49,565**	**51,164**

(i) Predominantly represents the lag between commitments of funding (sponsorships etc.) and payment.

Note 9 Other receivables

	2019 $	2018 $
Prepayments	**1,620**	**14,665**
Vouchers	**516**	**516**
Bonds and security deposits	**43,176**	**25,577**
Accrued Income	**98,260**	**305,548**
Total other receivables	**143,572**	**346,306**

Note 10 Plant and equipment

	2019 $	2018 $
Leasehold improvements		
Leasehold improvements	**410,652**	**407,855**
Leasehold improvements – (including DF renovation)	**1,216,026**	**1,216,026**
Accumulated depreciation	**(1,408,604)**	**(1,372,888)**
Net:	**218,074**	**250,993**
Plant and equipment		
Plant and equipment – at cost	**663,372**	**663,372**
Accumulated depreciation	**(622,761)**	**(608,544)**
Net:	**40,611**	**54,828**
Motor vehicles		
Motor vehicles – at cost	**-**	**27,873**
Accumulated depreciation	**-**	**(26,011)**
Net:	**-**	**1,862**
Total plant and equipment:	**258,685**	**307,683**

(a) Movement in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial period:

1 January 2018 – 31 December 2018	**Leasehold improvements $**	**Plant & equipment $**	**Motor vehicles $**	**Total $**
Balance at the beginning of the year	**293,208**	**65,021**	**2,661**	**360,890**
Additions	**1,774**	**9,792**	**-**	**11,566**
Depreciation expense	**(43,989)**	**(19,985)**	**(799)**	**(64,773)**
Balance at the end of the year	**250,993**	**54,828**	**1,862**	**307,683**
1 January 2019 – 31 December 2019	**Leasehold improvements $**	**Plant & equipment $**	**Motor vehicles $**	**Total $**
Balance at the beginning of the year	**250,993**	**54,828**	**1,862**	**307,683**
Additions	**2,797**	**-**	**-**	**2,797**
Depreciation expense	**(35,716)**	**(14,217)**	**(1,862)**	**(51,795)**
Balance at the end of the year	**218,074**	**40,611**	**-**	**258,685**

Note 11 Trade and other payables

	2019 $	2018 $
Trade payables	**90,135**	**105,007**
Accrued expenses	**8,200**	**47,257**
PAYG tax payable	**-**	**34,375**
Total trade and other payables	**98,335**	**186,639**

Note 12 Provisions

	2019 $	2018 $
Current provisions		
Employee entitlements	**91,891**	**138,509**
Non-current provisions		
Employee entitlements	**17,129**	**55,357**

Note 13 Deferred income

	2019 $	2018 $
Current		
Corporates, trusts and foundations	**256,734**	**380,892**
Other	**67,592**	**62,283**
Total current	**324,326**	**443,175**
Non-current		
Corporates, trusts and foundations	**-**	**-**
Total deferred income	**324,326**	**443,175**

Note 14 Accumulated funds

	2019 $	2018 $
Accumulated funds at the beginning of the financial year	**(48,946)**	**338,706**
Deficit for the year	**(245,362)**	**(387,652)**
Transfers from reserves	**-**	**-**
Accumulated funds at the end of the financial year	**(294,308)**	**(48,946)**

Note 15 Reserves

	2019 $	2018 $
The Dreams Future Fund (Endowment Fund)	**604,380**	**604,380**
Transfers to accumulated funds	**-**	**-**
Total reserves	**604,380**	**604,380**

Note 16 Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2019 $	2018 $
Cheque account	**346,552**	**122,469**
Cash management account/ term deposits	**42,379**	**550,492**
Petty cash	**1,000**	**1,000**
Total cash and cash equivalents	**389,931**	**673,961**

(b) Reconciliation of surplus to net cash flows from operating activities

	2019 $	2018 $
Deficit for the year	**(245,362)**	**(387,652)**
Depreciation expense	**51,795**	**64,773**
Changes in net assets and liabilities		
Decrease in trade receivables	**1,599**	**213,269**
Decrease/(Increase) in other receivables	**202,734**	**(273,934)**
(Decrease)/Increase in trade and other payables	**(88,304)**	**24,619**
(Decrease)/Increase in deferred income	**(118,849)**	**144,248**
(Decrease)/Increase in provisions	**(84,846)**	**62,647**
Net cash used in operating activities	**(281,233)**	**(152,030)**

Note 17 Operating lease commitments

Future operating lease rentals of premises (Reach NSW office – Sydney) are payable as follows:

	2019 $	2018 $
Less than one year	**31,667**	**76,000**
Between one and five years	**-**	**31,667**
Total	**31,667**	**107,667**

Refer to note 2(d.2) and 3(k) for a description of the change in lease accounting from applying AASB 16 *Leases*.

Note 18 Peppercorn or Concessionary lease

The Company is leasing an office space with a term of 50 years from 1 November 2001 and annual rental of $5.00. There are no specific restrictions on the use of the underlying asset mentioned in the contract.

The Company opted to measure the right-of-use asset relating to this lease at cost and the impact is not material.

Note 19 Subsequent events

Subsequent to balance date, the existence of novel Coronavirus and the associated infectious disease known as COVID-19 has become widely known, and begun to rapidly spread throughout the world, including in Australia. The Company considers this to be a non-adjusting post balance sheet event. Since balance date, this has caused increasing disruption to populations and to business and economic activity. The restrictions that have been put in place to prevent the spread of the disease, including the closure of schools and workplaces, are having a significant impact on the operations of the Company. However, due to a combination of management cuts to expenditure and the ability of the Company to access significant Government support programs, as at the date of this report COVID-19 is not expected to have a net detrimental impact on the financial position of the Company for the year ended 31 December 2020. No other matters or circumstances have occurred subsequent to year end that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or state of affairs of the Company in subsequent financial years.

The Reach Foundation
Directors' Declaration
For the financial year ended 31 December 2019

In the opinion of the Directors of The Reach Foundation ("the Company"):

(a) the Company is not Publicly accountable;

(b) the financial statements and notes that are set out on pages 10 to 26 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

Director
Anthony Klein (Chair of Board)

Director
Tom Imbesi (Chair of Audit and Risk sub-committee)

Dated 9 June 2020

Melbourne