REACH

2020

ANNUAL REPORT

OUR WORK IN 2020 WOULD NOT BE POSSIBLE WITHOUT THE SUPPORT OF:

A MESSAGE FROM OUR CEO & CHAIR

What. A. RIDE.

It's a cliché, but 2020 has been an absolute rollercoaster. The fact that we have been able to withstand the many challenges thrown at us and finish 2020 in such a strong position is a testament to the ongoing relevance of our vision, the strength and resilience of Reach's model and a tribute to the passion and commitment of our staff, crew, volunteers, and partners.

Thank you.

2020 has been all about maintaining connections when our world has been turned upside down. Our connections with young people. Our connections with schools, parents, and carers. Our connections with partners and stakeholders. We have actively managed to maintain our many connections with our people and our communities during what has frankly been an incredibly challenging period.

We knew we had to take some active measures this year to prepare for the future, given the impact that COVID-19 has had on our ability to deliver our core services of working face-to-face with young people in schools and communities. We also knew that the impacts of COVID-19 were unlikely to be confined to 2020 and, therefore, we have actively planned to ensure that our capacity will be there for young people when they need us most – whether that be here and now or when we eventually emerge into some sense of COVID-normality. By implementing cost-cutting measures across the organisation, we have been able to keep our team in jobs. This financial discipline, when combined with government support measures, has enabled us to improve our financial sustainability, and we are able to report a surplus for the 2020 year.

This result would not have been possible without our key partners, who continue to back us, despite navigating their own challenges during this time. We were proud to announce our partnership with Metro Trains as they joined us in developing the pilot for a brand-new program 'Havoc'. Thank you to the Harris Family Foundation, BONDS, Choice Hotels, the Highland Foundation, and the IOOF Foundation for your continued belief in our mission and the renewal of your generous financial support. Thank you also to the Magellan Financial Group who chose to support us with their national roadshow events.

This year we have focused on reviewing many areas across the organisation. We conducted analysis of our internal systems which included a review of the way we resource our programs. We examined the viability of placing a proportion of our Crew – traditionally a casualised workforce – onto more permanent arrangements, and we conducted an audit of our payment systems. In doing so, we uncovered an issue relating to some Crew involved in the delivery of our camps over several years which meant that some of our team members were not paid correctly. Upon identification of this issue, we voluntarily self-reported it to the Fair Work Ombudsman (FWO), transparently informed our current and former Crew of its existence, and engaged PwC to guide a review of our payroll systems and our approach to Crew employment as well as to assist us to quantify the error. Through this, we were able to identify the core issues and as you can see in this year's Financial Statements (see Note 18 on page 25) we have now estimated the potential financial liability to be $203,750.

As Chair and CEO, we were deeply concerned and disappointed by this historic error, but we moved promptly with the assistance of external experts to immediately investigate the issue and will ensure no employees are disadvantaged by it. We appreciate that this has taken some time. At the time of writing, we are compiling information for the FWO and hope to be in a position to compensate our affected employees following that. In the meantime, we are confident that Reach's systems, processes and team structures have been adjusted to reduce the risk of such circumstances arising again in the future.

In amongst all of this, we truly figured out the meaning of the word 'pivot' and managed to pivot some aspects of our delivery models. We translated all of our core work from face-to-face experiences to online forums with some major successes and many learnings along the way. We brought young people together from all over the country to take part in our workshops online. We created camp experiences in a digital form. We turned Wake offerings for corporate Australia into digital experiences. We even conducted major fundraising events, like our 2020 Virtual Breakfast, from the comfort of our homes!

We also kicked off a strategic planning process for the period 2021 to 2026 and it has been incredibly empowering to perform blue-sky dreaming across all areas of our organisation, along with refocusing on the impact we have on young people and why our work across the country is vital.

In our hearts, we're aching to be back working face-to-face with young people again but, in the meantime, we're so proud that we have continued to support young people to believe in themselves to get the most out of life.

Philippe Magid

Anthony Klein

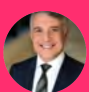
REACH'S BOARD OF DIRECTORS

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

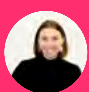
Mr Christopher Wilson
Retired Mar 2020
Chair since May 2016
Director since Nov 2013

Ms Alice MacDougall
Director since Sep 2014

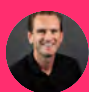
Mr Michael McShane
Director since Apr 2015



Mr Tom Imbesi
Director since Jun 2016



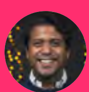
Ms Ashleigh Maher
Retired Aug 2020
Director since Nov 2017



Mr Fergus Watts
Director since Feb 2020

Mr David Lundberg
Director since Feb 2020

Ms Amy Smith
Director since Aug 2020



Mr Sasha Lawrence
Director since Sep 2020

2020 KEY STATS AT A GLANCE

2020 was an incredibly challenging year for Reach and the young people we support. As can be seen in our delivery stats, the COVID-19 pandemic had a significant impact on our ability to deliver workshops and connect with schools, many of which were online for more than half the year.

12,954 instances of participation in Reach workshops

353 Total number of youth-led workshops delivered (online & face-to-face)

50 Total number of Crew

4,500 Number of participant feedback forms filled out

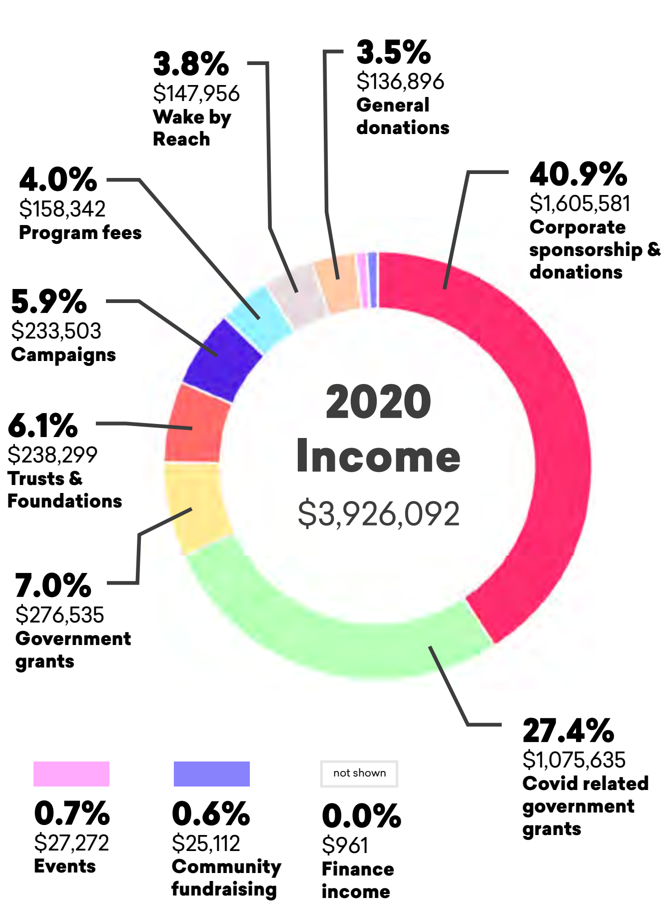
Secondary school students' impact stats

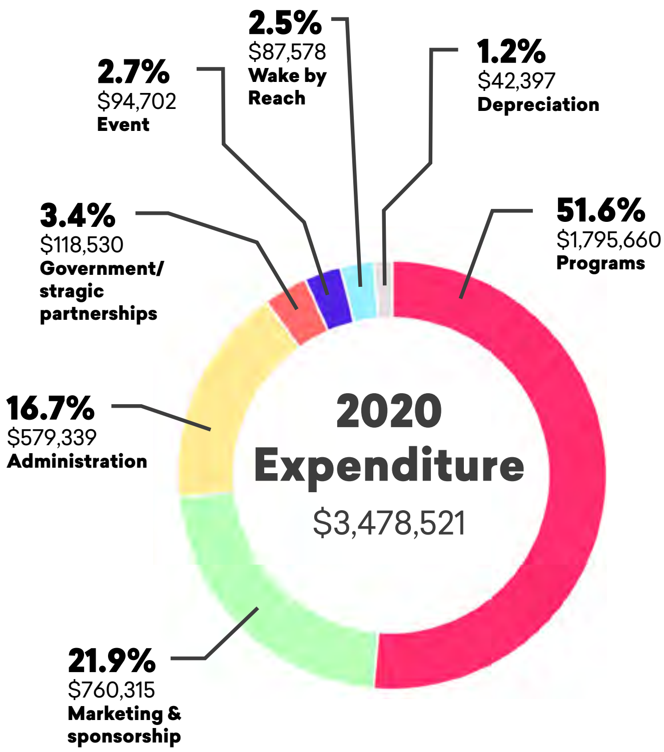
- **89%** reported an increase in empathy
- **82%** reported an increased ability to focus on what is important to them
- **80%** reported feeling more connected to those around them

Primary school students' impact stats

- **86%** reported an increase in empathy
- **82%** reported increased feelings of connection to others
- **76%** felt more confident

INCOME AND EXPENDITURE





THE THINGS WE'RE SUPER PROUD OF

Shifting our **workshops and training of Crew online**. We changed participant numbers to ensure we had the right wellbeing ratios and trained our crew to maximise the benefits of online training platforms which meant we could create dynamic, interactive and experiential content. It was a massive change in the way we work with young people.

Getting the **impact stats on our first virtual program**, Fused: 100% of young people said they had a better understanding of themselves after taking part in the program and 100% said they felt safer in exploring their thoughts and feelings. Yew!

Partnering with headspace for the first time to deliver Turning Tides – a program for young people and their carers – in Bankstown, Western Sydney.

“... being listened to by the staff and families was very powerful, because through the program I realised that what my teen and myself have to say is equally important. It was uncomfortable at times but always appropriate.

- Parent feedback

Providing 10 of our **Crew with ongoing contracts**, a transition from casual employment, to make sure we could retain the incredible talent of our cohort during a really destabilising period.

Successfully **going virtual with all events in 2020**! We ran trivia fundraisers for partners and evenings for families and friends to ensure we continued to stay connected. For the first time, we ran our annual Reach Breakfast fundraiser online – taking 210 participants on an interactive journey with a range of special guests include the Victorian Government's Parliamentary Secretary for Youth, Josh Bull MP and Masterchef contestant Tim Bone.

Securing funding from the **NSW Government's** Stronger Country Communities Fund to deliver 72 workshops in secondary schools to support the wellbeing of young people in the **Shellharbour** region over three years.

Kicking off a major digital transformation project to **implement a new organisation-wide customer relationship management (CRM)** system.

Debuting our new **Glassbreaker program** – a financial literacy and confidence building program for young women – with thanks to support from the Ecstra Foundation.

Continuing to deliver Wake programs despite a global pandemic! Just under **2500 people participated in workshops** with us through their screens from 30 companies across the corporate, sporting, university and government sectors.

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

VIC

info@reach.org.au

03 9412 0900

152-156 Wellington St,
Collingwood VIC 3066

NSW

info@reach.org.au

02 8218 9200

2020 ANNUAL REPORT

REACH

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 2020

Contents	**Page**

The Reach Foundation
Directors' Report
For the financial year ended 31 December 2020

The Directors of The Reach Foundation ("Reach") are pleased to present their report for the year ended 31 December 2020.

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 March 2020
Ms Alice Macdougall
Mr Michael McShane
Mr Tom Imbesi
Ms Ashleigh Maher – retired in August 2020
Mr Fergus Watts – appointed in February 2020
Mr David Lundberg – appointed in February 2020
Ms Amy Smith – appointed August 2020
Mr Sasha Lawrence – appointed in September 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 March 2020.

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.

Tom Imbesi

Tom joined the Reach Board in June 2016. He is the Chairman of Deloitte Australia and has 33 years of 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.

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 February 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 February 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.

Amy Smith

Amy joined the Board in August 2020. Amy brings a wealth of brand and marketing experience to the organisation.

Amy has worked in creative and corporate industries throughout the UK, US, Europe and Australasia. Following 11 years in the UK in creative agency roles, Amy returned to Australia where she worked as the Regional CEO of JWT, working with clients including Nestle, Kellogg, Ford and Jenny Craig. It was through this she was invited to join Jenny Craig Aust/NZ as CEO Australia/NZ. Following the sale of Jenny Craig to Nestle, Amy continued on as Global CMO before starting her own consulting company.

Amy also has experience in the not-for-profit sector as CEO of Jamie's Ministry of Food, where she led the transformation of Australia's eating habits through inspiring, educating and enabling Aussies to cook real food from scratch. Since 2019 Amy has been at T2 Tea in the role of Global Brand Director

Sasha Lawrence

Sasha joined the Board in September 2020 following 20 months as Acting Chief Executive Officer of Reach. He first became involved with Reach as a 15 year old through a school workshop and went on to set up the organisation's NSW base and facilitated Reach workshops for over 30,000 young Australians and large corporate organisations.

Sasha is currently a Director in the PwC Australia Deals team. He is building and leads the firm's People in Deals capability which supports private equity and corporate clients to deliver deal value through people and culture. He is also the Deals People Leader and chairs Symmetry@PwC - the firm's gender equality network.

Board meetings

Eleven board meetings were held during the 2020 year:

	Eligible to Attend (i)	Attended
Anthony Klein (Chair)	11	11
Alice Macdougall	11	9
Ashleigh Maher	7	6
Amy Smith	5	5
Chris Wilson	2	2
David Lundberg	11	11
Fergus Watts	11	11
Mike McShane	11	9
Sasha Lawrence	4	4
Tom Imbesi	11	10

Audit and Risk Sub-committee

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

	Eligible to Attend	Attended
Tom Imbesi (Chair)	4	4
Anthony Klein	4	4
Alice Macdougall	4	4
Craig Salter	3	3
Meg Aitken	3	3

Short and long term objectives

Young people inspiring young people to discover their power. This is the core of Reach. We ask the right questions to meet young people where they're at, by designing experience-based workshops and activities that are delivered in safe and inclusive spaces to build social and emotional wellbeing. We do this to help control and prevent mental illness in young people today and in the future.

The adolescent period (12 to 24-years) is a time of increased risk taking, impulsivity and change, but it's also a period of incredible neurological development that rivals what is seen in the first 2000 days of life. During this time, young peoples' experiences shape and influence who they are and can impact their lives well into adulthood.

Having positive role models alongside for the journey can help young people to unlock their potential and is a known protective factor for mental health. This is where Reach comes in: supporting young people to successfully navigate this most crucial period of their lives through a peer-led approach.

We invest in young people to be the best facilitators in Australia who can adapt to any situation they're working in. We know our work transforms the lives of the young people we work with, because this is what young people, parents, carers, teachers, and community leaders have consistently told us for nearly 30 years.

For Reach, it is imperative that young people are at the centre of the design, development and delivery of the programs that are having a profound effect on themselves and their peers. Research supports this unique, positive, youth development approach and its ability to increase social and emotional wellbeing and resilience.

As we prepare to enter our fourth decade, we want to make sure that any young person can find and access our workshops – regardless of where they live or what their life circumstances might be. We also want to make sure that we can reach young people where they need us – that might be at school, through camps, in the community, in their workplace or online.

In 2020, Reach began developing a new strategic vision for the period 2021 – 2026.

Principal activities

For more than 25 years, Reach has annually delivered hundreds of interactive workshops, weekends away and large-scale events, for young people, led by young people.

2020 was an incredibly challenging year for Reach and the young people we support. The COVID-19 pandemic had a significant impact on our ability to deliver workshops and connect with schools, many of which were online for more than half the year.

After a strong first term in which we delivered 141 youth-led workshops, our avenues for delivery were completely shut down as much of Australia went into lockdown. Throughout term 2 and 3 our Crew and staff worked hard to evolve Reach's business model, content and delivery to allow for safe and impactful online programs. This enabled us to provide a continuity of service for our young community by being able to work with participants in their own spaces, allowing for powerful moments of human connection in a time of enforced isolation.

This was a completely new direction for us all at the Reach Foundation and the lessons we have learnt will allow us to extend our reach into regional and remote communities in the future.

As communities began to emerge from lockdown and our facilitators were allowed back onto school campuses, we were able to return to some face-to-face workshops in term 4. In total, we were able to deliver 353 online and face-to-face workshops in 2020 (2019 – 752 workshops) with 12,954 instances of participation (2019 – 40,243 instances).

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 2020 Reach received over 4,500 participant feedback forms across all our school and community workshops. Based on the results, following a workshop;

- Secondary School aged students: 89% reported an increase in empathy (better able to understand others thoughts and feelings), 82% reported increased ability to focus on what is important to them and 80% reported feeling more connected to those around them.

- Community Program Participants: 86% reported an increase in empathy (better able to understand others throughts and feelings), 82% reported increased feeling of connection to others and 76% reported feeling more confident.

Review of operations

The profit for 2020 was $489,968 before depreciation ($447,571 after depreciation), compared to a deficit of $220,514 before depreciation ($272,309 after depreciation) in 2019.

Due to the restrictions in place through the majority of 2020 we were unable to run many of our regular programs and camps. With a significant reduction to our budgeted revenue, Management worked to reduce costs including a reduction in hours and pay for staff for a period of the year. Reducing expenditure, in combination with Federal Government assistance in the form of the Job Keeper and cashflow boost programs, allowed the organisation to remain financially viable through what was an incredibly difficult year.

In August 2020 Reach recruited a new Chief Executive Officer, Philippe Magid. Philippe has extensive experience leading not-for-profit organisations. Our interim CEO, Sasha Lawrence, has joined the Board of Directors at Reach.

Throughout 2020, Reach was assisted by a number of organisations who provided significant financial support and in-kind benefits at no or very low cost to the organisation. Reach has also benefitted from the incredible generosity of many individuals who volunteered their time and expertise to assist in programs and events as supporters or to sit on the Board or various committees.

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 Coronavirus pandemic has continued to cause restrictions and disruption to business as usual. At the end of 2020 the Reach Foundation were confident of returning to delivery of school and community programs at close to pre-pandemic conditions. When developing the 2020 budget and schedule of programs, the management team was cautiously optimistic that we could run programs for young people, particularly as the need for our work was greater than ever following the impact of the pandemic.

Unfortunately, there have been numerous lockdowns in both Melbourne and Sydney throughout 2021, as well as state border restrictions that have affected our ability to run programs and events as planned. This has impacted our ability to generate income from these activities. Building on our experience of restrictions through 2020, Reach has been able to pivot to online programs where possible. We have also run some successful fundraising campaigns and, in conjunction with cost-reduction measures, the management team is confident that we will finish 2021 in a stable financial position with a modest surplus.

No additional matters or circumstances have arisen between the end of the reporting year and the date of this report which significantly affected or may significantly affect the operations of the Company, the results of those operations, or state of affairs of the Company.

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 27 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 30 August 2021
Melbourne

REACH

THE REACH FOUNDATION

FINANCIAL REPORT – 31 DECEMBER 2020

The Reach Foundation
Statement of Comprehensive Income
For the financial year ended 31 December 2020

	Notes	2020 $	2019* Restated $
General donations – individual giving		**136,896**	**183,761**
Corporate sponsorship & donations		**1,605,581**	**1,884,798**
Campaigns (i)		**233,503**	**222,254**
Community fundraising (i)		**25,112**	**38,371**
Trusts and foundations		**238,299**	**242,111**
Wake by Reach		**147,956**	**331,886**
Government grants	4(a)	**276,535**	**251,856**
Program fees		**158,342**	**357,810**
Events		**27,272**	**504,179**
Finance income	5	**961**	**5,130**
Covid 19 related government grant	4(b)	**1,075,635**	**-**
Program expenses		**(1,795,660)**	**(2,412,537) ***
Wake by Reach expenses		**(87,578)**	**(273,422)**
Event expenses		**(94,702)**	**(271,416)**
Marketing and sponsorship expenses		**(760,315)**	**(766,436)**
Government / Strategic Partnerships		**(118,530)**	**-**
Administration expenses		**(579,339)**	**(518,859)**
Profit (Deficit) for the year – before depreciation		**489,968**	**(220,514) ***
Depreciation expense	10(a)	**(42,397)**	**(51,795)**
Profit (Deficit) for the year – after depreciation		**447,571**	**(272,309) ***
Total comprehensive profit/ loss for the year		**447,571**	**(272,309) ***

The above statement of comprehensive income should be read in conjunction with the accompanying notes.
**Cross-referencing to note 18 restatement.*

The Reach Foundation
Statement of Financial Position
At 31 December 2020

	Notes	2020 $	2019 * Restated $	1 Jan 2019 * Restated $
Current assets				
Cash and cash equivalents	16(a)	**945,761**	**389,931**	**673,961**
Trade receivables	8	**79,918**	**49,565**	**51,164**
Other receivables	9	**135,913**	**143,572**	**346,306**
Total current assets		**1,161,592**	**583,068**	**1,071,431**
Non-current assets				
Plant and equipment	10	**216,288**	**258,685**	**307,683**
Total non-current assets		**216,288**	**258,685**	**307,683**
TOTAL ASSETS		**1,377,880**	**841,753**	**1,379,114**
Current liabilities				
Trade and other payables	11	**116,280**	**98,335**	**186,639**
Provisions	12	**352,558**	**290,314 ***	**309,985 ***
Deferred income	13	**332,693**	**324,326**	**443,175**
Total current liabilities		**801,531**	**712,975 ***	**939,799 ***
Non-current liabilities				
Provisions	12	**17,129**	**17,129**	**55,357**
Total Non-Current Liabilities		**17,129**	**17,129**	**55,357**
TOTAL LIABILITIES		**818,660**	**730,104**	**995,156**
NET ASSETS		**559,220**	**111,649 ***	**383,958 ***
Accumulated funds	14	**(45,160)**	**(492,731) ***	**(220,422) ***
Reserves	15	**604,380**	**604,380**	**604,380**
EQUITY		**559,220**	**111,649 ***	**383,958 ***

The above statements of financial position should be read in conjunction with the accompanying notes.
*cross-referencing to note 18 restatement.

The Reach Foundation
Statement of Changes in Equity
For the financial year ended 31 December 2020

	Accumulated Funds $	**The Dreams Future Fund $**	**Total $**
Balance at 31 December 2018	**(220,422) ***	**604,380**	**383,958 ***
Deficit for the year before transfer to reserves	(272,309) *	-	(272,309) *
Balance at 31 December 2019	**(492,731) ***	**604,380**	**111,649 ***
Profit for the year before transfer to reserves	**447,571**	**-**	**447,571**
Balance at 31 December 2020	**(45,160)**	**604,380**	**559,220**

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

**Cross-referencing to note 18 restatement.*

The Reach Foundation
Statement of Cash Flows
For the financial year ended 31 December 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from the course of operations		**2,848,535**	**4,107,064**
Interest/other income received		**961**	**5,130**
Covid 19 related government grant	4(b)	**1,075,635**	**-**
Payments to suppliers and employees		**(3,369,301)**	**(4,393,427)**
Net cash from /(used in) operating activities	16(b)	**555,830**	**(281,233)**
Cash flows from investing activities			
Payments for plant and equipment		**-**	**(2,797)**
Net cash used in investing activities		**-**	**(2,797)**
Net increase/(decrease) in cash and cash equivalents		**555,830**	**(284,030)**
Cash and cash equivalents at the beginning of the financial year		**389,931**	**673,961**
Cash and cash equivalents at the end of the financial year	16(a)	**945,761**	**389,931**

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 on 30 August 2021

(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.

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

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

Note 3 Significant accounting policies (continues)

- 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 or if the contract includes enforceable rights and obligations with specific performance obligations, the revenue is recognised over-time as the service is provided.

(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.

Impairment of financial assets

(i) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(ii) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For individual customers, the Company will be writing off the gross carrying amount when the financial asset is over reasonable days past due based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

Note 3 Significant accounting policies (continues)

(f) Financial Liability

Financial liabilities are classified as measured at fair value and recognised in profit or loss.

(g) 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.

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.

(h) 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

Note 3 Significant accounting policies (continues)

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, which are recognised as expenses when incurred.

(i) 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.

(j) 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.

(k) 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 profit/(deficit) and net assets.

(l) Leases

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.

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.

Note 3 Significant accounting policies (continues)

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.

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.

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.

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.

(b) In response to the global pandemic COVID-19, the Australian Government has offered financial stimulus such as JobKeeper. The payment is made to the employed and administered through the tax system. The JobKeeper payment is not subject to GST. This income is recognised in the period in which the related expenses are incurred. The Company has determined it has met the criteria to be entitled to JobKeeper and has recorded $1,705,635 as Covid 19 related government grant.

Note 5 Finance Income

	2020 $	**2019 $**
Interest	**961**	**5,130**

Note 6 Employee Expense

	2020 $	**2019 $**
Employee expense	**2,607,389**	**3,099,225**

Note 7 Remuneration of auditors

	2020 $	2019 $
Remuneration of the auditors for:		
Audit of the financial report (i)	**12,000**	**13,000**

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

Note 8 Trade receivables

	2020 $	2019 $
Trade receivables (i)	**79,918**	**50,415**
Provision for doubtful debts	**-**	**(850)**
Net trade receivables	**79,918**	**49,565**

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

Note 9 Other receivables

	2020 $	2019 $
Prepayments	**12,683**	**1,620**
Vouchers	**516**	**516**
Bonds and security deposits	**11,564**	**43,176**
Accrued Income	**111,150**	**98,260**
Total other receivables	**135,913**	**143,572**

Note 10 Plant and equipment

	2020 $	2019 $
Leasehold improvements		
Leasehold improvements	**410,652**	**410,652**
Leasehold improvements – (including DF renovation)	**1,216,026**	**1,216,026**
Accumulated depreciation	**(1,440,947)**	**(1,408,604)**
Net:	**185,731**	**218,074**
Plant and equipment		
Plant and equipment – at cost	**663,372**	**663,372**
Accumulated depreciation	**(632,815)**	**(622,761)**
Net:	**30,557**	**40,611**
Total plant and equipment:	**216,288**	**258,685**

(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 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**
1 January 2020 – 31 December 2020	**Leasehold improvements $**	**Plant & equipment $**	**Motor vehicles $**	**Total $**
Balance at the beginning of the year	**218,074**	**40,611**	**-**	**258,685**
Additions	**-**	**-**	**-**	**-**
Depreciation expense	**(32,343)**	**(10,054)**	**-**	**(42,397)**
Balance at the end of the year	**185,731**	**30,557**	**-**	**216,288**

Note 11 Trade and other payables

	2020 $	2019 $
Trade payables	**68,331**	**90,135**
Accrued expenses	**8,500**	**8,200**
PAYG tax payable	**39,449**	**-**
Total trade and other payables	**116,280**	**98,335**

Note 12 Provisions

	2020 $	2019* $
Current provisions		
Employee entitlements	**352,558**	**290,314**
Non-current provisions		
Employee entitlements	**17,129**	**17,129**

**Cross-referencing to note 18 restatement.*

Note 13 Deferred income

	2020 $	2019 $
Current		
Corporates, trusts and foundations	**320,442**	**256,734**
Other	**12,251**	**67,592**
Total current	**332,693**	**324,326**

Note 14 Accumulated funds

	2020 $	2019 $
Accumulated funds at the beginning of the financial year	**(492,731)**	**(220,422)**
Profit (Deficit) for the year	**447,571**	**(272,309)**
Transfers from reserves		**-**
Accumulated funds at the end of the financial year	**(45,160)**	**(492,731)**

Note 15 Reserves

	2020 $	2019 $
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:

	2020 $	2019 $
Cheque account	**157,197**	**346,552**
Cash management account/ term deposits	**787,588**	**42,379**
Petty cash	**976**	**1,000**
Total cash and cash equivalents	**945,761**	**389,931**

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

	2020 $	2019 * $
Profit/(deficit) for the year	**447,571**	**(272,309)**
Depreciation expense	**42,397**	**51,795**
Changes in net assets and liabilities		
(Increase)/Decrease in trade receivables	**(30,353)**	**1,599**
Decrease in other receivables	**7,659**	**202,734**
Increase/(Decrease) in trade and other payables	**17,945**	**(88,304)**
Increase/(Decrease) in deferred income	**8,367**	**(118,849)**
Increase/(Decrease) in provisions	**62,244**	**(57,899)**
Net cash from/ (used in) operating activities	**555,830**	**(281,233)**

**Cross-referencing to note 18 restatement.*

Note 17 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 18 Restatement

During 2020, the Reach Foundation conducted a review into past pay practices focusing on its casual workforce. The review identified that lump sum payments to Crew for their personal services in delivering weekend camp programs did not meet the requirements of the relevant Award.

In November 2020 Reach engaged PwC to assist with the review via its employment law and data analytics teams and, with their guidance, we have determined that the potential liability relating to camp payments since July 2014 is $203,750 including interest and superannuation. In 2020 the liability relating to payment for camps is $5,327. The liability in 2019 has been calculated to be $26,947 with the remaining liability of $171,476 falling into years 2014-18. The program expenses and total deficit in 2019 have increased by $26,947. In addition, the provision and total current liability, net assets and accumulated funds of the 2019 Accounts have been amended by a total of $198,423 ($26,947 in 2019 and $171,476 as of 1 Jan 2019).

Note 19 Subsequent events

Subsequent to balance date, the Coronavirus pandemic has continued to cause restrictions and disruption to business as usual. At the end of 2020 the Reach Foundation were confident of returning to delivery of school and community programs at close to pre-pandemic conditions. When developing the 2020 budget and schedule of programs, the management team was cautiously optimistic that we could run programs for young people, particularly as the need for our work was greater than ever following the impact of the pandemic.

Unfortunately, there have been numerous lockdowns in both Melbourne and Sydney throughout 2021, as well as state border restrictions that have affected our ability to run programs and events as planned. This has impacted our ability to generate income from these activities. Building on our experience of restrictions through 2020, Reach has been able to pivot to online programs where possible. We have also run some successful fundraising campaigns and, in conjunction with cost-cutting measures, the management team is confident that we will finish 2021 in a stable financial position with a modest surplus.

No additional matters or circumstances have arisen between the end of the reporting year and the date of this report which significantly affected or may significantly affect the operations of the Company, the results of those operations, or state of affairs of the Company.

The Reach Foundation
Directors' Declaration
For the financial year ended 31 December 2020

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 25 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 2020 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 30 August 2021

Melbourne