2021 ANNUAL REPORT

REACH

OUR WORK IN 2021 WOULD NOT BE POSSIBLE WITHOUT THE SUPPORT OF

A MESSAGE FROM OUR CHAIR

2021 was undoubtedly an unusual year. The ongoing COVID-19 pandemic gave rise to more than its fair share of challenges but also resulted in many rewarding and inspiring moments at Reach.

We quickly realised that the impacts of COVID-19 were not confined to 2020 as the pandemic reached new heights throughout the year, presenting a number of challenges to our delivery model (which historically has relied heavily upon face-to-face workshops with young people), ironically at a time when our work was needed more than ever.

I'm very proud to day that, like in 2020, we adapted and responded proactively to withstand these significant challenges to deliver a strong impact across a wide variety of communities. Some responses deserve a particular call-out, including the following:

- We were nimble with our School Workshop delivery methods and adapted our existing workshops to online formats, which was well received by many schools;
- Local governments and philanthropic organisations provided additional, much-needed funding for schools to access our programs, further increasing our impact;
- We were able to adopt a flexible mindset to successfully deliver a number of Community Workshops throughout the year by using a blended approach of both online and face-to-face forums;
- Government support measures throughout the year allowed us to retain our wonderful staff and crew during times when we were unable to conduct in-person workshops with young people; we took the opportunity to complete a comprehensive skills analysis of our existing crew cohort, highlighted some skill gaps, and developed tailored online training programs to foster development of even more capable and confident facilitators;
- And our staff and crew were prepared to lean into the short-term financial challenge created by the reduction in workshop revenues by moving to a reduced work-time commitment for part of 2021 – enabling us to manage costs appropriately while continuing to deliver our vital work.

I am proud of the fact that, together, by carefully balancing many moving parts and remaining nimble in our operations, we were able to retain staff & crew and continue delivering our vital work, albeit reporting a small financial loss for the twelve months ended 31 December 2021.

Finally, a few notes of thanks. The ongoing success of Reach's impact would not be possible without the enduring support of our amazing partners, including Kmart, Bonds, The Highland Foundation and Reece (among many more). Furthermore, our many supporters, donors, volunteers and other stakeholders continue to back us time and time again – through their time, their engagement, their financial generosity, their valuable feedback, and their backing of our work, even when the going is tough.

Thank you for continuing to support our work, whether by volunteering your time, fundraising or simply spreading the word about Reach. As a result of your support, we supported many thousands of young people during a challenging 2021 and better enabled them to be resilient in the face of adversity and to reach their full potential. To this, we remain as committed as ever. And we are better prepared than ever to take on the challenges that lie ahead – as an organisation, and those faced by the young people we work with every day.

Anthony Klein
Chairman, The Reach Foundation

REACH'S BOARD OF DIRECTORS


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


Michael McShane
Director since Apr 2015


Amy Smith
Director since Aug 2020


Alina Leiken
Director since Sept 2021

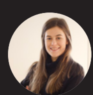

David Lundberg
Deputy chair since May 2021
Director since Feb 2020


Tom Imbesi
Director since Jun 2016


Sasha Lawrence
Director since Sept 2020


Alice McDougall
Director since Aug 2014
Retired August 2021


Fergus Watts
Director since Feb 2020


Saoirse Lappin
Director since April 2021

2021 KEY STATS AT A GLANCE

2021 was another challenging year for Reach and the young people we support, with the COVID-19 pandemic continuing to impact out ability to deliver workshops and connect with schools.

14,951 Instances of participation in Reach workshops

89% Of crew found training beneficial to them this year

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

7,398 Number of participant feedback forms filled out

Secondary school students' impact stats

78% reported an increase in empathy

70% reported feeling more aware of their own thoughts and feelings

64% reported feeling more connected to those around them

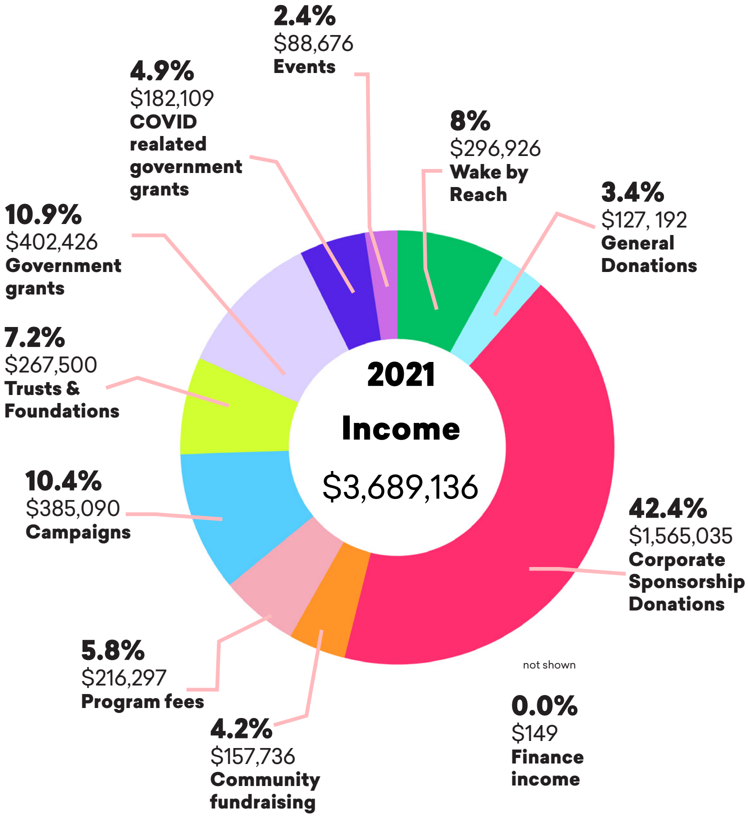
Primary school students' impact stats

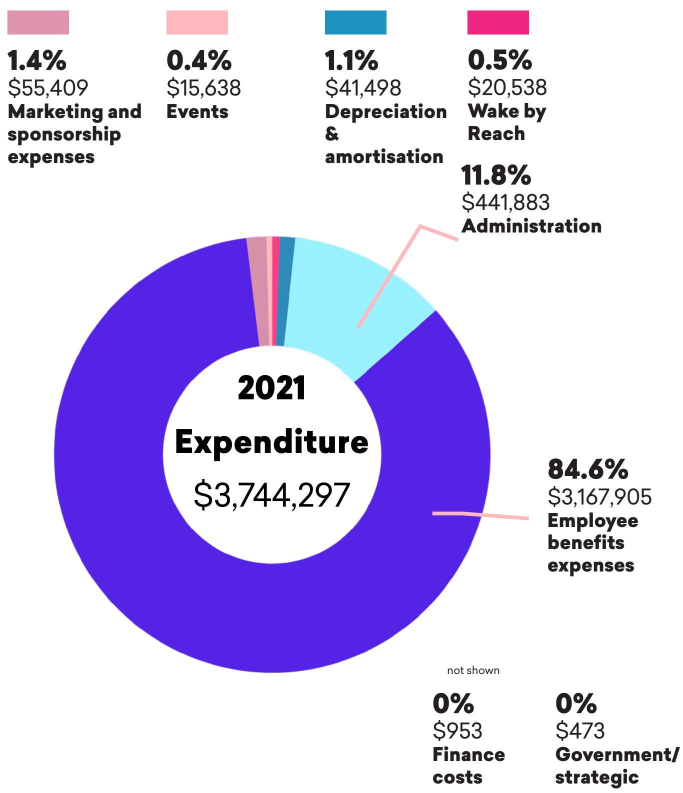
70% reported an increase in empathy

80% reported feeling more aware of their own thoughts and feelings

71% reported feeling more connected to those around them

INCOME AND EXPENDITURE





WHAT WE DELIVERED

CREW TRAINING

SENIOR CREW 12 workshops	NEW CREW 20 workshops	CREW 25 workshops	ACCELERATE 6 workshops	FIT & FAC 8 workshops

COMMUNITY WORKSHOPS

FUSED 25 workshops	GROUNDED 8 workshops	IGNITE 4 workshops	RAMP 9 workshops	TAILORED 12 workshops

PRIMARY SCHOOL WORKSHOPS

CONNECTION 35 workshops	CHANGE 7 workshops	EMPATHY 8 workshops	SPARK 9 workshops	TEAMWORK 16 workshops

SECONDARY SCHOOL WORKSHOPS

CONNECTION 31 workshops	DIVERGE 10 workshops	LEGACY 6 workshops	LOCKER ROOM 12 workshops	MIRROR 12 workshops
NEW NORMAL 15 workshops	OASIS 2 workshops	PEER DYNAMICS 60 workshops	PURPOSE 13 workshops	RESET 7 workshops
RESPECT 37 workshops	UNITE 23 workshops	INC 12 workshops		

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

info@reach.org.au

03 9412 0900

**152-156 Wellington St,
Collingwood VIC 3066**

REACH

The Reach Foundation

ABN: 87 069 837 627

Financial Statements

For the Year Ended 31 December 2021

The Reach Foundation

ABN: 87 069 837 627

Contents

For the Year Ended 31 December 2021

The Reach Foundation

ABN: 87 069 837 627

Directors' Report
For the year ended 31 December 2021

The directors present their report on The Reach Foundation for the financial year ended 31 December 2021.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	
Anthony Klein	Chair
Tom Imbesi	Chair of Audit and Risk sub-committee
Alice Macdougall	Resignation in 9 August 2021
Michael McShane	
Fergus Watts	
David Lundberg	
Amy Smith	
Sasha Lawrence	
Soairse Lappin	Appointed in April 2021
Robert Collie	Appointed in November 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

Reach delivers hundreds of interactive workshops, weekends away and large-scale events, for young people, led by young people. No significant changes in the nature of the Company's activity occurred during the financial year.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Operating results

The deficit of the Company after providing for income tax amounted to $ (55,161) (2020 Surplus: $ 447,570). The overall decline by $502,732 from prior year is as a result of multiple factors. Payroll and employee benefit expenses increased by $719,524 or 29% from prior year, however this was netted off by a decrease in administration expenses of ($267,675) or (38%). While there was a significant increase in operating revenues which increased by $836,199 or 31% from prior year, the government covid-19 grant income support had declined significantly by ($894,193) or (83%).

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

The Reach Foundation

ABN: 87 069 837 627

Directors' Report
For the year ended 31 December 2021

Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Anthony Klein	9	9
Tom Imbesi	9	8
Alice Macdougall	9	7
Michael McShane	9	8
Fergus Watts	9	8
David Lundberg	9	7
Amy Smith	9	5
Sasha Lawrence	9	9
Soairse Lappin	5	4
Robert Collie	-	-

Information on directors

Tom Imbesi — Chair of Audit and Risk sub-committee

Experience — 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.

David Lundberg

Experience — 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

Experience — 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

Information on directors

Michael McShane	
Experience	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.
Anthony Klein	Chair
Experience	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.
Fergus Watts	
Experience	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.
Soairse Lappin	Appointed in April 2021
Experience	Saoirse joined the Reach Board in April 2021. She became involved with Reach from a young age due to an Irish family connection with Jim Stynes and as a 15-year-old attended her first Reach school workshop. Saoirse has recently joined Amazon, running and building the New Zealand section of the business. Prior to this she was Commercial Director at Darktrace, an AI cyber security company, and relocated from Melbourne to Sydney to lead the Australian expansion. This involved working closely with business executives to educate them on the threat landscape and how to use technology to defend assets.

The Reach Foundation

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Directors' Report
For the year ended 31 December 2021

Information on directors

Sasha Lawrence	
Experience	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 a Partner in PwC Australia's People in Deals team which supports corporate and private equity dealmalers to deliver deal value through people and culture across the M&A lifecycle. He is also the Deals People Leader and co-sponsors Symmetry@PwC - the firm's gender equality network.
Alice Macdougall	Resignation in 9 August 2021
Experience	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.
Robert Collie	
Experience	Robert joined the Board in 2022. He is a partner at Deloitte Touche Tohmatsu and Chairman of The Deloitte Foundation. He is a Chartered Accountant and Registered Company Auditor working extensively in the private market and not for profit sector. He provides assurance and advisory services to his client base.

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.

The Reach Foundation

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Directors' Report
For the year ended 31 December 2021

Signed in accordance with a resolution of the Board of Directors:

Director:	Director: ....
Anthony Klein	Tom Imbesi

Dated this .... day of...................................2023

The Reach Foundation

ABN: 87 069 837 627

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of The Reach Foundation

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Ryan H. Dummett
Director

Level 3/148 Logis Boulevard, Dandenong South VIC 3175

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 $	2020 $
Operating Activities			
Corporate sponsorship & donations	5	1,565,035	1,426,759
Government grants	5	402,426	276,535
Campaigns	5	385,090	233,503
Wake by Reach	5	296,926	147,956
Trusts and Foundations	5	267,500	238,299
Program Fees	5	216,297	158,347
Covid 19 Government support	5	182,109	1,076,302
Community fundraising	5	157,736	25,112
General donations - individual giving	5	127,192	136,896
Events	5	88,676	27,272
Finance Income	5	149	294
Employee benefits expense		(3,167,905)	(2,448,381)
Administrative and marketing		(441,883)	(709,558)
Marketing and sponsorship expenses		(55,409)	(68,521)
Depreciation and amortisation expense	6	(41,498)	(42,398)
Wake by Reach expenses		(20,538)	(15,351)
Events		(15,638)	(15,181)
Government / strategic partnerships		(473)	(315)
Finance costs	6	(953)	-
(Deficit)/ Surplus before income tax		(55,161)	447,570
Income tax expense	3(a)	-	-
(Deficit)/ Surplus for the year		(55,161)	447,570
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Nil		-	-
Items that will be reclassified to profit or loss when specific conditions are met			
Nil		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (deficit)/ income for the year		(55,161)	447,570

The Reach Foundation

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Statement of Financial Position
As At 31 December 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,166,021	945,761
Trade and other receivables	8	81,599	203,148
Other assets	10	7,445	12,683
TOTAL CURRENT ASSETS		1,255,065	1,161,592
NON-CURRENT ASSETS			
Property, plant and equipment	9	212,069	216,288
Right of use assets	14	14,729	-
TOTAL NON-CURRENT ASSETS		226,798	216,288
TOTAL ASSETS		1,481,863	1,377,880
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	226,318	137,211
Lease liabilities	14	3,492	-
Employee benefits	15	446,479	348,756
Deferred Income	12	269,020	332,693
TOTAL CURRENT LIABILITIES		945,309	818,660
NON-CURRENT LIABILITIES			
Lease liabilities	14	12,598	-
Employee benefits	15	21,064	-
TOTAL NON-CURRENT LIABILITIES		33,662	-
TOTAL LIABILITIES		978,971	818,660
NET ASSETS		502,892	559,220
EQUITY			
Reserves		604,380	604,380
Accumulated deficit		(101,488)	(45,160)
TOTAL EQUITY		502,892	559,220

The accompanying notes form part of these financial statements.

The Reach Foundation

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Statement of Changes in Equity
For the Year Ended 31 December 2021

2021

	Accumulated Deficit	The Dreams Future Fund	Total
	$	$	$
Balance at 1 January 2021	(45,160)	604,380	559,220
Deficit for the year	(55,161)	-	(55,161)
Retrospective adjustment upon adoption of AASB 16	(1,167)	-	(1,167)
Balance at 31 December 2021	(101,488)	604,380	502,892

2020

	Accumulated Deficit	The Dreams Future Fund	Total
	$	$	$
Balance at 1 January 2020	(492,730)	604,380	111,650
Surplus for the year	447,570	-	447,570
Balance at 31 December 2020	(45,160)	604,380	559,220

The accompanying notes form part of these financial statements.

The Reach Foundation

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Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and government		3,947,739	2,849,496
Payments to suppliers and employees		(3,872,503)	(3,369,301)
Covid 19 related government grant		182,109	1,075,635
Net cash provided by operating activities	21	257,345	555,830
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(34,005)	-
Net cash used in investing activities		(34,005)	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liability		(3,080)	-
Net cash used in financing activities		(3,080)	-
Net increase in cash and cash equivalents held		220,260	555,830
Cash and cash equivalents at beginning of the financial year		945,761	389,931
Cash and cash equivalents at end of financial year	7	1,166,021	945,761

The accompanying notes form part of these financial statements.

The financial report covers The Reach Foundation. The Reach Foundation is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company is delivering hundreds of interactive workshops, weekends away and large-scale events, for young people, led by young people.

The functional and presentation currency of The Reach Foundation is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

In the previous year, the Company prepared general purpose financial statements in accordance with the Reduced Disclosure Requirements.

In adopting this standard, the Company has applied *AASB 1 First Time Adoption of Australian Accounting Standards*.

There have been no effects on the transition to Australian Accounting Standards - Simplified Disclosures.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Revenue and other income

Revenue from contracts with customers

The Company adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities*.

The core principle of AASB 15 is that the revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for the goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3 Summary of Significant Accounting Policies

(b) Revenue and other income

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

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

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

Grant income (AASB 15)

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include management of education events, vaccinations, presentations at symposiums.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income (AASB 1058)

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received

Capital grants

Capital grants received to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Company's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Company.

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Leasehold improvements	13-26%
Plant and Equipment	24-53%
Motor Vehicles	30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial liabilities

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

- The Company has the right to direct the use of the asset i.e., decision making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the

3 Summary of Significant Accounting Policies

(h) Leases

lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight- line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

4 Critical Accounting Estimates and Judgments

The directorsThe Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 Critical Accounting Estimates and Judgments

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - employee benefits

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, pay increases and discount rates are taken into account. This information is based on historical data and current employee bargaining agreement.

Key estimates- Useful lives of property, plant and equipment

The directors have estimated the useful lives of plant and equipment and buildings and improvements based on past experience for similar assets. The actual useful lives of each asset may vary depending on the usage of the asset, maintenance and wear. The directors periodically review the carrying amount of property, plant and equipment to ensure that the useful lives of assets are not overstated and therefore the carrying amount of property, plant and equipment is overstated.

5 Revenue and Other Income

Revenue from operating activities

	2021 $	2020 $
Revenue		
- Corporate sponsorship & donations	1,565,035	1,426,759
- Government grants	402,426	276,535
- Campaigns	385,090	233,503
- Wake by Reach	296,926	147,956
- Program Fees	216,297	158,347
- Trusts and Foundations	267,500	238,299
- Community fundraising	157,736	25,112
- General donations - individual giving	127,192	136,896
- Events	88,676	27,272
Total Revenue	3,506,878	2,670,679

	2021 $	2020 $
Other Income		
- Covid-19 - Government support	182,109	1,076,302
- Finance Income	149	294
Total other income	182,258	1,076,596

5 Revenue and Other Income

Disaggregation of revenue from contracts with customers

Time of revenue recognition		
- Over time	1,125,226	1,255,711
- At a point in time	2,381,652	1,414,968
Revenue from contracts with customers	3,506,878	2,670,679
- Corporate sponsorship & donations	1,565,035	1,426,759
- Government grants	402,426	276,535
- Campaigns	385,090	233,503
- Wake by Reach	296,926	147,956
- Trusts and Foundations	267,500	238,299
- Program Fees	216,297	158,347
- Community fundraising	157,736	25,112
- General donations - individual giving	127,192	136,896
- Events	88,676	27,272
Revenue from contracts with customers	3,506,878	2,670,679

6 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2021	**2020**
	$	**$**
Finance costs		
- Interest expense on lease liability	953	-
Total finance costs	953	-
Other expenses:		
Depreciation expense	41,498	42,398

7 Cash and Cash Equivalents

	2021	**2020**
	$	**$**
Cash on hand	3,890	976
Bank balances	1,162,131	944,785
	1,166,021	945,761

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

7 Cash and Cash Equivalents

Reconciliation of cash		
Cash and cash equivalents	1,166,021	945,761
Balance as per statement of cash flows	1,166,021	945,761

8 Trade and Other Receivables

	2021 $	2020 $
CURRENT		
Trade receivables	13,268	79,918
Provision for impairment	-	-
	13,268	79,918
Other receivables	68,331	123,230
Total current trade and other receivables	81,599	203,148

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9 Property, plant and equipment

PLANT AND EQUIPMENT		
Plant and equipment		
At cost	691,878	663,373
Accumulated depreciation	(641,294)	(632,816)
Total plant and equipment	50,584	30,557
Leasehold Improvements		
At cost	1,632,178	1,626,678
Accumulated depreciation	(1,470,693)	(1,440,947)
Total leasehold improvements	161,485	185,731
Total property, plant and equipment	212,069	216,288

9 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Leasehold Improvements	Total
	$	$	$
Year ended 31 December 2021			
Balance at the beginning of year	30,557	185,731	216,288
Additions	28,506	5,500	34,006
Depreciation expense	(8,478)	(29,747)	(38,225)
Balance at the end of the year	50,585	161,484	212,069

	Plant and Equipment	Leasehold Improvements	Total
	$	$	$
Year ended 31 December 2020			
Balance at the beginning of year	40,611	218,074	258,685
Depreciation expense	(10,054)	(32,343)	(42,397)
Balance at the end of the year	30,557	185,731	216,288

10 Other Assets

	2021	2020
	$	$
CURRENT		
Prepayments	7,445	12,683
	7,445	12,683

11 Trade and Other Payables

	2021	2020
	$	$
CURRENT		
Trade payables	24,681	64,208
Other payables	201,637	73,003
	226,318	137,211

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Deferred Income

	2021	2020
	$	$
CURRENT		
Prepaid Income	269,020	332,693
Total	269,020	332,693

13 Financial Risk Management

	2021	2020
	$	$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	1,166,021	945,761
Trade and other receivables		
Trade and other receivables	81,599	203,148
Total financial assets	1,247,620	1,148,909
Financial liabilities		
Financial liabilities at amortised cost	2,927,071	3,130,587
Total financial liabilities	2,927,071	3,130,587

14 Leases

Right-of-use assets

	Office Equipment	Total
	$	$
Year ended 31 December 2021		
Balance at beginning of year	-	-
Additions to right-of-use assets	26,185	26,185
Depreciation charge	(11,456)	(11,456)
Balance at end of year	14,729	14,729

	Office Equipment	Total
	$	$
Year ended 31 December 2020		
Balance at beginning of year	-	-
Additions to right-of-use assets	-	-
Depreciation charge	-	-
Balance at end of year	-	-

14 Leases

Leases are in place for photocopiers and normally have a term between 3 and 5 years.

Information relating to the leases in place and associated balances and transactions are provided below:

Leases

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $
2021				
Lease Liabilities	**3,492**	**12,598**	-	**16,090**
2020				
Lease Liabilities	-	-	-	-

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2021 $	2020 $
Interest expense on lease liabilities	953	-
Depreciation of right-of-use-assets	3,273	-
	4,226	-

15 Employee Benefits

	2021 $	2020 $
CURRENT		
Long service leave	63,794	17,129
Annual leave	178,935	127,877
Provision for employee benefits	203,750	203,750
	446,479	348,756

	2021 $	2020 $
NON-CURRENT		
Long service leave	21,064	-
	21,064	-

16 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. (To be confirmed)

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.

18 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is $ 458,780 (2020: $ 427,402).

19 Auditors' Remuneration

	2021 $	2020 $
- Auditing or reviewing the financial statements	13,000	12,000
- Preparation of Financial Report	2,000	-
Total	15,000	12,000

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020:None).

21 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2021 $	2020 $
(Deficit)/ Surplus for the year	(55,161)	447,571
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in (deficit)/ surplus		
- depreciation	41,498	42,397
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	121,550	(30,353)
- (increase)/decrease in other assets	5,238	7,659
- increase/(decrease) in trade and other payables	(16,540)	17,945
- increase/(decrease) in other liabilities	63,037	8,367
- increase/(decrease) in provisions	97,723	62,244
Cashflows from operations	257,345	555,830

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 15 May 2023 by the board of directors

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

23 Statutory Information

The registered office and principal place of business of the company is:

The Reach Foundation
152-156 Wellington Street
Collingwood
Victoria 3066

The Reach Foundation

ABN: 87 069 837 627

Directors' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements comply with the Australian Accounting Standards - Simplified Disclosure Standard and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person .... Anthony Klein	Responsible person .... Tom Imbesi

Dated

The Reach Foundation

Independent Audit Report to the members of The Reach Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Reach Foundation (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of 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 2021 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

The Reach Foundation

Independent Audit Report to the members of The Reach Foundation

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ryan H. Dummett
Director

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

The Reach Foundation

Independent Audit Report to the members of The Reach Foundation

Level 3, 148 Logis Boulevard, Dandenong South VIC 3175
Dated