

CHAIN REACTION FOUNDATION LTD
(A company limited by guarantee)

ANNUAL REPORT



For year ended 30 June 2021
ABN 44 100 223 649

DIRECTORS' REPORT

The Directors present their report for the year ended 30 June 2021 and the auditor's report.

Directors

The names of the Directors in office during the financial period and at the date of the report are:

Margaret Bell AM (Chairman)
Benjamin Chow AO
Pamela Gilbert (appointed 11 February 2021)
Dorothy Harding
Dr John Hewson AM
Hon John Hood
Rodney Little
Abd-Elmasih Malak AM
Prof Michele Simons

Directors Meetings

The number of meetings of Directors held during the period and the number of meetings attended by each Director were as follows:

Number of meetings held: 4

	Number of meetings attended	Meetings held while in office
Margaret Bell AM	4	4
Benjamin Chow AO	3	4
Pamela Gilbert	1	1
Dorothy Harding	2	4
Dr John Hewson AM	3	4
Hon John Hood	3	4
Rodney Little	3	4
Abd-Elmasih Malak AM	2	4
Prof Michele Simons	3	4

Company Secretary

The company secretary is Rumbi Mabambe, Executive Officer, Chain Reaction Foundation.

Principal Activity

Chain Reaction Foundation Ltd is incorporated and domiciled in New South Wales, Australia. The registered office is at 7/112 Ben Boyd Road, Neutral Bay, NSW, 2089.

The principal activities of the company during the financial period were to work for the alleviation of poverty in local communities, to identify and support social cohesion and local citizen engagement in building social capital, and to create strong links between community, government and business leaders in supporting those people who are in human and financial need and/or marginalised by practises of exclusion.

The entity operates through the services of its Chief Executive Officer, Executive Officer/Administrator, Small Learning Ground Team (8 Parttime) Pro Bono Specialist Consultants and Volunteers (20), organisations working in partnerships and consultations (19) and local volunteers (12).

Operating Results

The net result for the financial year ended June 30, 2021 was a loss of \$3,505 (2020 – (\$39,017 loss)). There is no liability for income tax because the company is exempt from income tax.

Review of Operations

Our mission is to partner with community organisations, government and business to build social cohesion in community resulting in a more participatory civil society in Australia. The main activities through which Chain Reaction achieved its mission in 2020 – 2021 were:

- Development, expansion, and operation of Mt Druitt Learning Ground as Chain Reaction's principle activity
- Working with schools, NGO's and government departments to build stronger social cohesion through their program delivery
- Development of plan to extend the work at Mt Druitt Centre to be offered as an 'in school' program to a range of schools
- Discussion and engagement with Western Sydney University in preparation for a 3-year pilot program to trial 'Learning Ground in School' to be known as LGiS.
- Continued discussion and development of 3-year research and evaluation plan for Learning Ground in School (LGiS) Interim report received from WSU in spite of 2020 COVID19 restrictions
- Development and delivery of Stage 2 Teaching Manual for teaching and support staff within schools conducting LGiS
- Extended family interactive programme for those enrolled in Learning Ground programs during 2020/2021
- Introduction of webinar series of parental and professional education workshops offered bi-weekly with excellent response from both parents and professionals. Around 30 participants in each webinar
- Continuing family support for around 40 families. Some needing food and clothing many in need of one on one family support of a variety of kinds. Teenage self-harming more apparent than ever before. Mental health, depression, anxiety, fear looming large for both teenagers and parents
- Continued delivery of Year 4 of Aboriginal Intergenerational 5-year program. A report on 5-year activity results will be prepared for Chain Reaction Board and Secretary of Department of Community Services and Justice and delivered in first months of 2022. The report will clearly demonstrate the effects of the stolen generation into five generations to follow.
- Consultations with Federal and State government departments were fewer this year due to restrictions of COVID 19 lockdown.
- Overall COVID lockdown has been exceedingly detrimental to the Learning Ground client group. Service requirements get more so all the time and funding accessibility becomes more and more restricted. Chain Reaction Foundation has survived financially only because of the generosity of the Neilson Family Foundation without whom we would have been unable to continue our services to the community.

Consultations/Seeking Appointments with:

Federal Government:

Ministers

Hon. Scott Morrison MP, Prime Minister

Hon. Alan Tudge MP, Minister for Education

Hon. Greg Hunt MP, Minister for Health

Hon. Anne Ruston (Senator), Minister for Family and Social Services

Hon. Ken Wyatt MP, Minister for Indigenous Australians

Shadow Ministers and Local Members:

Hon. Ed Husic MP, Federal Member for Chifley

Hon. Tanya Plibersek MP, Shadow Minister for Education

DIRECTORS' REPORT

Chief of Staff:

Prime Minister
Minister for Social Services
Minister for Indigenous Australians
Minister for Education
Minister for Health

Departmental Secretaries:

Department of Health
Department of Education
Department of Social Services
Assistant to Minister for Indigenous Australians

NSW Government

Hon. Gladys Berejeklian MP, Premier
Hon. Brad Hazzard MP, Minister for Health
Hon. Sarah Mitchell MP, Minister for Education
Hon. Bronnie Taylor MP, Minister for Mental Health
Hon. Alister Henskens MP, Minister for Families, Communities & Disability Services
Hon. Edmond Atalla MP, Member for Mt Druitt
Hon. Kate Washington MP, Shadow Minister Family and Community Services
Hon. Jihad Dib, Shadow Minister for Education

Trusts/Foundation

AMP Foundation, Blacktown City Council, Ian Potter Foundation, Matana Foundation, Mercy Foundation, Neilson Foundation, Scanlon Foundation, St. George Foundation, Vincent Fairfax Foundation.

Major Charities, Business and NGOs

ACON, ACOSS, Anglicare, Australian Diversity Council, AWCH, Bapcare, Boardroom Partners, Bupa, Cancer Council NSW, Catholic Education Office, Centre for Social Impact UNSW, Community Connect, Connecting Up, CIVICUS, Foundation for Young Australians, Generation One, Get Up, Global Peace Initiative Parliament of World Religions, Headspace, Housing NSW, Human Rights Commission, Islamic Council of NSW, Jesuit Social Services, Jobs Australia, Justice Reinvestment, Mental Health Coordinating Council, Mission Australia, Multicultural Foundation, National Disabilities Council, National Disabilities Insurance Scheme, Our Communities Victoria, Oxfam, Philanthropy Australia, Partnership Matters, Reconciliation Australia, Refugee Council of Australia, Salvation Army, St Vincent de Paul Society, Save the Children Australia, Save the Children NSW, St Vincent de Paul Society NSW, Sydney Alliance, Social Inclusion Board, United Way Australia, UNAA, Volunteering Australia, Centre for Volunteering NSW, Wesley Mission, Western Sydney University, World Vision, YGAP, YWCA NSW.

Local Community – Mt Druitt NSW

Allawah Aboriginal Services, Bidwill Residents Action Group, Blacktown City Council, Brighter Futures, CatholicCare, Centrelink, Change Fest, Chifley Colleges, Department of Community Services and Justice (St Mary's and Mt Druitt), Department of Education, Fun Park, Graceades Community Cottage, Headspace, Holy Family Church, Housing, Juvenile Justice, Jesuit Social Services, Junaya, Marist Youth, Mission Australia, Mt Druitt Combined Community Ministry, Mt Druitt Ethnic Community Agency, Mt Druitt Library, Mt Druitt Courts, TAFE, PCYC, Police, Primary Schools (7) Reconciliation Committee, The Hub, Uniting Care, Uniting Church Bidwill, Whalan Action Group, WASH House, Western Sydney University School of Education, Wesley Mission.

Mt Druitt Learning Ground Project

Learning Ground has continued to offer its programs throughout the 2770 postcode. All programs are focused on behavioural change management and offered to the most culturally diverse and disadvantaged families in the eleven suburbs of Mt Druitt, a population of over 80,000 people. Particular outreach takes place to families of Aboriginal and Torres Strait Islander background and also of culturally and linguistically diverse backgrounds.

The past year has seen up to 100 families taking advantage of the programs at any one time:

Mondays: Older Adolescent Group 13 – 17 years 9.30am – 2.30pm

Tuesdays: Family Skills for parents, grandparents, carers of young people, teachers, other professionals

Wednesdays: Younger Adolescents 10 – 12 years 10.00am – 2.30pm

Thursdays: Enablers Program for volunteers wishing to work in any aspect of building social cohesion in local communities, in families, schools, NGO's or churches

Older Adolescent Group 13 – 17 years 9.30am – 2.30pm

Fridays: Youth Activity Program – team building recreational program 5.30pm – 8.30pm

Tuesdays, Thursdays, Fridays: LGiS Team Leaders from Learning Ground attended twice weekly pilot program Chifley Colleges Dunheved and Shalvey to support staff from the school to offer Year 1 pilot project LGiS

To date this year over 140 young people have participated weekly in the programs. Schools are reporting difficulty to assess outcomes due to home schooling and severe school attendance disruption. 50 adults have participated in Family Skills and Adult Training Programs.

Learning Ground in School (LGiS)

Professional Training Manual for use in teacher training and two teaching manuals for teachers and mentors involved in LGiS were written and published.

Training program for 30 teachers and School Learning Support Officers whom we refer to as Facilitators and Mentors.

LGiS continued to develop Year 2 pilot project of the three-year pilot study, research and evaluation with Western Sydney University continuing to Stage 2.

LGiS program is being taught at Learning Ground Mt Druitt as a single centre drawing young people from 12 local schools.

LGiS is being taught at Dunheved Campus Chifley College, Plumpton High School, Leumeah High School and Colyton High School.

Early feed-back on success of the program has been remarkable in spite of the obstacles of lock-down due to COVID 19.

Both teachers and student participants are expressing very real pleasure and considerable learning within the program which has been very pleasing.

Twenty-one students per class are participating in the program with a total of 125 students in the Year 2 pilot.

Saving Young Lives

The documentary continues to be shown as a teaching tool at Western Sydney University School of Education and is often asked to be shown to NGO's, government departments and others wanting to use Chain Reaction Foundation services. It is also used in part or in whole in presentation to potential funders for any of our programs.

DIRECTORS' REPORT

Fund Development

Chain Reaction Foundation is particularly appreciative of the on-going support of the Neilson Foundation which has enabled us to contract seven part-time support people at Learning Ground. Chain Reaction Foundation has also been able to engage two occasional consultants for specific project work greatly facilitating the development of the Foundation.

During the financial reporting period we received grants from the following:

- Neilson Foundation
- St George Foundation
- Commonwealth Department of Social Services
- Department of Family and Community Services (premises)
- Matana Foundation for Young People
- Department of Education (teacher sponsorship)
- Bruce Bonyhady
- Jill Farrelly
- Martha Hanna

Applications were placed for Project Funding with:

NSW State Government:

Department of Communities and Justice
Department of Education
Department of Health
Department of Mental Health

Commonwealth Government:

Department of Social Services

Local Government:

Blacktown City Council

Foundations:

Neilson Foundation
St George Foundation
Matana Foundation
Balnaves Foundation

Volunteers Contributions

Chain Reaction team and volunteers have worked tirelessly throughout the year and we are particularly appreciative of the work undertaken in the very taxing period of lockdown Michelle Ambrose, Alice Bateman, Peggy Cameron, Jemima Chaghouri, Gregg Freeman, Pamela Gilbert, Robyn Hardge-Scott, Melissa Hood, Cassandra Jackson, Blake Jenkinson, Mischelle Jenkinson, Stephen Lawler, Isabelle Lucic, Rumbi Mabambe, Charmaine Milsom, Jade Napier, Jasmin Narayan, Muriel Pittman, Paul Reid, Rajh Singh, all of whom have worked with us at Mt Druitt Learning Ground.

Special Acknowledgement

MELISSA HOOD who works as a volunteer continuing to deliver the well thought out Family Skills Program, contributes to training delivery for in-service days for staff, training programs for teachers, and offers one-day workshops for parents and professionals as well as conducting webinars for parents and professionals every two weeks. Melissa makes an invaluable contribution to Chain Reaction as a member of the staff Executive team.

Chain Reaction is supporting Melissa currently undertaking a Master's degree in Educational Research.

PEGGY CAMERON completes 20 years of service to Chain Reaction Foundation this year.

Most of the years with the Foundation have been offered in a voluntary capacity during which time she has managed our Financial Services and records. As a result of Peggy's work, we have had an impeccable financial management record establishing confidence in Chain Reaction expressed by governments and funding Foundations alike.

Social Media Platform

A continuous program was conducted throughout the year using Chain Reaction Foundation website, Learning Ground website, Twitter, Facebook, Instagram and YouTube. On-line Youth Program was also implemented during COVID 19 shut-down period. Material was provided to all schools enrolled at Learning Ground for inclusion in regular schools' newsletters.

Summary

Chain Reaction has been privileged to receive on-going funding from The Neilson Foundation without whom our work would not have been possible. The support of the Foundation has been remarkable. Not only financially generous, but engagement with the trustees has shown their wonderful insight and interest in the detail of our work. Encouragement received is such that it sustains us in many ways to continue to give of our best to a standard of excellence in all services. The support at many levels has made it a challenge as well as such a pleasure to be able to offer the continuing working program during the severe consequences of the lock-down and has enabled us to continue working with teenagers and their families to cope with the now and prepare for the future.

Thanks also to our honorary auditors Mawby, Cowper, Meares & Co and Paul Reid chairperson of our Finance Committee whose valuable work we could not do without.

Western Sydney University continues its second-year investigation of the 3-year pilot project for the development of LGiS. An interim report is due shortly. Researchers are expressing very positive feed-back from the research currently being undertaken having completed interviews with teachers engaged in offering learning at five locations.

DIRECTORS' REPORT

Dividends

The company is prohibited from paying dividends by its Constitution.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the company occurred during or after the financial period that would render any amount stated in the accounts misleading.

After balance date events

No matter or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of these operations, or the state of affairs of the company in the years ahead.

Future Developments

There are no extraordinary developments foreseen for the coming financial year.

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.

Indemnification and insurance of officers

Indemnification

The company has agreed to indemnify the current and former directors of the company against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company, except where the liability arises out of conduct involving lack of good faith.

Lead auditor's independence declaration

The Lead Auditor's Independence Declaration is included as an appendix.

M. E. Bell

Signed in accordance with a resolution of the Board of Directors

Director
Sydney

23rd December 2021

CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 30 JUNE 2021

	2021	2020
	\$	\$
REVENUE		
General		
Bank Interest	144	2,977
Donations for Mt Druitt Learning Ground	598,426	475,973
Grants for Mt Druitt Learning Ground	51,614	58,959
General Donations & sundry income	2,000	2,000
Government subsidies and incentives	102,591	92,091
Total revenue	<u>754,775</u>	<u>632,000</u>
 EXPENDITURE		
Chain Reaction Foundation overheads	29,662	38,226
Mt Druitt Learning Ground expenses	<u>728,618</u>	<u>632,791</u>
Total expenditure	<u>758,280</u>	<u>671,017</u>
(Loss)/Surplus for the year	(3,505)	(39,017)
Income tax expense	<u>-</u>	<u>-</u>
(Loss)/Surplus for the year after income tax	(3,505)	(39,017)
Other comprehensive income	<u>-</u>	<u>-</u>
(LOSS)/SURPLUS FOR THE YEAR	<u>=====</u>	<u>=====</u>

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)**

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021

	2021	2020
CURRENT ASSETS	\$	\$
Sundry assets (incl GST refundable)	2,745	26,721
Cash at bank and on deposit	<u>355,999</u>	<u>318,471</u>
TOTAL CURRENT ASSETS	<u>358,744</u>	<u>345,192</u>
 NON-CURRENT ASSETS	 -	 -
TOTAL NON-CURRENT ASSETS	-	-
 TOTAL ASSETS	 <u>358,744</u>	 <u>345,192</u>
 CURRENT LIABILITIES		
Credit cards & other creditors	11,559	9,374
Payroll & employee provisions	22,947	8,075
Learning Ground & other grants in advance	<u>150,000</u>	<u>150,000</u>
TOTAL CURRENT LIABILITIES	<u>184,506</u>	<u>167,449</u>
 NON-CURRENT LIABILITIES	 -	 -
TOTAL NON-CURRENT LIABILITIES	-	-
 TOTAL LIABILITIES	 <u>184,506</u>	 <u>167,449</u>
 NET ASSETS	 <u>174,238</u> =====	 <u>177,743</u> =====
 EQUITY		
Accumulated funds		177,743
 TOTAL EQUITY	 <u>174,238</u> =====	 <u>177,743</u> =====

The accompanying notes form part of these accounts

CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR TO 30 JUNE 2021

	2021	2020
	\$	\$
Total changes in equity		
(Loss)/Surplus for the year	(3,505)	(39,017)
Funds available for future use at the beginning of the financial year	<u>177,743</u>	<u>216,760</u>
Funds available for future use at the end of the financial year	<u>174,238</u>	<u>177,743</u>
Comprised of		
Accumulated funds		
Balance at the beginning of the financial year	177,743	216,760
(Loss)/Surplus for the year	<u>(3,505)</u>	<u>(39,017)</u>
Balance at the end of the financial year	<u>174,238</u>	<u>177,743</u>
Total	<u>174,238</u>	<u>177,743</u>

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2021	2020
	\$	\$
Cash Receipts in the course of operations	776,607	618,357
Cash Payments in the course of operations	(739,223)	(702,830)
Interest Received	144	2,977
	<u> </u>	<u> </u>
Net Cash provided by/ (used in) Operating Activities	<u>37,528</u>	<u>(81,496)</u>
Net increase/(decrease) in cash held	37,528	(81,496)
Cash at the beginning of the financial year	318,471	399,967
Cash at the end of the financial year	<u>355,999</u> =====	<u>318,471</u> =====
CASH FLOWS RECONCILED TO PROFIT	2021	2020
Cash provided by/(used in) Operating Activities	37,528	(81,496)
Less/Add (increase)/decrease in other liabilities	(17,057)	18,195
Add/(Less) increase/(decrease) in other assets	<u>(23,976)</u>	<u>24,284</u>
Operating (loss)/surplus for the year	<u>(3,505)</u> =====	<u>(39,017)</u> =====

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2021

1. Statement of significant accounting policies

Basis of Preparation and statement of compliance

In the opinion of the Directors, the company is not a reporting entity as defined in Statement of Accounting Concepts 1: "Definition of the Reporting Entity". The financial statements of company have been drawn up as a special purpose financial report for use by the Directors and members and to fulfil the Directors' duties under the Australian Charities and Not-for-profits Commission Act 2012 to prepare financial statements.

The financial statements have been prepared on the accruals basis of accounting using the historical cost convention and a going concern assumption. Except where stated, they do not take into account changing money values. Except where noted, the accounting policies have been consistently applied.

The financial statements have been prepared in accordance with all Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia with the following exceptions where some or all of the disclosure provisions have not been followed:

- AASB 7 Financial Instruments: Disclosure
- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 124 Related Party Disclosures
- AASB 1004 Contributions

The significant accounting policies adopted by the Foundation are:

Revenue recognition

The company recognises donations when received and grant income as revenue when funds have been committed by the project sponsor in respect of expenditure incurred.

Expenses

Expenses are brought to account on an accruals basis.

Income Tax

The company has been endorsed as an exempt charitable body for income tax purposes under the provisions of the Income Tax Assessment Act 1997.

**CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2021

2. Liability of members

The company is limited by guarantee and every member undertakes to contribute an amount not exceeding \$100 if required in the event of a wind up of the company.

3. Related party disclosures

Key management personnel

The key management personnel of the company include its, Board of Directors whose names are:

Margaret Bell **AM** (Executive Chairman), Benjamin Chow **AO**, Pamela Gilbert, Dorothy Harding, Dr John Hewson **AM**, Hon John Hood, Rodney Little Abd-Elmasih Malak **AM**, and Professor Michele Simons.

Apart from Margaret Bell, Pamela Gilbert and Dorothy Harding, none of the other Board members received any compensation in respect of the performance of his/her duties.

Amounts have been expensed in the year in respect of services provided to the company by those persons (or their related entities) during their tenure as Directors, being Margaret Bell - \$111,001 (2020 – \$93,558), Pamela Gilbert - \$2,250 (appointed 11th February 2021) and Dorothy Harding \$35,243 (2020 – \$21,718).

4. Auditor's remuneration

The Auditor of the company is Mawby, Cowper, Meares & Co. Audits have been conducted on a pro-bono basis. The estimated value of their audit fee, being \$2,000, is included in General Donations and Sundry Income and an equivalent amount is included as an expense in the Chain Reaction Foundation overheads Statement of Comprehensive Income.

CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)
DIRECTOR'S DECLARATION

In the opinion of the Directors of Chain Reaction Foundation Ltd:

1. The company is not a reporting entity.
2. The financial statements and notes of the Company as set out on pages 9 to 14 are in accordance with the basis of accounting described in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Act 2012 including:
 - (a) giving a true and fair view of the financial position as at 30 June 2021 and of its performance, as represented by the results of its operations and cash flows for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards (including the Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012 to the extent described in Note 1 to the financial statements; and
3. 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

M. E. Bell

Margaret Bell **AM**

Director

Dated on 23rd December 2021 at Sydney



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Mawby Cowper Meares & Co.

Partners

Frank Butkovich
Stuart D. Meares
Richard Lambert

Chartered Accountants

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"Chatswood Village", Tower Block
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Postal Address

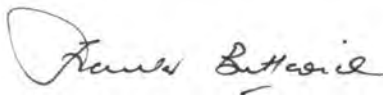
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Fax: (02) 9411 6712
e-mail: info@mcmco.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CHAIN REACTION FOUNDATION LIMITED

As lead auditor for the audit of Chain Reaction Foundation Limited, for the year ended 30 June 2021 I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



Mawby Cowper Meares & Co
Chartered Accountants
Partner: **Frank Butkovich FCA**
47 Neridah Street Chatswood NSW 2067

23rd December 2021

Mawby Cowper Meares & Co.

Partners

Frank Butkovich
Stuart D. Meares
Richard Lambert

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF CHAIN REACTION FOUNDATION LIMITED

Report on the financial report

I have audited the financial report (being a special purpose financial report) of Chain Reaction Foundation Limited (the Company) which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in trust capital and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Basis for qualified auditor's opinion

As is common for organisations of this type, it is not practicable for the Company to fully establish internal controls over the collection of income from various revenue raising activities prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my audit procedures with respect to these revenue streams had to be restricted to the amounts recorded in the financial records and information provided by the Company's management. I therefore am unable to express an opinion whether the unsolicited revenue obtained is complete.

Qualified Audit opinion

In my opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on my audit procedures referred to in the qualification paragraph not existed.

- (a) the financial report of the Company presents fairly in all material respects, the Company's financial position as at 30 June 2021 and its performance for the year then ended in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the accounting policies described in Note 1(b) to the accounts.
- (b) The accounting and other associated records have been properly kept during the course of the year in accordance with the *Charitable Fundraising Act (NSW) 1991* and the *NSW Charitable Fundraising Regulation 2015*.
- (c) Money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and *NSW Charitable Fundraising Regulation 2015*.

Basis for opinion

I conducted my audit in accordance with *Australian Auditing Standards*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

I am independent of the Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirement of the *Accounting Professional and Ethical Standards Board APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the Financial Report in Australia. I have fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of preparation and restriction on use

I draw attention to Note 1 to the financial report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under *Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Regulations*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

My report is intended solely for the Board of Chain Reaction Foundation Limited and should not be used by parties other than the Board. I disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Board for Chain Reaction Foundation Limited or for any other purpose than that for which it was prepared.

Board's responsibility for the financial report

The Board of the Foundation is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1(b) to the financial statements is appropriate to meet the needs of the Board. The Board's responsibility also includes such internal controls as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Responsibilities of the Board for the Financial Report

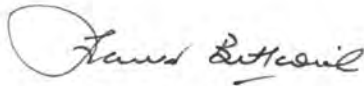
The Board of the Company is responsible for the preparation of the Financial Report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the *Australian Accounting Standards, the ACNC and the Act and Regulations* and is appropriate to the needs of the Board and for such internal control as the Board determine is necessary to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Board are responsible for assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

My objective is 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 Audit Report that includes my 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. They are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions or users taken on the basis of this Financial Report.

A further description of my responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of my Auditor's Report.



Mawby Cowper Meares & Co
Chartered Accountants
Partner: **Frank Butkovich FCA**
47 Neridah Street Chatswood NSW 2067

23rd December 2021