

CHAIN REACTION FOUNDATION LTD
(A company limited by guarantee)

ANNUAL REPORT



For year ended 30 June 2022
ABN 44 100 223 649

DIRECTORS' REPORT

The Directors present their report for the year ended 30 June 2022 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
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	4	4
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	1	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, 2022 was a profit of \$207,606 (2021 – (\$3,505 loss)). There is no liability for income tax because the company is exempt from income tax.

The reporting period to June 2022 has been a challenging one for Chain Reaction Foundation. We have completed six programs throughout the financial year and have been glad to be able to remain fully operational in the midst of COVID 19 and some of its consequences affecting the level of well-being for students, families, and teachers alike.

Participants Attending Learning Ground Centre:

Participants attend Learning Ground in two groups. Monday ages 13 – 17, and Wednesday aged 11 – 13.

Older participants have demonstrated having particular challenges in being able to continue day to day school attendance and being able to show the ability to meet the required learning needed to do that. Habits have been formed making excessive use of digital devices, a habit hard to break leading to excessive gaming and use of endless social media. Families often do not discourage the practise because being on the devices keeps the young people at home and in their rooms causing less angst for families being worried about external behaviour. Education encouraging the will to 'make effort' needs increasing concentration at Learning Ground. Student motivation is lower than previously experienced in this age group. Hand in hand with poor motivation we are seeing a much higher rate of low self-esteem. Much encouragement is needed in both of these areas requiring working one on one with students and taking longer unhurried meetings than have perhaps been needed in the past.

Younger (Wednesday) participants are showing an increasing capacity to 'bounce back' and to being able to assume every day school life. Like their fellow students they are struggling to develop the level of maturity needed to be in High School but if currently attending schools demonstrating interest in supporting student well-being progress is able to be more rapid at Learning Ground in achieving positive mental health and other developmental outcomes.

Learning Ground in School (LGiS):

The end of the calendar year will see the conclusion of the three year pilot project Learning Ground in School, LGiS. We look forward to the findings from The School of Education Western Sydney University who are currently conducting the research and evaluation of the program which we expect to be available in February 2023. LGiS is currently operating in six schools and the work is yielding many positive responses from both students and schools staff engaged in the program. Chain Reaction staff acting as program consultants have participated in LGiS in each school thus supporting both staff and students. Plans for 2023 are making room for some schools to conduct the program on their own now as our agreement to be present at school is for one year only. Thus some staff will be freed to attend new schools next year. On-line support will be available to all schools on a continued basis.

Three Professional Learning Seminars have been conducted offering training to teachers and Student Learning Support Officers preparing to join LGiS staff in schools. A final seminar for 2022 will be available 15 – 17 November for those preparing for 2023.

A letter of agreement is prepared for schools offering LGiS and is signed by Chain Reaction Foundation endeavouring to ensure the integrity of the program to be delivered in schools. Schools are supplied with all teaching materials needed to conduct the program including handbooks for Facilitators and Mentors which detail each lesson plan. Student materials and teaching aids are also included.

NSW Department of Education Program Approval:

We have received advice from the Department that Chain Reaction Foundation LGiS Program has been accepted as a member of "The DOE Panel of Student Well-Being" thus making a recommendation to all schools in NSW to seek to offer LGiS as part of their student well-being plan going forward.

Unfortunately there is no funding attached to the recommendation but it puts Chain Reaction in a position to seek funding elsewhere on a very firm basis of approval as a suitable learning tool addressing student well-being in schools. There are very few such recommended programs and the Department no longer encourages external programs other than those recommended thus.

Professional Learning Accreditation:

Chain Reaction has applied for Professional Learning Accreditation to enable staff attending the seminars provided to utilize these days for their teaching further accreditation. Previously provided through WSU all service providers have had to apply for this recognition on an individual basis since the commencement of the Financial Year. We have submitted a detailed application and hope to receive accreditation before end of the calendar year.

Youth Activity Program (YAP):

YAP continues as a Friday afternoon/evening activity for young people 12/16 years. Designed as a fun and learning program YAP introduces group recreational activity demonstrating the value of working as a team. A meal is provided and Learning Ground methodology embracing descriptive praise and emotion coaching is applied throughout the evening.

An additional value of the program is preventing the attendees from being left at home as other family members go out on a Friday night. They are safe, fed, and learn while having fun.

Term 3 2021 Cooking Program (In house)

Term 4 2021 Gardening with Greening Australia

Term 1 2022 Dodgeball with Zany Sports.

Term 2 2022 FUNPARK Film making with Maya Newell.

Term 3 2022 Creative Writing with Story Factory.

Term 4 2022 Dodgeball with Zany Sports.

Family Skills:

We have offered Webinars, Workshops, and Six Week one day per week programs throughout the year. Attended by parents of Learning Ground participants, professionals drawn from government departments and NGO's and referred from schools and particularly Department of Communities and Justice. Families benefit from encouragement of the use of new parenting skills and recognition of the value of talking through issues they are handling at home.

Overall around 300 people a week are engaged in attending Learning Ground programs of between one and four hour durations. Countless others are participating in webinars and on-line workshops.

VIP Lunch Meetings:

Throughout the year we have hosted three VIP lunches, two for government Ministers both Federal and State, School Principals, Chain Reaction Funders from Neilson Foundation, and Executive from NSW Department of Education, and one for esteemed Aboriginal Elders long connected to the development of Learning Ground.

Board Members who have attended these occasions include Benjamin Chow, Dorothy Harding, John Hewson, John Hood, Pamela Gilbert, and Rod Little. We have been most appreciative of Board participation in these events.

20 Year Anniversary:

One of the highlights of the year was Chain Reaction's 20th birthday celebration attended by around two hundred people. Uncle Greg Simms one of our longest engaged Aboriginal Elders was present for the occasion and offered the Welcome to Country. The lunch was preceded by a smoking ceremony giving thanks for the years of service to the community and blessings and looking forward to the future.

Twenty years of service awards were presented to wonderful Board Members and two other remarkable Chain Reaction supporters.

Board Members Benjamin Chow, Abd Malak, and Dorothy Harding, and to Paul Reid, Chair of the Finance Committee, and Peggy Cameron, Finance Manager. The event was also attended by Board Members Margaret Bell, Pamela Gilbert and Rodney Little. Rod took the opportunity to spend an additional day with us familiarizing himself with all the activity of Chain Reaction and Learning Ground in particular. We were delighted to welcome the Mayor of Blacktown Tony Bleasdale OAM, and NSW Government Member for Mt Druitt Edmond Atalla as guests of honour. We were disappointed Uncle Wes Marne who had just celebrated his 100th birthday was not able to attend. Uncle Wes chaired our Aboriginal Advisory Council to establish and oversee the first years of establishing Learning Ground.

Zest Awards 2022:

We were delighted to find Mt Druitt Learning Ground was awarded The Exceptional Project in a Not for Profit Organisation "in recognition of your outstanding contribution to Western Sydney". The awards are sponsored by NAB, Western Sydney University, Western Sydney Community Forum, Link Wentworth and Blacktown City Council. Our Executive Officer and several members of our Executive Team were present at the celebration dinner and able to receive the award.

As stated the advent of COVID 19 and subsequent fall out for many families we work with has resulted in ill health, loss of jobs, increased housing needs, and general needs associated with poverty and disadvantage. Mental health and anxiety issues abound for the families and teenagers we work with. Learning Ground staff have been stretched to the limit this year. A great sense of comradery exists between our working team which has really seen us through. It is important to express appreciation to our Board Directors several of whom have shown repeated on-going concern and willingness to share the load which has been greatly appreciated. Special thanks too to Rumbi Mabambe our Executive Officer and a very resilient staff and volunteers all much appreciated.

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.

Fund Development

Chain Reaction Foundation is particularly appreciative of the on-going support of the Neilson Foundation which has enabled us to employ 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:

DIRECTORS' REPORT

- Neilson Foundation
- Commonwealth Department of Social Services
- Department of Family and Community Services (premises)
- Matana Foundation for Young People
- Department of Communities and Justice NSW
- Bruce Bonyhady
- Jill Farrelly

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, Thomas Barlow, Alice Bateman, Peggy Cameron, Jemima Chaghouri, Issac Ebeling, Gregg Freeman, Pamela Gilbert, Robyn Hardge-Scott, John Hood, Melissa Hood, Cassandra Jackson, Mischelle Jenkinson, Stephen Lawler, Isabelle Lucic, Rumbi Mabambe, Charmaine Milsom, Jade Napier, 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 highly professional 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, to date she has received high distinctions for her work.

PEGGY CAMERON has completed 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.

A review and update of the Chain Reaction website is in progress.

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.

DIRECTORS' REPORT

Thanks also to our honorary auditors Mawby, Cowper, Meares & Co, Paul Reid chairperson of our Finance Committee and John Hood board member, 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.

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

12 January 2023

CHAIN REACTION FOUNDATION LTD
(a company limited by guarantee)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 30 JUNE 2022

	2022	2021
	\$	\$
REVENUE		
General		
Bank Interest	126	144
Donations for Mt Druitt Learning Ground	753,153	598,426
Grants for Mt Druitt Learning Ground	177,407	51,614
General Donations & sundry income	87,003	2,000
Government subsidies and incentives	-	102,591
Total revenue	<u>1,017,689</u>	<u>754,775</u>
 EXPENDITURE		
Chain Reaction Foundation overheads	33,865	29,662
Mt Druitt Learning Ground expenses	<u>776,218</u>	<u>728,618</u>
Total expenditure	<u>810,083</u>	<u>758,280</u>
Surplus/(deficit) for the year	207,606	(3,505)
Income tax expense	-	-
Surplus/(deficit) for the year after income tax	207,606	(3,505)
Other comprehensive income	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	<u>207,606</u>	<u>(3,505)</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 2022

	2022	2021
CURRENT ASSETS	\$	\$
Sundry assets (incl GST refundable)	4,822	2,745
Cash at bank and on deposit	612,090	355,999
TOTAL CURRENT ASSETS	<u>616,912</u>	<u>358,744</u>
 NON-CURRENT ASSETS	 -	 -
TOTAL NON-CURRENT ASSETS	-	-
 TOTAL ASSETS	 <u>616,912</u>	 <u>358,744</u>
 CURRENT LIABILITIES		
Credit cards & other creditors	16,465	11,559
Payroll & employee provisions	31,936	22,947
Learning Ground & other grants in advance	186,667	150,000
TOTAL CURRENT LIABILITIES	<u>235,068</u>	<u>184,506</u>
 NON-CURRENT LIABILITIES	 -	 -
TOTAL NON-CURRENT LIABILITIES	-	-
 TOTAL LIABILITIES	 <u>235,068</u>	 <u>184,506</u>
 NET ASSETS	 <u>381,844</u>	 <u>174,238</u>
	=====	=====
EQUITY		
Accumulated funds	381,844	174,238
 TOTAL EQUITY	 <u>381,844</u>	 <u>174,238</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 2022

	2022	2021
	\$	\$
Total changes in equity		
Surplus/(deficit) for the year	207,606	(3,505)
Funds available for future use at the beginning of the financial year	<u>174,238</u>	<u>177,743</u>
Funds available for future use at the end of the financial year	<u>381,844</u>	<u>174,238</u>
Comprised of		
Accumulated funds		
Balance at the beginning of the financial year	174,238	177,743
Surplus/(deficit) for the year	<u>207,606</u>	<u>(3,505)</u>
Balance at the end of the financial year	<u>381,844</u>	<u>174,238</u>
Total	<u>381,844</u>	<u>174,238</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 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
	\$	\$
Cash Receipts in the course of operations	1,064,406	776,607
Cash Payments in the course of operations	(808,441)	(739,223)
Interest Received	126	144
	<hr/>	<hr/>
Net Cash provided by/ (used in) Operating Activities	<u>256,091</u>	<u>37,528</u>
Net increase/(decrease) in cash held	256,091	37,528
Cash at the beginning of the financial year	355,999	318,471
Cash at the end of the financial year	<u>612,090</u> =====	<u>355,999</u> =====
CASH FLOWS RECONCILED TO PROFIT	2022	2021
Cash provided by/(used in) Operating Activities	256,091	37,528
Less/Add (increase)/decrease in other liabilities	(50,562)	(17,057)
Add/(Less) increase/(decrease) in other assets	<u>2,077</u>	<u>(23,976)</u>
Operating (loss)/surplus for the year	<u>207,606</u> =====	<u>(3,505)</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 2022

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 2022

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 – \$111,008 (2021 – \$111,001), Pamela Gilbert – \$3,000 (2021 – \$2,250) and Dorothy Harding – \$10,415 (2021 – \$35,243).

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 2022 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 12 January 2023 at Sydney



ABN: 44 100 223 649

7/112 Ben Boyd Road (PO Box 1593) Neutral Bay NSW 2089

Telephone: (02) 9953 3287

Email: info@chainreaction.org.au Website: www.chainreaction.org.au

Mawby Cowper Meares & Co.

Partners

Frank Butkovich

Stuart D Meares

Richard Lambert

Chartered Accountants

ABN 32 136 142 010

"Chatswood Village", Tower Block

Level 4, 47 Neridah Street, Chatswood NSW 2067

Postal Address

PO Box 1480
Chatswood NSW 2057

Telephone: (02) 9411 5388

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 2022 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

13 January 2023

Mawby Cowper Meares & Co.

Partners

Frank Butkovich

Stuart D. Meares

Richard Lambert

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"Chatswood Village", Tower Block

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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 2022, 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 2022 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

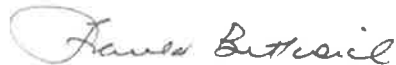
The Board of the Company is responsible for the preparation of the Financial Report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the *Australian Accounting Standards, the ACNC and 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 of 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

13 January 2023