Mental Health Council of Australia Incorporated

ABN 67 592 218 493

Financial Statements

For the Year Ended 30 June 2014

Mental Health Council of Australia Incorporated

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For the Year Ended 30 June 2014

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Board Members' Report

For the Year Ended 30 June 2014

Your board members submit the financial statements of the Association for the financial year ended 30 June 2014.

1. General information

Board Members

The names of the board members throughout the year and at the date of this report are:

Ms Jennifer Westacott	Chairperson
Professor Lyn Littlefield	Deputy Chairperson
Mr Tony Fowke AM	
Ms Clare Guilfoyle	
Mr Geoff Harris	
Mr Jack Heath	
Dr Caroline Johnson	
The Hon Craig Knowles	
Mr Arthur Papakotsias	
Mr Jonathan Nicholas	Appointed: 9 October 2013

Principal Activities

The principal activities of the Association during the financial year were to promote quality mental health for everyone in Australia as well as represent and promote the interests of the Mental Health sector.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Mental Health Council of Australia Incorporated resolved to transfer the net assets of the Association to Mental Health Australia on 1st July 2014. Accordingly, these are the final accounts of the Association.

2. Operating Results

The profit (loss) of the Association for the financial year amounted to $ (9,604) (2013: $ 44,377).

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

Board Member: .... Ms Jennifer Westacott

Board Member: .... Mr Arthur Papakotsias

Dated: 2 September 2014

Mental Health Council of Australia Incorporated

ABN 67 592 218 493

Statement by Members of the Board

In the opinion of the Board the financial statements as set out on pages 3 to 29:

1. Present a true and fair view of the financial position of the Mental Health Council of Australia Incorporated as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

2. There are reasonable grounds to believe that the Mental Health Council of Australia Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Board Member:	Board Member: ....
Ms Jennifer Westacott	Mr Arthur Papakotsias

Dated: 2 September 2014

Mental Health Council of Australia Incorporated

ABN 67 592 218 493

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

	Note	2014 $	2013 $
Revenue	9	**3,982,329**	4,148,890
Administrative expenses	10	**(468,420)**	(433,404)
Grant payments		**(297,644)**	(427,876)
Other operating grants expenditure		**(1,044,035)**	(1,524,589)
Employee benefits expense		**(2,130,223)**	(1,679,998)
Depreciation expense		**(51,611)**	(38,646)
Profit (loss) before income tax		**(9,604)**	44,377
Income tax expense		**-**	-
Profit (loss) for the year		**(9,604)**	44,377
Total comprehensive income for the year		**(9,604)**	44,377

The accompanying notes form part of these financial statements.

Mental Health Council of Australia Incorporated

ABN 67 592 218 493

Statement of Financial Position

As At 30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	**2,584,642**	2,442,589
Trade and other receivables	3	**70,458**	364,432
Other financial assets	4	**48,015**	48,015
Other assets	5	**40,878**	58,002
TOTAL CURRENT ASSETS		**2,743,993**	2,913,038
NON-CURRENT ASSETS			
Property, plant and equipment	6	**217,281**	238,807
TOTAL NON-CURRENT ASSETS		**217,281**	238,807
TOTAL ASSETS		**2,961,274**	3,151,845
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**1,093,720**	1,278,148
Short-term provisions	8	**77,141**	72,334
TOTAL CURRENT LIABILITIES		**1,170,861**	1,350,482
NON-CURRENT LIABILITIES			
Long-term provisions	8	**16,570**	17,916
TOTAL NON-CURRENT LIABILITIES		**16,570**	17,916
TOTAL LIABILITIES		**1,187,431**	1,368,398
NET ASSETS		**1,773,843**	1,783,447
EQUITY			
Retained earnings		**1,773,843**	1,783,447
TOTAL EQUITY		**1,773,843**	1,783,447

The accompanying notes form part of these financial statements.

Mental Health Council of Australia Incorporated

ABN 67 592 218 493

Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Note	Retained Earnings $	Total $
Balance at 1 July 2013		**1,783,447**	**1,783,447**
Loss attributable to members of the entity		**(9,604)**	**(9,604)**
Balance at 30 June 2014		**1,773,843**	**1,773,843**

2013

	Note	Retained Earnings $	Total $
Balance at 1 July 2012		1,739,070	1,739,070
Profit attributable to members of the entity		44,377	44,377
Balance at 30 June 2013		1,783,447	1,783,447

The accompanying notes form part of these financial statements.

Mental Health Council of Australia Incorporated

ABN 67 592 218 493

Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**4,388,900**	4,708,785
Payments to suppliers and employees		**(4,275,491)**	(4,435,272)
Interest received		**58,729**	62,607
Net cash provided by (used in) operating activities	14(b)	**172,138**	336,120
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of held-to-maturity investments		**-**	(7,898)
Purchase of property, plant and equipment		**(30,085)**	(115,571)
Net cash used in investing activities		**(30,085)**	(123,469)
Net increase (decrease) in cash held		**142,053**	212,651
Cash and cash equivalents at beginning of financial year		**2,442,589**	2,229,938
Cash and cash equivalents at end of financial year	14(a)	**2,584,642**	2,442,589

The accompanying notes form part of these financial statements.

The financial statements cover Mental Health Council of Australia Incorporated as an individual entity. Mental Health Council of Australia Incorporated is an Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991* (ACT).

The financial statements were authorised for issue on 2 September 2014 by the board members of the Association.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Act 1991* (ACT) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Subsequent Events

Mental Health Council of Australia Incorporated resolved to transfer the net assets of the Association to Mental Health Australia on 1 July 2014. Accordingly, these are the final accounts of the Association.

The going concern basis has not been applied in the preparation of this financial report. The liquidation basis has been adopted in the measurement of financial information provided.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(l) for further discussion on the determination of impairment losses.

1 Summary of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Association commencing from the time the asset is available for use.

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

Fixed asset class	Depreciation rates
Office equipment	20-33.33%
Leasehold improvements	7.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

(f) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

1 Summary of Significant Accounting Policies (continued)

(f) Impairment of Assets (continued)

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Employee Provisions

Short-term employee provisions

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

1 Summary of Significant Accounting Policies (continued)

(i) Employee Provisions (continued)

The Association's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Unexpended Grants

The Association receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the Association to treat grant monies as unexpended grants in the statement of financial position where the Association is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(l) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

1 Summary of Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

1 Summary of Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the Association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

1 Summary of Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(m) Fair Value of Assets and Liabilities

The Association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Association at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in the highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Association's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

1 Summary of Significant Accounting Policies (continued)

(n) Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Donations are recognised as revenue when received. Interest revenue is recognised using the effective interest method. Membership income is recognised on a receipts basis as it is voluntary in nature.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(p) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

1 Summary of Significant Accounting Policies (continued)

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

(r) Critical Accounting Estimates and Judgments

The board members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates - Impairment

The Association assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(s) Economic Dependence

Mental Health Council of Australia Incorporated is dependent on Australian Government funding from various government departments for the majority of its revenue used to operate the business. At the date of this report the board members have no reason to believe the Australian Government will not continue to support Mental Health Council of Australia Incorporated via its funding agreements with various government departments.

(t) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Association:

1 Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transitional Disclosures AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	30 June 2018	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.	The available-for-sale investments held will be classified as fair value through OCI and will no longer be subject to impairment testing. Other impacts on the reported financial position and performance have not yet been determined.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.	The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.
AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	30 June 2015	This standard amends AASB 136 to require additional disclosures about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. In addition, a further requirement has been included to disclose the discount rates that have been used in the current and previous measurements if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique.	There are no changes to reported financial position or performance from AASB 2013-3, however additional disclosures may be required.

1 Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments AASB 2014-1 Amendments to Australian Accounting Standards	30 June 2015	This standard withdraws the substantive content in AASB 1031 and provides signpost references to materiality in other Australian Accounting Standards. AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 Materiality as each standard is amended for another purpose.	There is not expected to be any changes to the reported financial position, performance or cash flows of the entity.

2 Cash and Cash Equivalents

	Note	2014 $	2013 $
CURRENT			
Cash on hand		**200**	106
Cash at bank		**2,584,442**	2,442,483
	14, 15	**2,584,642**	2,442,589

3 Trade and Other Receivables

	Note	2014 $	2013 $
CURRENT			
Trade receivables	15	**70,458**	364,432
Total current trade and other receivables		**70,458**	364,432

(a) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No provision for impairment was required at year end.

3 Trade and Other Receivables (continued)

(b) Credit risk - Trade and Other Receivables

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 3. The main source of credit risk to the Association is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the Association's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Association and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross amount	Past due and impaired	< 30	31-60	61-90	> 90	Within initial trade terms
	$	$	$	$	$	$	$
2014							
Trade and other receivables	**70,458**	**-**	**-**	**-**	**-**	**200**	**70,258**
2013							
Trade and other receivables	364,432	-	-	-	-	29,700	334,732

4 Other Financial Assets

	Note	2014 $	2013 $
CURRENT			
Held-to-maturity financial assets	4(a)	**48,015**	48,015
Total Current Assets		**48,015**	48,015

(a) Held-to-maturity investments comprise:

	Note	2014 $	2013 $
Fixed interest securities - current	15	**48,015**	48,015
		48,015	48,015

5 Other Assets

	Note	2014 $	2013 $
CURRENT			
Prepayments		**40,878**	58,002
		40,878	58,002

6 Property, Plant and Equipment

	Note	2014 $	2013 $
Office equipment			
At cost		**233,310**	203,225
Accumulated depreciation		**(163,401)**	(132,194)
Total office equipment		**69,909**	71,031
Leasehold improvements			
At cost		**272,054**	272,054
Accumulated depreciation		**(124,682)**	(104,278)
Total leasehold improvements		**147,372**	167,776
Total property, plant and equipment		**217,281**	238,807

(a) Movements in Carrying Amounts

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

	Office Equipment $	Improvements $	Total $
Balance at the beginning of year	**71,031**	**167,776**	**238,807**
Additions	**30,085**	**-**	**30,085**
Depreciation expense	**(31,207)**	**(20,404)**	**(51,611)**
Carrying amount at the end of 30 June 2014	**69,909**	**147,372**	**217,281**
Balance at the beginning of year	29,846	132,036	161,882
Additions	60,643	54,928	115,571
Depreciation expense	(19,458)	(19,188)	(38,646)
Carrying amount at the end of 30 June 2013	71,031	167,776	238,807

7 Trade and Other Payables

	Note	2014 $	2013 $
CURRENT			
Unsecured liabilities			
Trade payables		**159,940**	248,812
Accrued expenses		**201,894**	56,837
Deferred income		**657,707**	881,800
GST payable		**74,179**	90,699
		1,093,720	1,278,148

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2014 $	2013 $
Trade and other payables			
- Total Current		**1,093,720**	1,278,148
Less:			
GST payable		**(74,179)**	(90,699)
Deferred income		**(657,707)**	(881,800)
Financial liabilities as trade and other payables	15	**361,834**	305,649

8 Provisions

	Note	2014 $	2013 $
CURRENT			
Annual leave entitlements		**77,141**	72,334
		77,141	72,334
NON-CURRENT			
Long service leave entitlements		**16,570**	17,916
		16,570	17,916

Analysis of total provisions

	Note	2014 $	2013 $
Current		**77,141**	72,334
Non-current		**16,570**	17,916
		93,711	90,250

8 Provisions (continued)

	Long service leave entitlements	Annual leave entitlements	Total
	$	$	$
Opening balance at 1 July 2013	**17,916**	**72,334**	**90,250**
Additional provisions	**929**	**127,666**	**128,595**
Amounts used	**-**	**(122,859)**	**(122,859)**
Unused amounts reversed	**(2,275)**	**-**	**(2,275)**
Balance at 30 June 2014	**16,570**	**77,141**	**93,711**

Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

9 Revenue and Other Income

	Note	2014	2013
		$	$
Revenue			
- operating grants		**3,689,678**	3,826,591
- member subscriptions		**19,949**	20,137
- donations		**17,371**	13,465
- sales		**6,543**	9,144
- other trading revenue		**192,167**	214,838
- interest received		**56,621**	64,715
Total Revenue		**3,982,329**	4,148,890

10 Profit (loss) for the Year

	Note	2014 $	2013 $
Profit (loss) includes the following specific expenses:			
Administrative expenses			
Corporate services		**316,440**	253,377
Governance		**62,496**	83,552
Marketing, communications and fundraising		**89,484**	35,753
State consultation workshops		**-**	60,722
Total administrative expenses		**468,420**	433,404
Rental expense on operating leases			
Minimum lease payments		**232,337**	207,031

11 Auditors' Remuneration

	Note	2014 $	2013 $
Remuneration of the auditor of the Association for:			
- auditing or reviewing the financial statements		**6,950**	6,750
- other services		**440**	445

12 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	Note	2014 $	2013 $
Payable - minimum lease payments:			
- not later than 12 months		**236,189**	223,211
- between 12 months and 5 years		**74,504**	276,872
		310,693	500,083

The property lease is a non-cancellable lease with a 3 year term expiring on 17 September 2015, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 4% per annum. An option exists to renew the lease at the end of the 3 year term for an additional 3 years.

The other operating leases are non-cancellable leases with 1-4 year terms and with fixed monthly payments.

12 Capital and Leasing Commitments (continued)

(b) Service Contract Expenditure Commitments

	Note	2014 $	2013 $
Payable:			
- not later than 12 months		**29,365**	21,575
		29,365	21,575

13 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including any board member is considered key management personnel.

The totals of remuneration paid to key management personnel of the Association during the year are as follows:

	Note	2014 $	2013 $
Short-term benefits		**670,352**	644,834
		670,352	644,834

Three board member positions receive honoraria for work performed in relation to the Association's affairs. No other board members, or parties related to them, received any remuneration from the Association during the year other than reimbursement for expenses incurred.

14 Cash Flow Information

(a) Reconciliation of cash

	Note	2014 $	2013 $
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	2	**2,584,642**	2,442,589
		2,584,642	2,442,589

14 Cash Flow Information (continued)

(b) Reconciliation of Cash Flow from Operations with Profit (loss) after Income Tax

	Note	2014 $	2013 $
Profit (loss) for the year		**(9,604)**	44,377
Non-cash flows in profit (loss)			
- Depreciation		**51,611**	38,646
Changes in assets and liabilities			
- (Increase)/decrease in trade receivables		**293,974**	526,830
- (Increase)/decrease in prepayments		**17,124**	(9,747)
- Increase/(decrease) in deferred income		**(224,093)**	(326,552)
- Increase/(decrease) in trade payables and accruals		**39,665**	58,210
- Increase/(decrease) in provisions		**3,461**	4,356
Cash flow from operations		**172,138**	336,120

(c) Credit Standby Arrangements with Banks

	2014	2013
Credit facility	**54,000**	54,000
Amount utilised	**(6,252)**	(11,833)
	47,748	42,167

The Association has credit card facilities setup with their banks with general terms and conditions. Interest rates are variable and subject to adjustment.

(d) Non-cash Financing and Investing Activities

There were no non-cash financing or investing activities during the year.

15 Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

15 Financial Risk Management (continued)

	Note	2014 $	2013 $
Financial Assets			
Cash and cash equivalents	2	**2,584,642**	2,442,589
Loans and receivables	3	**70,458**	364,432
Other financial assets	4	**48,015**	48,015
Total Financial Assets		**2,703,115**	2,855,036
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	7(a)	**361,834**	305,649
Total Financial Liabilities		**361,834**	305,649

Financial Risk Management Policies

The board members' risk management strategy seeks to assist the Association in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the board members on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

15 Financial Risk Management (continued)

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Association has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 3.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 3.

Credit risk related to balances with banks and other financial institutions is managed by the board members. The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2014 $	2013 $
Cash and cash equivalents			
- AA Rated	2	**2,584,442**	2,442,483
		2,584,442	2,442,483
Held-to-maturity securities			
- AA Rated	4	**48,015**	48,015
		48,015	48,015

(b) Liquidity risk

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

15 Financial Risk Management (continued)

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Total Contractual Cash Flow	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables (excluding deferred income and GST payable)	**361,834**	305,649	**-**	-	**361,834**	305,649
Total contractual outflows	**361,834**	305,649	**-**	-	**361,834**	305,649
Total expected outflows	**361,834**	305,649	**-**	-	**361,834**	305,649
Financial assets - cash flows realisable						
Cash and cash equivalents	**2,584,642**	2,442,589	**-**	-	**2,584,642**	2,442,589
Trade, term and loans receivables	**70,458**	364,432	**-**	-	**70,458**	364,432
Held-to-maturity investments	**48,015**	48,015	**-**	-	**48,015**	48,015
Total anticipated inflows	**2,703,115**	2,855,036	**-**	-	**2,703,115**	2,855,036
Net (outflow)/inflow on financial instruments	**2,341,281**	2,549,387	**-**	-	**2,341,281**	2,549,387

(c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is also exposed to earnings volatility on floating rate instruments.

Sensitivity Analysis

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact on how profit or loss and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

15 Financial Risk Management (continued)

	Profit	Equity
	$	$
Year Ended 30 June 2014		
+/- 2% in interest rates	**52,000**	**52,000**
Year Ended 30 June 2013		
+/- 2% in interest rates	50,000	50,000

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position and notes to the financial statements. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Association. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Association.

The fair values of financial assets and financial liabilities as disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following methodologies: Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude deferred income and GST payable which are not considered to be financial instruments.

16 Capital Management

The board members control the capital of the Association to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised within tolerable risk parameters. The board members ensure that the overall risk management strategy is in line with this objective.

The Association's capital consists of financial liabilities, supported by financial assets.

The board members effectively manage the Association's capital by assessing the Association's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

16 Capital Management (continued)

There have been no changes to the strategy adopted by the board members to control the capital of the Association since the previous year.

The gearing ratios for the years ended 30 June 2014 and 30 June 2013 are as follows:

	Note	2014 $	2013 $
Total borrowings		**-**	-
Less Cash and cash equivalents	2	**(2,584,642)**	(2,442,589)
Net debt		**(2,584,642)**	(2,442,589)
Equity		**1,773,843**	1,783,447
Total capital		**(810,799)**	(659,142)
Gearing ratio		**- %**	- %

17 Association Details

The principal place of business of the Association is:
Mental Health Council of Australia Incorporated
(from 1 July 2014, Mental Health Australia,
as a not-for-profit company limited by guarantee)
ALIA House, Level 1
9-11 Napier Close
Deakin ACT 2600

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more than accounting

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Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Independent Auditor's Report

To the members of Mental Health Council of Australia Incorporated

Report on the Financial Report

We have audited the accompanying financial report of Mental Health Council of Australia Incorporated, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and statement by members of the board.

Board Members' Responsibility for the Financial Report

The board members are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991 (ACT)*, and for such internal control as the board members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association’s preparation of the financial report that gives a true and fair view 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 Association’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

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

Chartered Accountants

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Independent Auditor's Report

To the members of Mental Health Council of Australia Incorporated

Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Mental Health Council of Australia Incorporated as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991 (ACT).*

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(b) Subsequent events in the financial report, which discloses the transfer of the net assets of the Association to Mental Health Australia on 1 July 2014.

Hardwickes
Chartered Accountants

Hardwickes
R Johnson

Robert Johnson FCA
Partner

Canberra

Dated: 2 September 2014