

# **Mental Health Australia Ltd**

**ABN 57 600 066 635**

## **Financial Statements**

**For the year ended 30 June 2017**

## DIRECTORS' REPORT 30 JUNE 2017

The Directors present their report together with the financial report of Mental Health Australia Limited for the year ended 30 June 2017.

Mental Health Australia Limited is a company limited by guarantee, incorporated under the *Corporations Act 2001* on 23 June 2014.

As at 30 June 2017, there were 99 liable members. In the event the company is wound up, each member is required to contribute \$2 towards meeting outstanding obligations of the company, to a total contribution of \$198.

### THE BOARD

The following held Board Directorship during the year and to the date of this report:

Name	Position
<b>Ms Jennifer Westacott</b>	Board Appointed Director, Chair
<b>Ms Robyn Kruk</b>	Board Appointed Director, Deputy Chair
<b>Mr David Butt</b> (from 2 Nov 2016 to 5 September 2017)	Elected Director
<b>Ms Clare Guilfoyle</b>	Elected Director
<b>Mr Patrick Hardwick</b>	Elected Director
<b>Mr Geoff Harris</b>	Elected Director
<b>Dr Caroline Johnson</b>	Elected Director
<b>Ms Christine Morgan</b>	Elected Director
<b>Mr Jonathan Nicholas</b>	Elected Director
<b>Mr Arthur Papakotsias</b>	Elected Director
<b>Ms Alison Xamon</b> (to 1 Nov 2016)	Elected Director

### DIRECTORS

#### **MS JENNIFER WESTACOTT - Chair**

Appointed: 2013

Occupation: Chief Executive of the Business Council of Australia; Non-Executive Director of Wesfarmers Limited; Adjunct Professor City Future Research Centre at UNSW; National Fellow of the Institute of Public Administration Australia; Fellow of the Australian Institute of Company Directors

Qualifications: BA (Hons); Grad.Cert. Management; Chevening Scholar London School of Economics

#### **MS ROBYN KRUK AM - Deputy Chair**

Appointed: 2015

Sub-Committees: Chairperson, Governance Committee

Occupation: Member, NDIA Board; Member, NDIA Risk and People Committee; Chair, Board Director and Member of international, national and state statutory, non-government and private entities in healthcare and emergency services, quality and safety, governance and food standards.

Qualifications: BSc Psych (Hons), M Admin, Harvard AMP

**MR DAVID BUTT - Director**

Elected: 2016  
Occupation: CEO, National Rural Health Alliance  
Qualifications: MBA, FCHSM (Hon), FAIM, GAICD

**MS CLARE GUILFOYLE - Director**

Elected: 2013  
Sub-Committees: Member, Finance, Audit and Risk Management  
Occupation: CEO of Grow (Australia)  
Qualifications: BSci (Nursing)

**MR PATRICK HARDWICK - Director**

Elected: 2014  
Sub-Committees: Member, Governance Committee  
Occupation: President, Mental Health Carers Australia; President, HelpingMinds; Deputy Chair, Private Mental Health Consumer Carer Network - Australia; Member, National Mental Health Consumer and Carer Forum  
Qualifications: Grad.Cert. Management

**MR GEOFF HARRIS - Director**

Elected: 2014  
Sub-Committees: Member, Finance, Audit and Risk Management; Member, Governance Committee  
Occupation: Executive Director, Mental Health Coalition of SA Inc.  
Qualifications: BAgSc, Postgrad Dip Arts (Public Policy), M. Pub. Admin. (Management), GAICD, MAICD

**DR CAROLINE JOHNSON - Director**

Elected: 2013  
Sub-Committees: Member, Governance Committee  
Occupation: General Practitioner; Senior Lecturer (University of Melbourne); Medical Educator (EV GP Training) and Clinical Lead - Mental Health (RACGP Expert Committee – Quality Care).  
Qualifications: MBBS, FRACGP, GCUT, PhD

**MS CHRISTINE MORGAN - Director**

Elected: 2015  
Sub-Committees: Member, Finance, Audit and Risk Management  
Occupation: CEO and Director of the Butterfly Foundation; National Director, National Eating Disorders Collaboration.  
Qualifications: BA/LLB; Solicitor of the Supreme Court of NSW (1986); Grad Cert Management

**MR JONATHAN NICHOLAS - Director**

Elected: 2013  
Sub-Committees: Member, Finance, Audit and Risk Management  
Occupation: CEO, ReachOut Australia; Board Member, Foundation for Alcohol Research and Education.  
Qualifications: BA (Hons), MPH

**MR ARTHUR PAPAKOTSIAS - Director**

Elected: 2011  
Sub-Committees: Chairperson, Finance, Audit and Risk Management Committee  
Occupation: CEO, NEAMI National; Chair, Housing Choices Australia  
Qualifications: GDip.Bus (Health Services Management); Authentic Leadership Development; Leading Change and Organisational Renewal; and Strategic Perspectives in Non Profit Management at Harvard Business School.

**Mental Health Australia Ltd**  
**Directors' report**  
**30 June 2017**

**MS ALISON XAMON - Director**

**Elected:** 2014  
**Subcommittees:** Chair, Governance Committee  
**Occupation:** Vice Chair, Community Mental Health Australia; Member, Ministerial Council for Suicide Prevention; Co-Lead for the Department of Health WA Mental Health Network; Pro-bono solicitor for the Mental Health Law Centre WA; Independent Visitor, Office of Inspector of Custodial Services.  
**Qualifications:** LLB, BA, Cert 4 Human Services, Adv. Cert. Arbitration

COMPANY SECRETARY

**MS MELANIE CANTWELL**

**Appointed:** 2013  
**Occupation:** Deputy CEO & Company Secretary, Mental Health Australia Limited  
**Qualifications:** BSc (Psych), Grad Dip App Psych, GAICD, undertaking Grad Dip Applied Corporate Governance

DIRECTORS' MEETINGS 2016-2017

The number of Directors' Meetings (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Board Meetings		Finance, Audit and Risk Management Committee		Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
<b>Mr David Butt</b>	4	4	-	-	-	-
<b>Ms Clare Guilfoyle</b>	9	7	6	5	-	-
<b>Mr Patrick Hardwick</b>	9	9	-	-	3	2
<b>Mr Geoff Harris</b>	9	6	6	5	3	2
<b>Dr Caroline Johnson</b>	9	8	-	-	3	3
<b>Ms Robyn Kruk</b>	9	6	-	-	1	1
<b>Ms Christine Morgan</b>	9	9	6	4	-	-
<b>Mr Jonathan Nicholas</b>	9	8	6	3	-	-
<b>Mr Arthur Papakotsias</b>	9	9	6	6	-	-
<b>Ms Jennifer Westacott</b>	9	7	-	-	-	-
<b>Ms Alison Xamon</b>	4	4	-	-	2	2

MENTAL HEALTH AUSTRALIA'S VISION AND MISSION

**Vision:** Mentally healthy people, mentally healthy communities

**Mission:** To create the best mental health system in the world, characterised by:

- Full and meaningful participation by consumers and carers
- Priority given to mental health promotion, prevention and early intervention
- Recovery orientation
- Seamless integration and coordination of policies, services and programs
- Accessibility, effectiveness and efficiency

## MENTAL HEALTH AUSTRALIA'S OBJECTIVES

As the peak body for Mental Health in Australia, Mental Health Australia has a proven track record of providing value for members, advocating for and informing governments on mental health policy, and looking at all aspects of mental health through the lens of consumer and carer needs.

To deliver on our Vision and Mission the core focus areas have been identified:

- *Consumer and Carer Co-design* - designing the best mental health system in the world
- *Engage* - enable the mental health sector to unite and speak with one voice
- *Advocate* - ensure governments, services and programs are effective and efficient
- *Responsive* - maintain the flexibility and resource capacity to deliver on new key projects and policy initiatives
- *Monitor* - promote targets, indicators, and analyse reform and system performance
- *Aspire* - foster a healthy and financially stable Mental Health Australia.

## PRINCIPAL ACTIVITIES

The principal activity of Mental Health Australia Limited during the financial year was to promote and advocate for the mental health sector. No significant changes in the nature of the Company's activity occurred during the financial year.

Specific activities Mental Health Australia Limited undertook to deliver against its short and long term mental health advocacy and promotion objectives included:

- Mental Health Australia Parliamentary Advocacy Day – on 23 March 2017 more than 80 representatives, from 54 member organisations in the mental health sector converged at Parliament House to discuss mental health issues with the Prime Minister, Opposition Leader, Health Minister, Shadow Minister for Ageing and Mental Health and more than 40 Senators and MPs.
- Participation on key advisory groups and committees - Mental Health Australia is a member of key national mental health advisory groups and committees that include:
  - Mental Health Information Strategies Standing Committee
  - National Disability Insurance Agency (NDIA) National Mental Health Sector Reference Group
  - Independent Hospital Pricing Authority Stakeholder Advisory Group on Activity Based Funding
  - NDIA Provider Benchmarking Expert Advisory Group
- Draft Fifth National Mental Health & Suicide Prevention Plan – Mental Health Australia prepared a significant submission on the Draft Plan addressing the high level concerns raised by participants in the consultation forums that were held around the country in November and December 2016. The submission called for a substantially re-drafted Plan to: clarify roles and responsibilities of governments; include targets and indicators; reorient investment towards early intervention and prevention; and, expand and embed community services.
- Submissions - throughout the 2016-17 financial year a number of other key submissions were prepared covering a range of national mental health issues, including:
  - Senate Economics Legislation Committee's Inquiry into the Budget Savings Omnibus Bill
  - Parliamentary Joint Committee on Corporations and Financial Services inquiry into life insurance
  - Australian Health Ministers' Advisory Council on health system performance information and reporting framework
  - Joint Standing Committee on the National Disability Insurance Scheme (NDIS) Inquiry into the provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition
  - Senate Community Affairs Committee Inquiry into the design, scope, cost-benefit analysis, contracts awarded and implementation associated with the Better Management of the Social Welfare System initiative
  - 2017-18 Pre-Budget submission
  - Productivity Commission NDIS Costs Study
  - NDIS 2017 Price Controls Review

These submissions and more can be downloaded from the [Mental Health Australia website](#).

- World Mental Health Day in October 2016 – Mental Health Australia successfully delivered the campaign which called on people to make a mental health promise to help reduce stigma. More than 3,000 promises were posted to the online promise wall for a total of more than 16,000 for the duration of the campaign, including promises from the Prime Minister, Leader of the Opposition and Governor General.
- Co-design in mental health policy – Mental Health Australia produced a concise document setting out the roles and responsibilities of all parties involved in co-design – government agencies, consumers and carers, and other key stakeholders – to effectively co-design mental health policies and programs. The document, which was developed with input from National Mental Health Consumer and Carer Forum members and Mental Health Australia members, encourages approaches conducive to genuine co-design partnerships.
- The National Mental Health Consumer and Carer Forum and the National Register of Mental Health Consumer and Carer Representatives continue to be supported by Mental Health Australia. We hosted 50 consumers and carers for the National Register Induction Training Workshop in Canberra on 16 June 2017. Work also included weekly correspondence to members and stakeholders informing of opportunities for consumer and carer positions, information from the sector, and the work of Mental Health Australia.
- Annual Grace Groom Memorial Oration – delivered by the Hon Jeff Kennett AC at the National Arboretum in Canberra on 2 November 2016.
- NDIS advocacy, presenting on the NDIS capacity building project – Mental Health Australia presented at information sessions coordinated by Mental Health Australia, Invitational Roundtables, a NDIA Mental Health Sector Reference Group meeting run by the NDIA, and workshops funded by the Department of Social Services for providers funded through its mental health related programs.
- Insurance discrimination – Mental Health Australia continued to collaborate with beyondblue, the Public Interest Advocacy Centre and (more recently) Victoria Legal Aid to help people protect their rights and seek redress where insurance companies have treated them unfairly.
- Mental Health Australia also met with the Australian Treasury, the Australian Securities and Investments Commission and the Australian Human Rights Commission to share information and explore opportunities for future collaboration about insurance discrimination.
- Primary Health Networks – CEO Frank Quinlan was appointed to the Primary Health Network (PHN) Mental Health Advisory Panel established by Health Minister Greg Hunt to review guidelines for commissioning and planning processes for the 31 PHNs.
- Members Policy Forums in November 2016 and March 2017 – provided more than 70 delegates with the opportunity to discuss our Pre-Budget Submission, the National Mental Health Commission's *Equally Well Consensus Statement*, and provide input on the Fifth National Mental Health & Suicide Prevention Plan.
- Participating in the Garma Festival at Gulkala, East Arnhem Land – celebrating the culture and country of the Yolgnu peoples. In August 2016, the CEO attended with a delegation from Carers Australia, and spent time with senior officers from the Commonwealth departments of Health and Social Services, and the National Disability Insurance Agency. Mental Health Australia Chair, Jennifer Westacott, chaired a panel on economic development in her capacity as Chief Executive of the Business Council of Australia.

## STRATEGIC PLAN 2017-2020

Three key strategic priorities will drive the next three years, with the following focus for the coming 12-18 months:

OBJECTIVE 2017-2020	STRATEGY 2017-18	KEY PERFORMANCE INDICATORS 2017-18
<b>1. Growing the long-term investment in mental health</b>	<ul style="list-style-type: none"> <li>i. <i>Target 2018 Federal Budget investment in mental health</i> - develop and deliver a detailed campaign to provide the rationale for new investment in mental health.</li> <li>ii. <i>Pre-election strategy</i> - develop and deliver an election campaign strategy to highlight key concerns for members, key mental issues by electorate, with a focus on marginal electorates.</li> </ul>	<ul style="list-style-type: none"> <li>i. A focus on mental health in the 2018 budget and/or any new policy announcements relating to mental health during 2018.</li> <li>ii. Repeat the election report card approach used in 2016.</li> </ul>
<b>2. Systems design and interface</b>	<ul style="list-style-type: none"> <li>i. <i>Maintain and advance advocacy influence</i> - to highlight and fix gaps within the NDIS through the Productivity Commission Review and other relevant processes.</li> <li>ii. <i>Primary Health Networks</i> - continue establishing strong relationships</li> <li>iii. <i>Long term investment</i> - continue to push for reinvestment 'upstream' over the long term, as recommended by the National Mental Health Commission's Review</li> </ul>	<ul style="list-style-type: none"> <li>i. Policy and implementation solutions address critical issues for the mental health sector.</li> <li>ii. PHNs better represented within Mental Health Australia networks.</li> <li>iii. Develop and release 10-year blueprint for investment in mental health.</li> </ul>
<b>3. Sustainability of Mental Health Australia</b>	<i>Maintain and increase our own revenue and resource capability – improved and reliable funding is required to fully achieve our vision of mentally healthy people, in mentally healthy communities.</i>	<ul style="list-style-type: none"> <li>i. Increase in core funding and certainty of funding long-term.</li> </ul>

## REVIEW AND RESULTS OF OPERATIONS

The company's operations for the year resulted in a profit of \$674. For context, 2016 saw a profit of \$9,084.

Mental Health Australia has a core funding contract 1 July 2016 to 30 June 2019 with the Australian Government Department of Health under its Health Peak and Advisory Bodies Programme.

## STATE OF AFFAIRS

In the opinion of the Directors there was no significant change in the state of affairs of the company during the financial year under review. The company continues to operate in an effective and efficient manner.

## EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations or results of the company.

## ENVIRONMENTAL LEGISLATION

The company is not subject to any particular or significant environmental regulation under a law of the Commonwealth or of any state or territory in Australia.

## NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Finance, Audit & Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors are satisfied the services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Finance, Audit & Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees paid to the external auditors for non-audit services during the year ended 30 June 2017.

## INDEMNIFICATION AND INSURANCE OF OFFICERS

During or since the end of the previous financial year the company has paid insurance premium of \$5,525 in respect of Directors' and Officers' professional indemnity insurance, for current and former Officers, including Executive Officers of the Company and Directors.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The premiums were paid in respect of the following officers of the Company: Mr David Butt, Director, Ms Melanie Cantwell, Company Secretary; Ms Clare Guilfoyle, Director; Mr Patrick Hardwick, Director; Mr Geoff Harris, Director; Dr Caroline Johnson, Director; Ms Robyn Kruk, Director; Ms Christine Morgan, Director; Mr Jonathan Nicholas, Director; Mr Arthur Papakotsias, Director; Ms Jennifer Westacott, Director; and, Ms Alison Xamon, Director.

## RELATED PARTY INTERESTS

During or since the end of the previous financial year no Director has entered into a material contract with the Company and there were no material contracts involving Directors' interests subsisting at year end.

The Chair and the Directors nominated by a Consumer Member and a Carer Member may receive an annual honorarium. The amount of any honorarium is to be determined by the Board every year.

The Board uses rates set by the Australian Government Remuneration Tribunal to guide its decision making. In 2016-17, the annual amounts determined by the Board were \$8,000 per annum (Chair) and \$5,000 per annum (Directors nominated by a Consumer Member and a Carer Member).



## PROCEEDINGS ON BEHALF OF THE COMPANY

During or since the end of the previous financial year no person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 24 of the financial report.

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



Ms Jennifer Westacott, Director



Mr Arthur Papakotsias, Director

Dated: 6 September 2017

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mental Health Australia for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM Australia Partners



Ged Stenhouse  
Partner

Canberra  
Date: 11 September 2017

**Mental Health Australia Ltd**  
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**30 June 2017**

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**General information**

The financial statements cover Mental Health Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Mental Health Australia Limited's functional and presentation currency.

Mental Health Australia Limited is a not-for-profit unlisted public Company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 6 September 2017. The Directors have the power to amend and reissue the financial statements.

**Mental Health Australia Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2017**

	Note	2017 \$	2016 \$
<b>Revenue</b>	<b>3</b>	3,225,540	3,518,412
<b>Expenses</b>			
Administrative expenses	4	(335,992)	(495,927)
Other operating grants expenditure		(1,141,390)	(1,149,777)
Employee benefits expense		(1,693,361)	(1,813,119)
Depreciation expense		(54,123)	(50,505)
<b>Profit (loss) before income tax</b>		<u>674</u>	<u>9,084</u>
Income tax expense		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total Comprehensive Income for the Year</b>		<u><u>674</u></u>	<u><u>9,084</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Mental Health Australia Ltd**  
**Statement of financial position**  
**As at 30 June 2017**

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,087,311	1,860,261
Trade and other receivables	6	8,906	79,880
Other financial assets	7	1,061,387	1,057,468
Other assets	8	41,288	71,019
Total current assets		<u>2,198,892</u>	<u>3,068,628</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	103,489	152,206
Total non-current assets		<u>103,489</u>	<u>152,206</u>
<b>Total assets</b>		<u><b>2,302,381</b></u>	<u><b>3,220,834</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	407,729	1,359,426
Current tax liabilities	11	2,247	52,748
Provisions	12	98,360	83,339
Total current liabilities		<u>508,336</u>	<u>1,495,513</u>
<b>Non-current liabilities</b>			
Provisions	13	87,251	19,201
Total non-current liabilities		<u>87,251</u>	<u>19,201</u>
<b>Total liabilities</b>		<u><b>595,587</b></u>	<u><b>1,514,714</b></u>
<b>Net assets</b>		<u><b>1,706,794</b></u>	<u><b>1,706,120</b></u>
<b>Equity</b>			
Retained earnings		<u>1,706,794</u>	<u>1,706,120</u>
<b>Total equity</b>		<u><b>1,706,794</b></u>	<u><b>1,706,120</b></u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Mental Health Australia Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2017**

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2016	1,706,120	1,706,120
Profit/(loss) attributable to members of the entity	<u>674</u>	<u>674</u>
Balance at 30 June 2017	<u><u>1,706,794</u></u>	<u><u>1,706,794</u></u>
	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	1,697,036	1,697,036
Profit/(loss) attributable to members of the entity	<u>9,084</u>	<u>9,084</u>
Balance at 30 June 2016	<u><u>1,706,120</u></u>	<u><u>1,706,120</u></u>

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

**Mental Health Australia Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2017**

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		3,558,212	4,544,860
Payments to suppliers and employees		(4,375,491)	(3,908,264)
Interest received		53,654	45,980
		<u>                    </u>	<u>                    </u>
Net cash provided by (used in) operating activities		(763,625)	682,576
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(5,406)	(11,195)
Payment for held-for-trading investments		(3,919)	(1,000,000)
		<u>                    </u>	<u>                    </u>
Net cash provided by (used in) investing activities		(9,325)	(1,011,195)
Net increase (decrease) in cash and cash equivalents		(772,950)	(328,619)
Cash and cash equivalents at the beginning of the financial year		<u>1,860,261</u>	<u>2,188,880</u>
Cash and cash equivalents at the end of the financial year	<b>5</b>	<u><u>1,087,311</u></u>	<u><u>1,860,261</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Appeals Act 1998 and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

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.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **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.

### **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.

### **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 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(e) 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 Company 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.



**Note 1. Significant accounting policies (continued)**

**Property, plant and equipment (continued)**

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

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

Leasehold improvements	7.5%
Office equipment	20-33.3%

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.

**Impairment of non-financial assets**

At the end of each reporting period, the Company 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.

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 Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs

**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 Company 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.

**Employee benefits**

*Short-term employee provisions*

Provision is made for the Company'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 high quality corporate 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.

**Unexpended Grants**

The Company 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 Company to treat grant monies as unexpended grants in the statement of financial position where the Company 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.

**Note 1. Significant accounting policies (continued)**

**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 Company 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 Company 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.

**Revenue and Other Income**

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

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.

**Income Tax**

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

**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.

**Note 1. Significant accounting policies (continued)**

**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 Company 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 3. Revenue**

*Revenue*

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
- Operating grants	2,842,482	3,202,416
- Member subscriptions	36,781	27,303
- Donations	18,367	28,729
- Sales	7,601	12,421
- Other revenue	266,655	191,803
- Interest received	53,654	55,740
	<u>3,225,540</u>	<u>3,518,412</u>

**Mental Health Australia Ltd**  
**Notes to the financial statements**  
**30 June 2017**

	2017 \$	2016 \$
<b>Note 4. Administrative expenses</b>		
Profit (loss) includes the following specific expenses:		
Administrative expenses		
- Corporate services	224,658	351,469
- Governance	33,231	37,164
- Marketing, communications and fundraising	25,786	31,232
- Advocacy activities	52,317	76,062
	<u>335,992</u>	<u>495,927</u>
<b>Note 5. Current assets - cash and cash equivalents</b>		
Cash on hand	200	200
Cash at bank	<u>1,087,111</u>	<u>1,860,061</u>
	<u>1,087,311</u>	<u>1,860,261</u>
<b>Note 6. Current assets - trade and other receivables</b>		
Trade receivables	7,855	79,880
Sundry debtors	<u>1,051</u>	<u>-</u>
	<u>8,906</u>	<u>79,880</u>
<b>Note 7. Current assets – other financial assets</b>		
Held-to-maturity financial assets	<u>1,061,387</u>	<u>1,057,468</u>
<b>Note 8. Current assets – other assets</b>		
Prepayments	33,935	54,965
Accrued income	<u>7,353</u>	<u>16,063</u>
	<u>41,288</u>	<u>71,019</u>
<b>Note 9. Non-current assets - property, plant and equipment</b>		
Office equipment - at cost	277,134	271,728
Less: Accumulated depreciation	<u>(259,805)</u>	<u>(226,086)</u>
	17,329	45,642
Leasehold improvements - at cost	272,054	272,054
Less: Accumulated depreciation	<u>(185,894)</u>	<u>(165,490)</u>
	86,160	106,564
	<u>103,489</u>	<u>152,206</u>

**Note 9. Non-current assets - property, plant and equipment (continued)**

**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 1 July 2016	45,642	106,564	152,206
Additions	5,406	-	5,406
Depreciation expense	(33,719)	(20,404)	(54,123)
Balance at 30 June 2017	<u>17,329</u>	<u>86,160</u>	<u>103,489</u>

2017 \$	2016 \$
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**Note 10. Current liabilities - trade and other payables**

Trade payables	102,654	151,864
Accrued expenses	53,288	89,642
Deferred income	251,787	1,117,920
	<u>407,729</u>	<u>1,359,426</u>

**Note 11. Current liabilities - tax**

GST payable	<u>2,247</u>	<u>52,748</u>
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**Note 12. Current liabilities - provisions**

Annual leave entitlements	<u>98,360</u>	<u>83,339</u>
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**Note 13. Non-current liabilities - employee benefits**

Long service leave entitlements	<u>87,251</u>	<u>19,201</u>
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Mental Health Australia Limited was a member of the ACT Long Service Leave Scheme since July 2010. From 1 January 2017, Mental Health Australia Limited was de-registered from the Scheme. We are currently in negotiations with the Scheme to determine options for the funds paid during this period.

**Note 14. Key management personnel disclosures**

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

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

Aggregate compensation	<u>750,484</u>	<u>679,963</u>
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**Note 15. Contingent liabilities**

The Company had no contingent liabilities as at 30 June 2017 and 30 June 2016.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 16. Commitments</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements:		
Payable - minimum lease payments:		
not later than 12 months	240,545	242,864
between 12 months and 5 years	248,619	486,173
	<u>489,164</u>	<u>729,037</u>

**Lease Income Commitments**

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

Receivables - minimum lease receipts:		
not later than 12 months	176,647	-
between 12 months and 5 years	181,770	-
	<u>358,417</u>	<u>-</u>

**Note 17. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 14.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 18. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Mental Health Australia Ltd**  
**Notes to the financial statements**  
**30 June 2017**

**Note 19. Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations to the entity. At 30 June 2017, the number of members was 99.

**Note 20. Company Details**

The registered office of the Company is:

Mental Health Australia Ltd  
ALIA House, Level 1 9-11 Napier Close  
Deakin ACT 2600

The principal place of business is:

Mental Health Australia Ltd  
ALIA House, Level 1 9-11 Napier Close  
Deakin ACT 2600

**Mental Health Australia Ltd**  
**Directors' declaration**  
**30 June 2017**

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

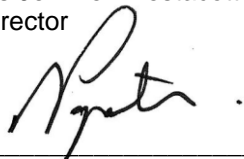
Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



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Ms Jennifer Westacott  
Director



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Mr Arthur Papakotsias  
Director

Date: 6 September 2017  
Canberra





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## INDEPENDENT AUDITOR'S REPORT To the Members of Mental Health Australia Limited

### Opinion

We have audited the financial report of Mental Health Australia Limited, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the financial report of Mental Health Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Mental Health Australia Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Mental Health Australia Limited's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

The Directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing Mental Health Australia Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Mental Health Australia Limited or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

RSM Australia Partners

A handwritten signature in black ink that reads 'Ged Stenhouse'.

Ged Stenhouse  
Partner

Canberra

Date: 11 September 2017