

FINANCIAL REPORT 2020-21

Mental Health Australia is the independent peak body representing the full spectrum of mental health stakeholders and issues. This provides Mental Health Australia with a unique capacity to bring everyone to the table and create unifying opportunities. Mental Health Australia members include organisations representing people with experience of living with a mental illness or caring for someone with a mental illness, special needs groups, clinical service providers, professional bodies, public and private mental health service providers, researchers and state/territory community mental health peak bodies.

Find out more at mhaustralia.org



**Mental Health
Australia**

Mental Health Australia Ltd

ABN 57 600 066 635

Financial Statements

For the year ended 30 June 2021

DIRECTORS' REPORT 30 JUNE 2021

The directors present their report together with the financial report of Mental Health Australia Limited for the year ended 30 June 2021.

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

THE BOARD

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

Name	Position
Ms Robyn Kruk	Board Appointed Director, Interim Chair
Ms Georgina Harman	Elected Director, Interim Deputy Chair
Dr Catherine Andronis (from 10 December 2020)	Elected Director
Dr Jennifer Bowers (to 10 December 2020)	Elected Director
Mr Jeremy Coggin	Elected Director
Mr Heath Fereday (from 10 December 2020)	Elected Director
Mr Joseph Hooper (from 10 December 2020)	Elected Director
Dr Kym Jenkins (to 10 December 2020)	Elected Director
Ms Janne McMahon (to 18 September 2020)	Elected Director
Mr Mark Orr (from 13 July 2020)	Elected Director
Mr Ashley de Silva	Elected Director
Ms Carmel Tebbutt	Elected Director

PRINCIPAL ACTIVITIES

Mental Health Australia is the peak, national non-government organisation that aims to:

- Promote a national voice for those with lived experience of mental illness and or those who love and care for them.
- Highlight the social determinants for mental ill health and advocate for lasting changes across the whole ecosystem.
- Deliver value to our members and the wider mental health ecosystem.

A Company limited by guarantee, our members include national organizations representing consumers, carers, special needs groups, clinical service providers, professional bodies, public and private mental health service providers, researchers and state/territory community mental health peak bodies.

Mental Health Australia's principal activity was to advocate for and inform governments on mental health policy, and look at all aspects of mental health through the lens of consumer and carer needs.

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

- Policy submissions – throughout the 2020-21 financial year a number of key submissions were prepared covering a range of national mental health issues

- The 2020 World Mental Health Day (WMHD) campaign was a huge success and ran from March to December in 2020. Using the theme “Look after your mental health, Australia” the campaign focused on the production of digital content including a series of videos with celebrities and comedians talking about what they do to look after their own mental health. The social media reach of the 2020 campaign was in excess of 12 million for the year.
- The Embrace Multicultural Mental Health Project continued to work with the Federation of Ethnic Communities’ Councils of Australia (FECCA) and the National Ethnic Disability Alliance (NEDA) as part of the alliance, as well as engage with the stakeholder group and Culturally and Linguistically Diverse (CALD) consumer and carer group. The Embrace Project delivered a range of forums and workshops to promote the Framework for Mental Health in Multicultural Australia and also continued to engage with individual PHNs to promote culturally appropriate services and mental health literacy for CALD communities.
- The Grace Groom Memorial Oration was delivered via video conference in December 2020 by former Chief Medical Officer and current Secretary of the Department of Health Dr Brendan Murphy to more than 120 guests online.
- From June 2020 to July 2021 Mental Health Australia hosted more than a dozen policy forums and webinars for members and stakeholders covering a range of topics. These video consultations were extremely well attended, averaging at more than 40 participants per event and provided the policy team with key touch points and the development of submissions, as well as regular opportunities to engage with and provide value back to members.
- Regular media and communications activities continued to engage stakeholders, with distribution of more than 50 CEO update e-newsletters to more than 5,000 people weekly. A key piece of regular and informative content for members, stakeholders and individuals in the sector, the CEO update is augmented by regular content delivered on social media – Twitter, Facebook, YouTube and Instagram – to a combined potential audience of more than 70,000.

MENTAL HEALTH AUSTRALIA’S VISION AND MISSION

In 2021 the Board delivered a Strategic Plan for 2021-2024 which delivers on our:

VISION: Mentally healthy people, mentally healthy communities

MISSION: To create the best mental health system in the world, characterized by:

- Recovery
- Accessibility, effectiveness and efficiency
- Person-led participation by consumers and carers
- Policies, services and programs that work seamlessly together
- Mental health promotion, prevention and early intervention

REVIEW AND RESULTS OF OPERATIONS

The Company’s operations for the year resulted in a surplus of \$96,710 (2020: \$186,403).

Revenue was lower than budgeted, primarily due to COVID-19 restrictions imposed in various states and territories impacted the Company’s ability to deliver planned activities, particularly face-to-face workshops and forums. Where this occurred, the associated funding has not been recognised as revenue, but has been retained in the balance sheet as part of contract liabilities.

STATE OF AFFAIRS

The Directors note the health, social and economic impacts of the global COVID-19 pandemic continue to be felt in Australia and internationally. As with most entities currently, the impacts of these factors on the operations of the Company remain uncertain and cannot be quantified at this time. The Company has taken reasonable steps to manage its response and consider appropriate methods to meet its contracted deliverables and its vision and mission, protect revenue, manage risk, and contain costs.

The Company continues to make fiscally responsible decisions and retain an appropriate level of cash reserves as a necessary and prudent response.

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.

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

There were no non-audit services provided during the year.

INFORMATION ON DIRECTORS

MS ROBYN KRUK AO – Director; Interim Chair

Appointed: 2015

Occupation: Director, National Disability Insurance Agency; Principal Member, National Disability Insurance Agency Independent Advisory Council; Independent Chair, WA Government Task Force on Infant, Child and Adolescent Mental Health Services

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

MS GEORGINA HARMAN – Director; Interim Deputy Chair

Elected: 2017

Sub-Committees: Chairperson, Finance, Audit and Risk Management Committee

Occupation: CEO and Director, Beyond Blue; Member, National Mentally Healthy Workplace Alliance Steering Group; Member, Victorian Mental Health Ministerial Advisory Committee; Member, National COVID-19 Health and Research Advisory Committee; Member, The Victoria Pride Centre; Director, Kilfinan Australia; Australian Institute of Company Directors

Qualifications: BA (Hons), MA

DR CATHERINE ANDRONIS - Director

Elected: 2020

Sub-Committees: Member, Governance Committee (from 8 February 2021);

Occupation: General Practitioner; Delegate, Royal Australian College of General Practitioners; Member, Australian Association of Family Therapy; Member, Australian Society of Psychological Medicine; GP Provider, Access Health and Community; Independent Consultant, Emerging Minds

Qualifications: MBBS; FRACGP; DipFT; MCRC

DR JENNIFER BOWERS - Director

Elected: 2018
Sub-Committees: Chairperson Governance Committee (to 10 December 2020)
Occupation: Delegate, Rural and Remote Mental Health Ltd
Qualifications: BSc(Hons); PhD; FAICD

MR JEREMY COGGIN - Director

Elected: 2018
Sub-Committees: Member, Finance, Audit and Risk Management Committee
Occupation: President, Mental Health Carers Australia; Director, Mind Australia
Qualifications: Exec MBA; BSc (Architecture); BSc (Computing); GAICD; GIA

MR HEATH FEREDAY - Director

Elected: 2020
Sub-Committees: Member, Governance Committee (from 8 February 2021)
Occupation: Director, GROW Australia
Qualifications: Consumer advocate

MR JOSEPH HOOPER - Director

Elected: 2020
Sub-Committees: Member, Governance Committee (from 8 February 2021);
Occupation: Chief Executive, Rural and Remote Mental Health; Member, Minds Incorporated Clinical Governance Committee; Member, SA Health Aboriginal and Torres Strait Islander Mental Health and Suicide Prevention Steering Committee.
Qualifications: LLB (Hons); BSc Nursing; Dip:App Sc; RN and Psych Nursing Cert.; GAICD; JP

DR KYM JENKINS - Director

Elected: 2018
Sub-Committees: Member, Governance Committee (to 10 December 2020)
Occupation: Consultant Psychiatrist; Chair, Council of Presidents of Medical Colleges; Chair, Migrant and Refugee Health Partnership; Member, Mental Health Australia National Multicultural Mental Health Project Stakeholder Group; Member, Australian Medical Council; Chair, Support for Rural Specialists Australia
Qualifications: MB.ChB; FRANZCP; MPM; MEd; GAICD

MS JANNE McMAHON OAM - Director

Elected: 2017
Sub-Committees: Member, Governance Committee (to 18 September 2020)
Occupation: Director, Board Chair and CEO, Lived Experience Australia; Community Member, SA Health Practitioners Tribunal; Member, Australian Private Hospitals Association Mental Health Committee; Member, Australian Private Psychiatric Hospitals Data Reporting and Analysis Service; Consumer Member, Mental Health Expert Advisory Group, MHDAPC;
Qualifications: Consumer advocate

MR MARK ORR AM - Director

Elected: 2020

Sub-Committees: Member, Governance Committee (from 8 February 2021)

Occupation: CEO, Flourish Australia; President, Australian Federation of AIDS Organizations Ltd; Director, Mental Health Coordinating Council Ltd; Independent Member, ACON Health Ltd Board Finance and Audit Committee; Chair, ACON Health Ltd Pride in Health and Wellbeing Advisory Group; Member, Department of Health Psychosocial Support Stakeholder Advisory Group; Member, National Mental Health Commission National Stigma and Discrimination Reduction Strategy - Reducing Stigma and Discrimination Technical Advisory Group

Qualifications: BSc (Hons); M Hlth Serv Mgt; M e-Hlth (HI); Grad Dip Spec Ed; Grad Dip App Corp Gov; Grad Cert App Fin and Invest; GAICD; FGIA; FCG(CS); MAAPi; Registered Psychologist

MR ASHLEY DE SILVA - Director

Elected: 2019

Sub-Committees: Member, Finance, Audit and Risk Management Committee

Occupation: CEO, ReachOut Australia; Member, Advisory Committee to the Fifth Independent Evaluation of Beyond Blue; Member, Global Advisory Council of the eMental Health International Collaborative

Qualifications: MBA (Executive); BBus (Mkt); BBus (Mgt)

MS CARMEL TEBBUTT - Director

Appointed: 2019

Sub-Committees: Member, Governance Committee (to 10 December 2020); Chairperson, Governance Committee (from 10 December 2020)

Occupation: CEO, Mental Health Coordinating Council; Member, Community Mental Health Australia; Independent Board Director, Media Super Trustee Board; Chair, NSW Mental Health Commission Community Advisory Council

Qualifications: BEc; GAICD

COMPANY SECRETARY**MS MELANIE CANTWELL**

Appointed: 2013 (to 1 April 2021)

Occupation: Deputy CEO & Company Secretary, Mental Health Australia Limited

Qualifications: BSc (Psych); GDip App Psych; GAICD; GDip Applied Corporate Governance (Chartered Secretary)

MR TONY FICCA

Appointed: April 2021

Occupation: Company Secretary, Mental Health Australia Limited; Company Secretary, Western Victoria Primary Health Network Limited; Company Secretary, Wayss Ltd.

Qualifications: BCom; FCPA, FAICD

FARM COMMITTEE EXTERNAL MEMBERS

Mental Health Australia would like to acknowledge the pro-bono contributions of the external members of the FARM Committee.

MR DEAN BOLAND

Appointed: 2019
Sub-Committees: Finance, Audit and Risk Management Committee
Occupation: Principal, Deloitte (Audit and Assurance)
Qualifications: BCom (Accounting & Commercial Law); Member of Chartered Accountants Australia and New Zealand (CA ANZ)

MR KEN MAXWELL

Appointed: 2019
Sub-Committees: Finance, Audit and Risk Management Committee
Occupation: CEO, xAmplify; ACT Selections Committee Member, General Sir John Monash Foundation Scholarships
Qualifications: MNucSci; MBA (Executive); AGSM; BEHons (Aeronautical); Dip Government (Management); Dip Bus (Frontline Management)

DIRECTORS' MEETINGS 2020-21

The number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director is as follows:

	Board Meetings		Finance, Audit and Risk Management (FARM) Committee		Governance Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Ms Robyn Kruk	8	8	-	-	-	-
Dr Catherine Andronis	4	4	-	-	2	1
Dr Jennifer Bowers	4	4	-	-	2	2
Mr Jeremy Coggin	8	8	5	5	-	-
Mr Heath Fereday	4	4	-	-	2	2
Ms Georgina Harman	8	8	5	4	-	-
Mr Joe Hooper	4	4	-	-	2	2
Dr Kym Jenkins	4	3	-	-	2	2
Ms Janne McMahon	2	2	-	-	1	1
Mr Mark Orr	8	8	-	-	2	1
Mr Ashley de Silva	8	8	5	5	-	-
Ms Carmel Tebbutt	8	7	-	-	4	3
FARM Committee External Members						
Mr Dean Boland	-	-	5	5	-	-
Mr Ken Maxwell	-	-	5	5	-	-

MEMBERS GUARANTEE

As at 30 June 2021, there were 121 liable members made up of 72 voting members and 49 non-voting 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 \$242.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 9 of the financial report.

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



Ms Robyn Kruk, Director



Ms Georgina Harman, Director

Dated: 18th November 2021

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mental Health Australia Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (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.

A handwritten signature in black ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads "G Stenhouse".**GED STENHOUSE**
Partner

Canberra, Australian Capital Territory
Dated: 23 November 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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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 23 November 2021. The Directors have the power to amend and reissue the financial statements.

Mental Health Australia Ltd
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Revenue	2	4,610,003	4,119,332
Expenses			
Consultancy and accounting expenditure		(516,515)	(651,729)
Employee costs		(2,108,987)	(2,183,757)
Marketing and fundraising		(125,206)	(91,152)
Meeting costs		(68,186)	(135,151)
Office and administration costs		(330,759)	(334,309)
Other expenditure		(83,343)	(93,255)
Sitting fees		(51,177)	(21,880)
Sub-Contractors (Community Connectors Program)		(916,351)	-
Travel		(33,344)	(118,127)
Depreciation		(16,081)	(37,770)
Depreciation - right-of-use asset		(241,733)	(234,588)
Interest - lease liability		(21,611)	(31,211)
		(4,513,293)	(3,932,929)
Total comprehensive surplus income for the year		96,710	186,403

The above statement comprehensive income should be read in conjunction with the accompanying notes

Mental Health Australia Ltd
Statement of Financial Position
As at 30 June 2021

		2021	2020
		\$	\$
Assets	Note		
Current assets			
Cash and cash equivalents	3	3,923,384	2,449,583
Trade and other receivables	4	90,298	158,957
Other financial assets	5	124,728	2,062,060
Other assets	6	53,764	83,134
Total current assets		<u>4,192,174</u>	<u>4,753,734</u>
Non-current assets			
Property, plant and equipment	7(a)	42,954	23,297
Right-of-use assets	7(b)	263,169	469,177
Total non-current assets		<u>306,123</u>	<u>492,474</u>
Total assets		<u>4,498,297</u>	<u>5,246,208</u>
Liabilities			
Current liabilities			
Trade and other payables	8	394,712	303,156
Contract liabilities	9	1,191,751	1,775,319
Current tax liabilities	10	70,474	100,603
Provisions	11	110,613	243,271
Lease liability	15	254,567	228,070
Total current liabilities		<u>2,022,117</u>	<u>2,650,419</u>
Non-current liabilities			
Provisions	10	37,951	29,001
Lease liability	15	22,536	247,805
Total non-current liabilities		<u>60,487</u>	<u>276,806</u>
Total liabilities		<u>2,082,604</u>	<u>2,927,225</u>
Net assets		<u>2,415,693</u>	<u>2,318,983</u>
Equity			
Retained earnings		<u>2,415,693</u>	<u>2,318,983</u>
Total equity		<u>2,415,693</u>	<u>2,318,983</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 2021

	Retained earnings	Total equity
	\$	\$
Balance at 1 July 2019	2,132,580	2,132,580
Surplus attributable to members of the Company	186,403	186,403
Balance at 30 June 2020	2,318,983	2,318,983
Balance at 1 July 2020	2,318,983	2,318,983
Surplus attributable to members of the Company	96,710	96,710
Balance at 30 June 2021	2,415,693	2,415,693

The above statement should be read in conjunction with the accompanying notes

Mental Health Australia Ltd
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		4,515,060	4,837,821
Payments to suppliers and employees		(4,827,698)	(4,143,598)
Interest received		37,304	55,389
Lease interest paid		(21,611)	(31,212)
Net cash (used in)/provided by operating activities		<u>(296,945)</u>	<u>718,400</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(35,738)	(18,386)
Proceeds from disposal of term deposits		2,062,060	-
Net cash provided by/(used in) investing activities		<u>2,026,322</u>	<u>(18,386)</u>
Cash flows from financing activities			
Lease liability paid		(255,576)	(209,542)
Net cash (used in) financing activities		<u>(255,576)</u>	<u>(209,542)</u>
Net increase in cash and cash equivalents		1,473,801	490,473
Cash and cash equivalents at the beginning of the financial year		2,449,583	1,959,110
Cash and cash equivalents at the end of the financial year	3	<u>3,923,384</u>	<u>2,449,583</u>

The above statement 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 AASB, the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations, 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.

Revenue recognition

Grants

Grant funding that contains specific conditions and enforceable obligations on the use of those funds are recognised per AASB 15, such that income is recognised as and when the Company satisfies its performance obligations stated within the funding agreements. For such grants it is the policy of the Company to treat grant monies as contract liabilities 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. General grants that do not impose specific performance obligations on the Company are recognised as per AASB 1058 where income is recognised when the Company obtains control of those funds, which is usually on receipt.

Member subscriptions

Membership subscriptions is recognised for the period of the membership.

Donations and sponsorship

Donations and sponsorships are recognised as income when received.

Other revenue

Other revenue is recognised when it is received or the right to receive payment is established.

Interest

Interest income is recognised when it is probable that the economic benefit will flow to the Company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis by reference to the principal and the effective interest rate applicable.

Government support

Income from government stimulus is recognised once there is virtual certainty of receipt of funds.

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.

Note 1. Significant accounting policies (continued)

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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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 1. Significant accounting policies (continued)

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.

Employee benefits provision

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.

	2021	2020
	\$	\$
Note 2. Revenue		
Operating grants	4,108,187	3,488,078
Member subscriptions	68,516	70,383
Donations and sponsorship	58,393	16,656
Other revenue	337,603	388,826
Interest received	37,304	55,389
COVID-19 Australian government support	-	100,000
	4,610,003	4,119,332

	2021	2020
	\$	\$
Note 3. Cash and cash equivalents		
Cash on hand	200	200
Cash at bank	3,923,184	2,449,383
	3,923,384	2,449,583

Accounting policy

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.

Mental Health Australia Ltd
Notes to the Financial Statements
30 June 2021

	2021 \$	2020 \$
Note 4. Trade and other receivables		
Trade receivables	73,175	98,812
Accrued income	15,682	10,145
Other receivables	1,441	50,000
	<u>90,298</u>	<u>158,957</u>

Accounting policy

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	2021 \$	2020 \$
Note 5. Other financial assets		
Term deposits	<u>124,728</u>	<u>2,062,060</u>

	2021 \$	2020 \$
Note 6. Other assets		
Prepayments	<u>53,764</u>	<u>83,134</u>

	2021 \$	2020 \$
Note 7(a). Property, plant and equipment		
Computers & Office equipment - at cost	270,664	234,926
Less: Accumulated depreciation	<u>(228,063)</u>	<u>(219,404)</u>
	<u>42,601</u>	<u>15,522</u>
Leasehold improvements - at cost	272,054	272,054
Less: Accumulated depreciation	<u>(271,701)</u>	<u>(264,279)</u>
	<u>353</u>	<u>7,775</u>
	<u>42,954</u>	<u>23,297</u>

Movements in carrying amounts

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

	Computers & Office Equipment	Leasehold Improvements	Total
Balance at 1 July 2020	15,522	7,775	23,297
Additions	35,738	-	35,738
Depreciation expense	<u>(8,659)</u>	<u>(7,422)</u>	<u>(16,081)</u>
Balance at 30 June 2021	<u>42,601</u>	<u>353</u>	<u>42,954</u>

Note 7(a). Non-current assets - property, plant and equipment (continued)

Accounting policy

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 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.

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.

	2021 \$	2020 \$
Note 7(b). Property, plant and equipment		
Right of use asset is the Company's non-cancellable property lease of Mental Health Australia Limited's office and Motor Vehicle lease.		
AASB 16 related amounts recognised in the statement of financial position:		
Right-of-use asset - leased premises & motor vehicle	739,491	703,765
Less: Accumulated depreciation	(476,322)	(234,588)
	<u>263,169</u>	<u>469,177</u>
AASB 16 related amounts recognised in the statement of profit and loss:		
Depreciation charge relating to right-of-use asset	241,733	234,588
Interest expenses on lease liabilities	21,611	31,211
	<u>263,344</u>	<u>265,799</u>
	2021 \$	2020 \$
Note 8. Trade and other payables		
Trade payables	204,509	157,851
Accrued expenses	190,203	145,306
	<u>394,712</u>	<u>303,157</u>
	2021 \$	2020 \$
Note 9. Contract liabilities		
Contract liability	1,191,751	1,775,319
	<u>1,191,751</u>	<u>1,775,319</u>
	2021 \$	2020 \$
Note 10. Tax liabilities		
PAYG	41,257	30,574
GST payable	24,249	71,251
ABN withholding	4,968	(1,222)
	<u>70,474</u>	<u>100,603</u>

Mental Health Australia Ltd
Notes to the Financial Statements
30 June 2021

	2021 \$	2020 \$
Note 11. Provisions		
Current		
Annual leave entitlements	79,856	133,364
Long service leave entitlements	30,757	109,907
	<u>110,613</u>	<u>243,271</u>
Non-Current		
Long service leave entitlements	18,486	10,104
Provision for make good (office lease)	19,465	18,897
	<u>37,951</u>	<u>29,001</u>

Accounting policy

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.

Note 12. 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:

	2021 \$	2020 \$
Aggregate compensation	<u>827,362</u>	<u>883,738</u>

Note 13. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2021.

	2021	2020
	\$	\$
Note 14. Commitments		
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	172,170	151,959
between 12 months and 5 years	-	156,518
	<u>172,170</u>	<u>308,477</u>

	2021	2020
	\$	\$
Note 15. Lease liabilities		
Lease liability - current	254,567	228,070
Lease liability - non-current	22,536	247,805
	<u>277,103</u>	<u>475,875</u>

Note 16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

As noted in the previous financial year's Directors' Report, there was a signed a service agreement with the National Disability Insurance Agency (NDIA) for the implementation of the National Community Connectors Program. With the Interim Chair holding a longstanding directorship with the NDIA, the contract was entered into at arm's length with the Interim Deputy Chair and Company Secretary executing the agreement. Board meeting minutes reflect abstention/ absence (where appropriate) of the Interim Chair for items pertaining to the Community Connectors Program. The Board's conflict of interest register carries this disclosure for each relevant Board and Board Committee meeting during the life of the service agreement.

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 2020-21, 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).

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.

Mental Health Australia Ltd
Notes to the Financial Statements
30 June 2021

Note 17. Economic dependency

The company receives significant financial support from the Department of Health in the form of grant funding. The core funding contract with the Department of Health for the year ending 30 June 2021 commenced on 1 July 2019 and expires on 30 June 2022.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 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.

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 Company. At 30 June 2021, the number of members was 121.

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 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* 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 2021 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.

On behalf of the Directors



Ms Robyn Kruk, Director

Dated: 18 November 2021



Ms Georgina Harman, Director

Dated: 18 November 2021

RSM Australia Partners

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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 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the 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 2021 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 2021, 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.

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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. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 23 November 2021



Mental Health Australia

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Mental Health Australia Ltd
ABN 57 600 066 635