



FINANCIAL REPORT

For the year ended

30TH JUNE 2021

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash assets	5	1,227,150	834,039
Receivables	6	36,350	46,339
Inventories	7	-	1,413
Other	8	19,629	21,135
Total current assets		<u>1,283,129</u>	<u>902,926</u>
Non-current assets			
Property, plant and equipment	9	39,505	72,694
Right-of-use assets	10	677,589	931,684
Total non-current assets		<u>717,094</u>	<u>1,004,378</u>
Total assets		<u>2,000,223</u>	<u>1,907,304</u>
Current liabilities			
Payables	11	259,728	327,769
Contract liabilities	12	105,333	7,002
Provisions	13(a)	125,691	137,060
Lease liabilities		250,193	228,183
Total current liabilities		<u>740,945</u>	<u>700,014</u>
Non-current liabilities			
Provisions	13(b)	98,601	93,910
Lease liabilities		468,470	715,645
Total non-current liabilities		<u>567,071</u>	<u>809,555</u>
Total liabilities		<u>1,308,016</u>	<u>1,509,569</u>
Net assets		<u>692,207</u>	<u>397,735</u>
Members Funds			
Retained funds	18	692,207	397,735
Total Members Funds		<u>692,207</u>	<u>397,735</u>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	Notes	2021 \$	2020 \$
Revenue from ordinary activities	2	2,262,523	2,575,144
Expenses from ordinary activities:			
Depreciation and amortisation	3	(289,782)	(112,121)
Interest expense	3	(40,854)	(16,118)
Employee expenses		(1,181,653)	(1,348,720)
Professional and consultancy fees		(17,203)	(19,901)
Occupancy expenses	3	-	(214,702)
Other expenses from ordinary activities		<u>(438,559)</u>	<u>(884,344)</u>
Surplus / (deficit) from ordinary activities before income tax expense		294,472	(20,762)
Income tax revenue / (expense) relating to ordinary activities	4	<u>-</u>	<u>-</u>
Surplus / (deficit) from ordinary activities after related income tax expense		<u>294,472</u>	<u>(20,762)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income attributable to the members of the entity		<u>294,472</u>	<u>(20,762)</u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	Retained funds
	<u>\$</u>
Changes in members' funds	
Balance at 1 July 2019	418,497
Surplus/(deficit) for the year	(20,762)
Other comprehensive income	<u>-</u>
Balance at 30 June 2020	397,735
Surplus/(deficit) for the year	294,472
Other comprehensive income	<u>-</u>
Balance at 30 June 2021	<u><u>692,207</u></u>

The Statement of Changes in Members' Funds should be read in conjunction with the notes to the financial statements.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	Notes	2021 \$ Inflows (Outflows)	2020 \$ Inflows (Outflows)
Cash flows from operating activities			
Interest received		4,609	7,942
Interest paid		(40,854)	(16,118)
Receipts from government grants		1,991,561	1,952,235
Membership fees		35,510	43,638
Other receipts		658,545	724,126
Payments to suppliers and employees		<u>(2,028,597)</u>	<u>(2,659,221)</u>
Net cash provided by / (used in) operating activities	16(b)	<u>620,774</u>	<u>52,602</u>
Cash flow from investing activities			
Payments for property, plant and equipment		(2,497)	(15,787)
Proceeds from the sale of property, plant and equipment		-	-
Net cash provided by / (used in) investing activities		<u>(2,497)</u>	<u>(15,787)</u>
Cash flow from financing activities			
Lease repayments		<u>(225,166)</u>	<u>(72,555)</u>
Net cash provided by / (used in) financing activities		<u>(225,166)</u>	<u>(72,555)</u>
Net increase / (decrease) in cash held		393,111	(35,740)
Cash at the beginning of the financial year		<u>834,039</u>	<u>869,779</u>
Cash at the end of the financial year	16(a)	<u><u>1,227,150</u></u>	<u><u>834,039</u></u>

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Note 1 - Statement of significant accounting policies

Financial Reporting Framework

The financial statements are special purpose financial statements prepared for use by the board of the company and have been prepared to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). The Board members have determined that the company is not a reporting entity as there are no users dependent on general purpose financial statements.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB 107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031: Materiality and AASB 1054: Australian Additional Disclosures.

The company has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicate that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements are prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

Accounting Policies

(a) Current investments

Investments are brought to account at cost or at Board members' valuation. The carrying amount of investments is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the investments' current market value. The gains or losses, whether realised or unrealised, are included in net profit.

(b) Plant and equipment

Plant and equipment is brought to account at cost or at an independent Board's valuation.

The depreciable amount of all plant and equipment is depreciated on a straight line basis over the useful lives of the assets of the Company commencing from the time the asset is held ready for use.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Note 1 - Statement of significant accounting policies (continued)

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Employee entitlements

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at their nominal amount.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(e) Taxation

The activities of the Company are exempt from income tax.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. All revenue is stated net of the amount of goods and services tax (GST).

Grants, donations and bequests

Contributed assets

If the company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives, these assets would be recognised in accordance with the recognition requirement of other applicable standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts (being contribution from owners, lease liabilities, financial instruments, revenue or contract liabilities arising from a contract with a customer).

The company recognises income immediately in profit and loss and the difference between the initial carrying amount and the asset and the related amount.

Operating grants and donations

When the company receives operating grant revenue or donations, it assesses whether the contract is enforceable and has sufficient specific performance obligations in accordance with AASB 15. When both these conditions are satisfied the company identifies each performance obligation relating to the grant, recognises a contract liability for these obligations and recognises revenue as it satisfies its performance

Where the contract is not enforceable or does not have sufficiently specific performance obligations the company either recognises the asset received in accordance with the requirements of other applicable accounting standards, recognises related amounts or recognises income immediately in profit and loss as the difference between the initial carrying amount of the asset and the related amount.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Note 1 - Statement of significant accounting policies (continued)

If a contract liability is recognised as a related amount above, the company recognises income in profit and loss when or as it satisfies its obligations under the contract.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue is recognised for other items as follows:

- (i) Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.
- (ii) Other revenue is recognised when the right to receive the revenue has been established.

(g) Receivables

Trade receivables and other debtors are recognised at fair value less provision for doubtful debts. Trade receivables are due for settlement based on normal terms of credit from the date of invoice.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount of the asset and the total of estimated future cash flows. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

The application of AASB 9 has resulted in the need to review the lifetime expected credit loss when assessing any provision for doubtful debts.

(h) Leases

Leases are recognised under Accounting Standard AASB 16: Leases. Applicable leases whether finance or operating in nature are to be recognised on the statement of financial position as liabilities with corresponding right-of-use assets. These leases are measured at their net present values and include future lease payments under an option where that option is reasonably expected to be taken up. The leases are amortised on a straight-line basis over the term of the lease. For operating leases that do not need to meet the requirements under this standard being leases that are less than 12 months or of minor values, and where substantially all the risks and benefits remain with the lessor, these are recognised as expenses over

The lease liabilities are measured at the present value of the remaining lease payment. The company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Note 1 - Statement of significant accounting policies (continued)

(i) 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.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself either purchase or sell the asset (trade date accounting is adopted).

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

Trade receivables are initially measured at transaction price if the trade receivables do not contain significant financing components.

Classification and subsequent measurement

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

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

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

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

As per AASB 9 an expected credit loss model is applied, and not an incurred credit loss model as per the previous applicable standard (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the association to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Note 1 - Statement of significant accounting policies (continued)

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

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to the 12 month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

The association has adopted the simple approach under AASB 9 in relation to trade receivables, as the loss allowance is measured at the lifetime expected credit loss.

The association reviewed and assessed the existing financial assets on 1 July 2019. It was determined that there was no significant change in credit risk from the date they were initially recognised and no adjustment was required.

Derecognition

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

(k) Trade and other payables

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

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods are

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(m) Provisions

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

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

Note 1 - Statement of significant accounting policies (continued)

(n) Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(o) New and Amended Accounting Policies

The company has considered all new and amended accounting standards effective from 1 July, 2020 none of which are expected to have a significant impact in the future.

	2021	2020
	\$	\$
Note 2 - Revenue		
Membership fees	32,282	39,671
Publication / Promotional sales	17,564	14,036
Donations and bequests	13,147	54,446
Co-location grants received	-	311,017
Grants received	1,712,179	1,498,358
Interest received	4,609	7,942
Other income	458,560	314,462
Income - Support	24,182	335,212
	<u>2,262,523</u>	<u>2,575,144</u>

Note 3 - Surplus / (deficit) from ordinary activities

Net gains and expenses

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

	2021	2020
	\$	\$
Expenses		
Audit fees	9,500	9,700
Depreciation	289,782	112,121
Interest expense	40,854	16,118
Loss on disposal of fixed assets	-	57,852
Rental expense	-	214,702
	<u>-</u>	<u>214,702</u>

Note 4 - Income tax

As indicated in Note 1, the company is exempt from income tax.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	2021 \$	2020 \$
Note 5 - Current assets - Cash assets		
Cash on hand	450	450
Cash at bank - Head office (Westpac bank)	869,798	355,737
Cash at bank - Head office (Bendigo bank)	258,362	41,110
Term Deposit - Rental bond	98,540	97,368
Term Deposit – Security Co-Location lease	-	88,874
Cash at bank - Shipp fund	-	500
Short term deposits	-	250,000
	<u>1,227,150</u>	<u>834,039</u>
<p>Cash is bearing an interest rate of between 0% and 1.20%, (2019: 0% and 2.30%) depending on the terms and conditions in respect of the various accounts.</p>		
Note 6 - Current assets - Receivables		
Security deposit	1,555	3,345
Sundry debtors	629	1,974
Trade debtors	34,166	168,602
Less: Provision for doubtful debts	-	(127,582)
	<u>36,350</u>	<u>46,339</u>
Note 7 - Current assets - Inventories		
Stock on hand - publications	-	1,413
	<u>-</u>	<u>1,413</u>
Note 8 - Current assets - Other		
Prepayments	19,629	21,135
	<u>19,629</u>	<u>21,135</u>

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
Note 9 - Non-current assets - Property, plant and equipment		
Plant and equipment - at cost	51,979	49,482
Less: accumulated depreciation	<u>(37,035)</u>	<u>(22,955)</u>
	14,944	26,527
Office furniture and equipment - at cost	127,878	127,878
Less: accumulated depreciation	<u>(112,244)</u>	<u>(93,954)</u>
	15,634	33,924
Motor vehicles - at cost	26,507	26,507
Less: accumulated depreciation	<u>(17,580)</u>	<u>(14,264)</u>
	8,927	12,243
	<u>39,505</u>	<u>72,694</u>

Note 10 - Non-current assets - Right-of-use assets

The company's lease relates to leased premises which is recognised under AASB 16 in the statement of financial position.

Leased buildings	1,016,383	1,016,383
Accumulated amortisation	<u>(338,794)</u>	<u>(84,699)</u>
Net carrying amount	<u>677,589</u>	<u>931,684</u>

Movements

Balance at the beginning of the period	931,684	-
Additions	-	1,016,383
Depreciation charge	<u>(254,095)</u>	<u>(84,699)</u>
Closing net book	<u>677,589</u>	<u>931,684</u>

AASB 16 related amounts recognised in the statement of profit or loss

Amortisation charge on right-of-use assets	254,095	84,699
Interest expense on lease liabilities	40,854	16,118

	2021	2020
	\$	\$
Note 11 - Current liabilities - Payables		
Income received in advance	16,129	6,818
Trade creditors	43,616	20,761
Collective purpose fund	-	108,337
Sundry creditors & Accruals	150,664	142,534
Rental bonds	<u>49,319</u>	<u>49,319</u>
	<u>259,728</u>	<u>327,769</u>

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
Note 12 - Current liabilities - Contract liabilities		
Grants in advance	<u>105,333</u>	<u>7,002</u>
	<u>105,333</u>	<u>7,002</u>
Note 13 - Provisions		
(a) Current		
Provision for annual leave	107,951	114,466
Provision for long service leave	<u>17,740</u>	<u>22,594</u>
	<u>125,691</u>	<u>137,060</u>
(b) Non-current		
Provision for long service leave	<u>98,601</u>	<u>93,910</u>
	<u>98,601</u>	<u>93,910</u>

Note 14 - Segment reporting

Mental Health Association NSW Limited is a non-government organisation actively involved in promoting the understanding of Mental Health problems in the community in New South Wales.

Note 15 - Economic dependency

The company's continuing operations are based on the understanding that there will be future government grants to cover ongoing commitments.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
Note 16 - Statement of Cash Flows		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	450	450
Cash at bank	1,128,160	397,347
Deposits at call	98,540	436,242
	<u>1,227,150</u>	<u>834,039</u>
(b) Reconciliation of cash provided by / (used) in operating activities		
Operating surplus / deficit	294,472	(20,762)
Non-cash flows in operating surplus		
Depreciation and amortisation	289,782	112,121
(Profit) / loss on disposal of fixed assets	-	57,852
Changes in assets and liabilities		
(Increase) / decrease in receivables	9,989	23,670
(Increase) / decrease in inventories	1,413	-
(Increase) / decrease in prepayments	1,506	46,308
Increase / (decrease) in payables	(68,041)	(211,619)
Increase / (decrease) in contract liabilities	98,331	(34,616)
Increase / (decrease) in provisions	(6,678)	79,648
	<u>620,774</u>	<u>52,602</u>

The Company has no credit stand-by or financing facilities in place.

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

Note 17 - Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company in financial years subsequent to the financial year ended 30 June 2021.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2021

	2021	2020
	\$	\$
Note 18 - Retained funds		
Movements in retained funds are summarised as follows:		
Retained funds at the beginning of the financial year	397,735	418,497
Current year surplus / (deficit)	<u>294,472</u>	<u>(20,762)</u>
Retained funds at the end of the financial year	<u><u>692,207</u></u>	<u><u>397,735</u></u>

Note 19 - Collective purpose reserve

Mental Health Association NSW Limited entered into the "Collective Purpose Agreement" with New South Wales Consumer Advisory Group - Mental Health Inc. and Mental Health Carers ARAFMI NSW. This agreement involved the sharing of facilities and contributing to the cost of capital works, ongoing rent, outgoings and other expenses as set out in the agreement.

The "Collective Purpose Agreement" ceased between the parties effective 30 June 2019. Commercial agreement has now been reached between the parties on the finalisation of the "Collective Purpose Agreement" since year end. Mental Health Association NSW Limited have accounted and reflected the relevant transactions at 30 June 2021 based on the cessation of this agreement.

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Directors the financial report:

1. Presents a true and fair view of the financial position of Mental Health Association NSW Limited as at 30 June 2021 and its performance for the year ended on that date.
2. The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).
3. At the date of this statement, there are reasonable grounds to believe that Mental Health Association NSW Limited will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Directors and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Meg Smith OAM
President



Donald Murray
Treasurer

SYDNEY,
16. November 2021



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

www.thomasdavis.com.au
mail@thomasdavis.com.au

MENTAL HEALTH ASSOCIATION NSW LIMITED
A.B.N. 11 326 005 224

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40
OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE BOARD MEMBERS OF MENTAL HEALTH ASSOCIATION NSW LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (a) no contraventions of the auditor independence requirements of section 60-40 of the ACNC Act in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Thomas Davis & Co.

THOMAS DAVIS & CO.

J.G. Ryan

J. G. Ryan

Partner

Chartered Accountants

Sydney
16 November 2021

A member of



Independent legal & accounting firms

L13, 56 Pitt St GPO Box 492 T: (02) 9232 1188
Sydney 2000 Sydney 2001 F: (02) 9231 6792

Liability limited by a scheme approved under professional standards legislation



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS

ESTABLISHED 1894

www.thomasdavis.com.au
mail@thomasdavis.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MENTAL HEALTH ASSOCIATION NSW LIMITED

ABN 11 326 005 224

Opinion

We have audited the financial report of Mental Health Association NSW Limited, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of Mental Health Association NSW 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 Mental Health Association NSW Limited financial position as at 30 June, 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and 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 company 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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling Mental Health Association NSW Limited financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a 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 the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

A member of



Independent legal & accounting firms

L13, 56 Pitt St GPO Box 492 T: (02) 9232 1188
Sydney 2000 Sydney 2001 F: (02) 9231 6792

Liability limited by a scheme approved under professional standards legislation



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

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 in our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thomas Davis & Co.

THOMAS DAVIS & CO.

J G Ryan

J G RYAN

PARTNER

Chartered Accountants

SYDNEY,
16 November 2021

Liability Limited by a scheme approved under professional standards legislation.