Help, hope and purpose

Mind Australia Limited
Financial statements

For the year ended 30 June 2017

ABN 22 005 063 589

Mind Australia Limited

Contents

30 June 2017

Mind Australia Limited

Directors' Report
30 June 2017

The directors present their report on Mind Australia Limited for the financial year ended 30 June 2017.

In addition to the content of this report providing particulars of Mind Australia Limited's (the company) directors and brief description of the company's activities, operations, and results, readers are encouraged to also consider the Mind Australia Limited Annual Report for the year ended 30 June 2017, which provides further insight into the performance of the company.

1. General information

(a) Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Experience	Responsibilities	Interest in Shares
J. Gardner	Lawyer	Chair	1
J.F. Farhall	Associate Professor	Deputy Chair	1
J.A. Earls	Lawyer		1
M.J. Field	Chartered Accountant		1
J. Coggin	Management Consultant		1
B.J. McCormick	Consumer Consultant		1
A. Ford	Certified Practising Accountant		1
C. Gibbs	Health Planning & Administration		1

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

(b) Principal activities

The principal activities of Mind Australia Limited during the financial year continued to be supporting people with mental ill-health in their recovery and to actively participate in social and economic life through the provision of services, information, and education.

No significant changes in the nature of the Company's activity occurred during the financial year.

Strategy for achieving objectives:

Mind Australia Limited's Strategic Plan 2016-2020 sets five strategic goals:

- Help more people - We will support more individuals and families, in more ways and places, by expanding the services we offer. We will ensure that our services meet people's expressed needs and improve their quality of life.
- Be customer focused in everything we do - We will value and utilise people's experiences in everything we do. We will deliver responsive and flexible services for people impacted by mental ill-health and be there when people need us.
- Raise awareness - We will make people aware of the Company and what we offer. We will improve pathways to support and be a point of connection to people, information, events and ideas.

Directors' Report
30 June 2017

1. General information

Principal activities

- Secure our future - We will continue to develop an organisation that delivers sustainable, quality services. We will build a contemporary workforce with the skills and flexibility for the future and invest in the development of effective operating systems.

- Influence for social change - We will engage with the Mind community to understand their experiences and what helps. We will work with them to strive for social change on issues that matter to them.

2. Operating results and review of operations for the year

(a) Operating result

The company's operating loss for the financial year ended 30 June 2017 was $645,239 compared to a surplus of $1,211,504 the previous financial year. The operating result reflects the continuing work of the company in addressing its vision and purpose.

Revenue from rendering services and other sources increased by 10% on 2015-16 levels. Total expenditure increased by 13% over 2015-16.

(b) Dividends paid or recommended

Mind Australia Limited is a company limited by guarantee and there is no requirement to pay dividends. No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

(c) Review of operations

During the financial year, Mind Australia Limited grew the provision of services in Queensland and was successful in winning a tender for the delivery of a sub-acute short stay service in Rockingham, Perth Western Australia.

Through the end of the 2015-2016 financial year, the directors were working on a voluntary capacity. For the 2016-2017 financial year, remuneration for the directors of up to $230,000 per year was approved by the members.

3. Other items

(a) Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

(b) Events after the reporting 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, the results of those operations or the state of affairs of the Company in future financial years.

(c) Future developments and results

The company will continue to carry on the principal activities disclosed within this report. Further service opportunities will be pursued.

3. Other items

(d) Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

4. Meetings of directors

The following table sets out the number of meetings of the company's directors held during the year ended 30 June 2017 and the number of meetings attended by each director.

	Directors' Meetings		Finance, Audit & Risk Management Committee (FARM)		Governance Committee		Service, Quality and Risk Committee (SQAR)		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
J. Gardner (Chair)	10	10	8	6	5	5	4	2	3	3
J.F. Farhall (Deputy Chair)	10	9	-	-	1	1	4	4	3	3
C.Gibbs	10	10	-	-	-	-	4	4	-	-
J.A. Earls	10	10	8	7	1	1	-	-	-	-
M.J. Field	10	10	8	6	-	-	-	-	3	3
J. Coggin	10	9	-	-	-	-	4	4	-	-
B.J. McCormick	10	10	-	-	-	-	4	4	-	-
A. Ford	10	10	8	5	5	5	-	-	-	-

5. Indemnification and insurance of officers and auditors

During the financial year the company insured the directors of the company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director other than conduct involving willful breach of duty in relation to Mind Australia.

Otherwise, no indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of Mind Australia.

6. Capital structure

Mind Australia Limited is a company by guarantee, incorporated and domiciled in Australia. In accordance with the guarantee, if the company is wound up, the Constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the company. At 30 June 2017, the number of members was 15. At that date the collective liability of members was $nil (2016: $nil).

7. Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012*, for the year ended 30 June 2017 has been received and can be found on the following page of the financial report.

Mind Australia Limited

Directors' Report
30 June 2017

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

Director: .... J. Gardner

Director: .... J.F. Farhall

Dated 25 September 2017

Crowe Horwath.
PART OF FINDEX

Auditor Independence Declaration under Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Mind Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been no contraventions of:

1) The auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

2) Any applicable code of professional conduct in relation to the audit.

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

David Munday

DAVID MUNDAY
Partner

Melbourne, Victoria

25 September 2017

Mind Australia Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Revenue from rendering services	4	66,724,944	60,537,337
Revenue from other sources	4	1,772,497	2,126,922
		68,497,441	62,664,259
		-	-
Employee benefits expense		(53,968,229)	(47,739,536)
Depreciation expense	5	(2,533,198)	(1,909,158)
Lease expense	5	(1,691,828)	(1,481,999)
Client expenses		(1,433,170)	(1,168,625)
Administrative expense		(3,581,658)	(3,476,922)
Media and awareness expense		(471,745)	(392,954)
Motor vehicle expenses		(1,400,640)	(1,695,689)
Other expenses	6	(4,062,212)	(3,587,872)
(Loss) surplus for the year		(645,239)	1,211,504
Other comprehensive income			
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings		4,801,267	-
Gain (loss) on revaluation of available for sale assets		565,867	(161,755)
Total comprehensive income for the year attributable to the members		4,721,895	1,049,749

The accompanying notes form part of these financial statements.

Mind Australia Limited

Statement of Financial Position

30 June 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,295,875	1,772,218
Trade and other receivables	8	3,302,338	2,688,804
Financial assets - available for sale	9	8,324,111	7,470,803
Financial assets - held to maturity	9	9,000,035	11,275,035
TOTAL CURRENT ASSETS		21,922,359	23,206,860
NON-CURRENT ASSETS			
Property, plant and equipment	10	25,960,270	19,642,381
TOTAL NON-CURRENT ASSETS		25,960,270	19,642,381
TOTAL ASSETS		47,882,629	42,849,241
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	4,496,293	3,857,685
Other liabilities	12	1,355,755	1,949,423
Short-term provisions	13	4,461,591	4,181,917
TOTAL CURRENT LIABILITIES		10,313,639	9,989,025
NON-CURRENT LIABILITIES			
Long-term provisions	13	891,327	904,448
TOTAL NON-CURRENT LIABILITIES		891,327	904,448
TOTAL LIABILITIES		11,204,966	10,893,473
NET ASSETS		36,677,663	31,955,768
EQUITY			
Retained earnings		14,909,256	15,554,495
Asset revaluation reserve		7,776,791	2,975,524
Asset contribution reserve		8,704,249	8,704,249
General reserve		4,263,255	4,263,255
Carer Development Fund		700,000	700,000
Available for sale asset reserve		324,112	(241,755)
TOTAL EQUITY		36,677,663	31,955,768

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2017

2017

	Retained earnings	Asset revaluation reserve	Asset contribution reserve	General reserve	Carer development funds	Available-for-sale asset reserve	Total
	$	$	$	$	$	$	$
Balance at 1 July 2016	15,554,495	2,975,524	8,704,249	4,263,255	700,000	(241,755)	31,955,768
Loss for the year attributable to the members	(645,239)	-	-	-	-	-	(645,239)
Other comprehensive income/(loss) for the year	-	4,801,267	-	-	-	565,867	5,367,134
Balance at 30 June 2017	14,909,256	7,776,791	8,704,249	4,263,255	700,000	324,112	36,677,663

2016

	Retained earnings	Asset revaluation reserve	Asset contribution reserve	General reserve	Carer development funds	Available-for-sale asset reserve	Total
	$	$	$	$	$	$	$
Balance at 1 July 2015	14,342,991	2,975,524	8,704,249	4,263,255	700,000	(80,000)	30,906,019
Income for the year attributable to the members	1,211,504	-	-	-	-	-	1,211,504
Other comprehensive income/(loss) for the year	-	-	-	-	-	(161,755)	(161,755)
Balance at 30 June 2016	15,554,495	2,975,524	8,704,249	4,263,255	700,000	(241,755)	31,955,768

The accompanying notes form part of these financial statements.

Mind Australia Limited

Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		66,988,394	60,880,902
Payments to supplier and employees		(66,298,079)	(59,411,116)
Net cash provided by/(used in) operating activities		690,315	1,469,786
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income		816,072	847,180
Proceeds from sale of plant and equipment		379,819	942,075
Purchase of property, plant and equipment		(4,350,108)	(4,477,181)
Maturity of financial assets held to maturity		2,275,000	6,000,000
Purchase of financial assets available for sale		(287,441)	(4,000,000)
Net cash used by investing activities		(1,166,658)	(687,926)
Net (decrease)/increase in cash and cash equivalents held		(476,343)	781,860
Cash and cash equivalents at beginning of year		1,772,218	990,358
Cash and cash equivalents at end of financial year	7	1,295,875	1,772,218

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Mind Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. In accordance with the guarantee, if the company is wound up, the Constitution states that the amount to be contributed by any member will not exceed $10.00 towards meeting any outstanding obligations of the company. At 30 June 2017 the number of members was 15 (2016: 15).

The financial report covers Mind Australia Limited as an individual entity. Mind Australia Limited is a not-for-profit Company, incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Company are described in the Directors' report.

1 Basis of Preparation

The financial statements are for Mind Australia Limited as an individual entity. The financial statements are a general purpose financial report, prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

2 Summary of Significant Accounting Policies

(a) Income Tax

The company is a not-for-profit charitable organisation and is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997. The company is also exempt from certain other government levies such as payroll tax. Donations of $2.00 or more made to the company are income tax deductible to donors.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

(i) Government grants

The company is supported by grants received from the federal and state governments. Government revenue is recognised in the Statement of profit or loss and other comprehensive income when the entity obtains control of the revenue, it is probable that the economic benefits gained from the contract will flow to the entity and the amount of the revenue can be measured reliably.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received. Government grant is recognised in the Statement of profit or loss and other comprehensive income when it is probable, control is gained of the monies and it can be measured reliably.

2 Summary of Significant Accounting Policies

(c) Revenue and other income

When government grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the government, this is considered a reciprocal transaction and the revenue is recognised in the Statement of financial position as a liability until spent, otherwise the revenue is recognised as income on receipt.

(ii) Services

Board receivable from residents is taken up in the period the service is provided, to the extent that it is probable that the entity will receive the resultant inflow of benefits.

(iii) Donations

Donations are recognised when the company gains control of the contribution and associated conditions are fulfilled.

(iv) Contribution of assets

Contributions are recognised when the company is notified of an impending distribution or the contribution is received, whichever occurs earlier. Revenue from contributions comprising shares or other property is recognised at fair value, being their market value at the date the company becomes legally entitled to the assets.

(v) Interest

Interest income is recognised in the Statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

(d) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of financial position are shown inclusive of GST.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(e) Property, plant and equipment

(i) Basis of measurement of carrying amount

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and 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 entity and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

(i) Basis of measurement of carrying amount

Any property, plant and equipment donated to the company or acquired for nominal cost is recognised at fair value at the date the company obtains control of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of profit or loss and other comprehensive income.

(ii) Revaluation of land and buildings

Land and buildings are measured using the revaluation model.

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Revalued assets are assessed annually to ensure that the carrying amount of each asset does not differ materially from its fair value, which is determined by reference to market-based evidence. However, fair values are confirmed by independent valuations which are commissioned triennially. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the asset class and the net amount is restated to the revalued amount of the class.

Land and buildings are treated as a class of assets in accordance with AASB 136 Impairment of Assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the profit or loss in which case it is credited to the Statement of profit or loss and other comprehensive income.

When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the income statement, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Impairment losses on land and buildings are treated as a revaluation decrement.

(iii) Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2.5% - 10%
Furniture, fittings and equipment - at cost	10% - 33%
Motor Vehicles	15% - 20%
Leasehold improvements	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(iv) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of profit or loss and other Comprehensive income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

(v) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of profit or loss and other comprehensive income.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

2 Summary of Significant Accounting Policies

(f) Financial instruments

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

The investment in convertible notes is reported at cost less any impairment charges, as its fair value cannot currently be reliably estimated.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

2 Summary of Significant Accounting Policies

(f) Financial instruments

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which are convertible to a known amount of cash and subject to an insignificant risk of change in value. For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash, deposits and other short term investments with original maturities of three months or less.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

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

2 Summary of Significant Accounting Policies

(j) Trade and other receivables

Trade receivables, which comprise amounts due from services provided are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. Normal terms of settlement vary from 30 to 60 days. The notional amount of the receivable is deemed to reflect fair value. An allowance for impairment of receivables is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(k) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(m) New, revised, or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and interpretations did not have any significant impact on the financial performance of the company.

AASB 9 *Financial instruments:*

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de recognition on financial instruments from AASB 139. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The directors of the company anticipate that the application of AASB 9 in the future may have an impact on the amounts reported in respect to the company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of AASB 9 until the company undertakes a detailed review.

2 Summary of Significant Accounting Policies

(m) New, revised, or amending Accounting Standards and Interpretations adopted

AASB 15 *Revenue from contracts with customers:*

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The directors of the company anticipate that the application of AASB 15 in the future may have an impact on the amounts reported and disclosures made in the company's financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 15 until the company undertakes a detailed review.

AASB 16 *Leases:*

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted.

The directors of the company anticipated that the application of AASB 16 in the future may have an impact on the amounts reported and disclosure made in the company's financial statements. However it is not practicable to provide a reasonable estimate of the effect of AASB 16 until the company undertakes a detailed review.

(n) Comparative information

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current year.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Provisions

Short-term employee benefits

The company has determined the liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Refer to Note 2.

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

3 Critical Accounting Estimates and Judgments

Provisions

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Deferral of grant revenue

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 initially 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.

Impairment of non-financial assets

The company assesses impairment of all assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. These include economic environment and future expectations of the assets. If an impairment trigger exists, the recoverable amount of the asset is determined.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as warranties (for plant and equipment and motor vehicles) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Notes to the Financial Statements
For the Year Ended 30 June 2017

4 Revenue and Other Income

	2017	2016
	$	$
Revenue from rendering services		
Grants and income from services provided	65,328,734	59,304,785
Board, lodgings and rentals	879,187	857,169
Other revenue	517,023	375,383
	66,724,944	60,537,337
Other revenue		
Other income	876,984	1,068,477
Investment income	816,072	847,180
Gain on disposal of fixed assets	79,441	211,265
	1,772,497	2,126,922
Total income	68,497,441	62,664,259

5 Result for the Year

The result for the year includes the following specific expenses:

	2017	2016
	$	$
Depreciation expense	2,533,198	1,909,158
Operating lease rental payments	1,691,828	1,481,999

6 Other Expenses

	2017	2016
	$	$
Legal fees	292,483	148,370
Consultancy	1,804,032	1,594,176
Subscription and memberships	127,972	110,233
Travel and accommodation	666,006	627,085
Minor capital expenses	313,901	232,808
Other expenses	103,052	98,769
Training	754,766	776,431
	4,062,212	3,587,872

7 Cash and Cash Equivalents

	2017	2016
	$	$
Cash at bank and on hand	1,295,875	1,772,218
Cash as shown in the Statement of cash flows	1,295,875	1,772,218

8 Trade and Other Receivables

	2017 $	2016 $
Receivables related to services provided	923,795	884,845
Prepaid expenses	440,880	353,179
Other accrued income and receivables	1,937,663	1,450,780
	3,302,338	2,688,804

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9 Current Financial Assets

	2017 $	2016 $
Available for sale financial assets	8,324,111	7,470,803
Held to maturity (amortised cost)	9,000,035	11,275,035
Total current financial assets	17,324,146	18,745,838

The Company's investments in listed convertible notes and managed investment funds are classified as available for sale financial assets. Financial assets held to maturity represent short term deposit accounts which the Company intends to hold until maturity.

Notes to the Financial Statements
For the Year Ended 30 June 2017

10 Property, plant and equipment

	2017 $	2016 $
Land and buildings		
Land and buildings - at fair value	16,296,536	11,981,185
Accumulated depreciation	(721)	(345,105)
Total land and buildings	16,295,815	11,636,080
Plant and equipment		
Plant and equipment		
Furniture, fittings and equipment - at cost	7,890,894	6,785,728
Accumulated depreciation	(5,431,653)	(4,457,050)
	2,459,241	2,328,678
Motor vehicles - at cost	4,958,533	3,801,468
Accumulated depreciation	(1,335,641)	(881,515)
	3,622,892	2,919,953
Leasehold improvements - at cost	6,001,012	4,713,497
Accumulated depreciation	(2,759,352)	(2,154,554)
	3,241,660	2,558,943
Capital works in progress	340,662	198,727
Total plant and equipment	9,664,455	8,006,301
Total property, plant and equipment	25,960,270	19,642,381

A comprehensive valuation of land and buildings is undertaken once every three years. The last comprehensive valuation was conducted on 30 June 2017 by an independent valuer.

(a) Movements in Carrying Amounts

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

	Land and Buildings $	Furniture, Fittings and Equipment $	Motor Vehicles $	Improvements $	Capital Works in Progress $	Total $
1 July 2015	**11,742,014**	**2,332,907**	**1,961,858**	**1,584,789**	**171,158**	**17,792,726**
Additions	-	958,532	2,148,495	1,346,789	27,569	4,481,385
Disposals	-	(571)	(672,069)	(49,932)	-	(722,572)
Depreciation	(105,934)	(962,190)	(518,331)	(322,703)	-	(1,909,158)
30 June 2016	**11,636,080**	**2,328,678**	**2,919,953**	**2,558,943**	**198,727**	**19,642,381**

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Property, plant and equipment

(a) Movements in Carrying Amounts

	Land and Buildings	Furniture, Fittings and Equipment	Motor Vehicles	Improvements	Capital Works in Progress	Total
	$	$	$	$	$	$
Additions	14,536	1,158,748	1,747,375	1,287,515	141,935	4,350,109
Disposals	-	(1,647)	(298,642)	-	-	(300,289)
Depreciation	(156,068)	(1,026,538)	(745,794)	(604,798)	-	(2,533,198)
Revaluation	4,801,267	-	-	-	-	4,801,267
30 June 2017	**16,295,815**	**2,459,241**	**3,622,892**	**3,241,660**	**340,662**	**25,960,270**

11 Trade and Other Payables

	2017	2016
	$	$
Current		
Trade payables and accrued expenses	4,406,379	3,736,117
Goods and Services Tax (GST) payable	89,914	121,568
	4,496,293	3,857,685

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

12 Other Liabilities

	2017	2016
	$	$
Deferred grant income	1,355,755	1,827,199
Deferred donation income subject to conditions	-	122,224
	1,355,755	1,949,423

13 Employee Benefits

	2017	2016
	$	$
Current liabilities		
Employee entitlements	4,376,150	3,942,737
Specific purpose funding	85,441	239,180
	4,461,591	4,181,917
Non-current liabilities		
Employee entitlements	891,327	904,448

14 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on land and buildings held under the revaluation model.

(b) Asset contribution reserve

The reserve records the fair value of the assets transferred from MHAV Hostels, Insight, Arafemi, Typo Station, Fintry and Lantern to Mind Australia Limited, as at the date of transfer of responsibility for the assets (comprising available-for-sale and property assets). Fair value accounting in relation to the available-for-sale assets accords with the policy described in Note 2. Revaluation of the property assets accords with the policy described in Note 2.

(c) Available for sale asset reserve

The reserve is used to recognise increments and decrements in the fair value of available for sale investments.

(d) General reserve

The general reserve records funds set aside for future expansion of Mind Australia Limited.

(e) Mind Carer development fund

The Mind Carer Development Fund was created as a result of the Mind and ARAFEMI merger in 2014. The Mind Carer Development Fund Committee was set up and aims to implement, develop and progress initiatives related to carer focused models of recovery and related services that support families and carers. The Fund may be used to invest in strategic initiatives aimed to improve information, support and advocacy services and recovery focused initiatives for the Company's clients in the interests of families and carers.

15 Leasing Commitments

(a) Operating leases

	2017 $	2016 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	2,050,128	1,674,969
- between one year and five years	1,595,397	1,438,403
	3,645,525	3,113,372

Operating leases are in place for several properties.

16 Contingent liabilities

In the opinion of the Directors, the Company did not have any contingent liabilities at 30 June 2017 (30 June 2016: None).

17 Related Parties

(a) Key management personnel

Disclosures related to key management personnel are set out below.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other than the compensation figures disclosed below, there were no transactions with related parties during the current or previous financial year.

The members approved a remuneration pool of $230,000 for the directors. Total director remuneration paid in the 2016-2017 financial year was $70,932 (2015-2016: none).

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2017	2016
	$	$
Short-term employee benefits	1,449,446	1,117,997
Post-employment benefit	126,297	96,615

18 Events Occurring After the Reporting Date

The financial report was authorised for issue on by the board of directors.

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, the results of those operations, or the state of affairs of the Company in future financial years.

19 Statutory Information

The registered and principal place of business is:
Mind Australia Limited
86-92 Mount Street
Heidelberg VIC 3084

Mind Australia Limited

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6-25, are in accordance with the *Australian Charities and Not for Profit Commission Act 2012* and:

   a. comply with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not for Profit Commission Act 2012*; and

   b. give a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

J. Gardner

Director ....

J.F. Farhall

Dated 25 September 2017

Crowe Horwath.
PART OF FINDEX

Independent Auditor's Report to the Members of Mind Australia Limited

Opinion

We have audited the financial report of Mind Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and

ii. 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our 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.

Crowe Horwath.
PART OF FINDEX

Responsibility 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 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 the ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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.

Auditor's responsibility 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_files/ar3.pdf. This description forms part of our auditors report.

Report on other legal and regulatory requirements

In accordance with the requirements of section 60-45(3) (b) of the ACNC Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the ACNC Act. We have nothing to report in this regard.

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

David Munday

DAVID MUNDAY
Partner
Melbourne, Victoria
25 September 2017

mind
Help, hope and purpose

Mind Connect
1300 286 463

Carer Helpline
1300 554 660

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