mind
Help, hope and purpose

Mind Australia Limited and controlled entities

Consolidated Financial Statements
For the year ended 30 June 2019

ABN 22 005 063 589

Mind Australia Limited

Contents

30 June 2019

Mind Australia Limited

Directors' Report

30 June 2019

The directors present their report on Mind Australia Limited and controlled entities (Referred to hereafter as "the Group") for the financial year ended 30 June 2019.

In addition to the content of this report providing particulars of Mind Australia Limited's directors and a brief description of the Group's activities, operations, and results, readers are encouraged to also consider the Mind Australia Limited Annual Report for the year ended 30 June 2019 which provides further insight into the performance of the Group.

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
M.J. Field	Chartered Accountant	Chair (from 1 January 2019)
C. Gibbs	Senior Executive	Deputy Chair (from 1 January 2019)
J. Coggin	Senior Executive	Director
J.A. Earls (resigned 26 November 2018)	Lawyer	Director
J.F. Farhall (resigned 26 November 2018)	Associate Professor	Deputy Chair (up to 31 December 2018)
A. Fels (appointed 1 July 2018)	Professor	Director
T. Fels (appointed 27 February 2019)	Barrister and Solicitor	Director
J. Gardner (resigned 26 November 2018)	Lawyer	Chair (up to 31 December 2018)
B.J. McCormick	Consumer Consultant	Director
A. Ford	Certified Practising Accountant	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Each of the directors at the balance sheet date are members in accordance with note 6 to this directors' report below.

T. Fels was on a leave of absence from 1 March until 31 July 2019.

R. Vine was appointed as a director on 1 August 2019.

(b) Principal activities

The principal activities of Mind Australia Limited during the financial year continued to support 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.

On 1 July 2018 Mind Australia Limited took control of The Haven Foundation, an entity involved in the provision of long-term housing to assist in the recovery of individuals living with mental ill-health.

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

Strategy for achieving objectives:

Mind Australia Limited's Strategy 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 lived 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.

1. General information (continued)

(b) Principal activities (continued)

- Raise awareness - We will make people aware of the Group and what we offer. We will improve pathways to support and be a point of connection to people, information, events and ideas.

- 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 operation 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 Group's operating profit for the financial year ended 30 June 2019 was $3,592,800 compared to a loss of $1,717,900 the previous financial year. This profit however includes a one-off gain arising on the assumption of control of The Haven Foundation. Excluding this the Group would have made an operating loss of $2,293,974. The operating result reflects the continuing investment by the Group in addressing its vision and purpose in a changing market driven environment and creating a sustainable future.

(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 Victoria by winning additional contracts in sub-acute services.

Mind Australia Limited continued to transition clients into NDIS services including fee for service work and transitioning clients from its residential services to NDIS Supported Independent Living services.

3. Other items

(a) Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group 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 Group, the results of those operations or the state of affairs of the Group in future financial years.

(c) Future developments and results

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

Directors' Report
30 June 2019

(d) Environmental issues

The Group'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 Group's directors held during the year ended 30 June 2019 and the number of meetings attended by each director.

	Directors' Meetings		Finance, Audit & Risk Management (FARM) 2018 / Finance and Audit (FAA) 2019 Committee		Governance 2018 / Governance and Nominations (GAN) 2019 Committee		Service, Quality and Risk (SQAR) 2018 / Quality, Assurance and Risk (QAR) 2019 Committee		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
M.J. Field (Chair)	9	9	7	7	2	2	3	3	1	1
C.Gibbs (Deputy Chair)	9	8	-	-	5	4	5	5	-	-
J. Coggin	9	9	-	-	2	2	2	2	-	-
J.A. Earls	4	4	3	1	-	-	-	-	-	-
J.F. Farhall	4	4	-	-	-	-	2	2	1	1
A. Fels	9	5	5	4	-	-	-	-	-	-
T. Fels	1	1	-	-	-	-	-	-	-	-
A. Ford	9	9	7	7	5	4	-	-	-	-
J. Gardner	4	4	3	2	3	3	2	2	1	-
B.J. McCormick	9	8	-	-	-	-	5	5	-	-

5. Indemnification and insurance of officers and auditors

During the financial year the Group insured the directors of the Group 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 wilful breach of duty in relation to Mind Australia Limited.

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 Limited.

6. Capital structure

Mind Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. In accordance with the guarantee, if the Group 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 Group. At 30 June 2019, the number of members was 18. At that date the collective liability of members was $180 (2018: $170).

Directors' Report

30 June 2019

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 2019 has been received and can be found on the following page of the financial report.

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

Director: A. Ford .... A. Ford

Director: .... C. Gibbs

Dated this 30th day of September 2019

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 2019, there have been no contraventions of:

1) The auditor independence requirements as set out in Section 60-40 of 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 Melbourne

CROWE MELBOURNE

David Munday

DAVID MUNDAY
Partner

Melbourne, Victoria

30 September 2019

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue from rendering services	4	78,733,413	70,424,202
Revenue from other sources	4	1,480,106	1,418,815
Gain on acquisition of The Haven Foundation	16	5,886,774	-
		86,100,293	71,843,017
Employee benefits expense		(66,362,951)	(57,775,385)
Depreciation expense	5	(3,494,183)	(3,374,269)
Lease expense		(1,914,762)	(1,966,083)
Client expenses		(1,514,061)	(1,442,907)
Administrative expenses	6	(4,325,701)	(3,847,252)
Media and awareness expense		(401,156)	(416,882)
Motor vehicle expenses		(1,073,632)	(1,127,724)
Other expenses	6	(3,421,047)	(3,610,415)
		82,507,493	73,560,917
Profit / (loss) for the year attributable to the members		3,592,800	(1,717,900)
Other comprehensive income			
Other comprehensive income that will not be reclassified subsequently to profit or loss			
Net gain on equity instruments at fair value through other comprehensive income		92,885	-
Net gain on revaluation of land and buildings		-	1,256,250
Other comprehensive income that may be reclassified subsequently to profit or loss			
Net gain on revaluation of available for sale assets		-	84,876
Total comprehensive income / (loss) for the year attributable to the members		3,685,685	(376,774)

The accompanying notes form part of these financial statements.

Mind Australia Limited

Consolidated Statement of Financial Position

30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,209,712	2,448,045
Trade and other receivables	8	14,850,917	4,391,505
Other financial assets	9	8,469,901	14,408,987
Non-current assets classified as held for sale	11	3,800,000	8,750,000
TOTAL CURRENT ASSETS		30,330,530	29,998,537
NON-CURRENT ASSETS			
Property, plant and equipment	10	26,292,495	18,346,555
TOTAL NON-CURRENT ASSETS		26,292,495	18,346,555
TOTAL ASSETS		56,623,025	48,345,092
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	7,884,166	5,014,526
Other liabilities	13	2,555,524	1,405,767
Short-term provisions	14	5,055,714	4,575,128
TOTAL CURRENT LIABILITIES		15,495,404	10,995,421
NON-CURRENT LIABILITIES			
Long-term provisions	14	1,153,111	1,048,782
TOTAL NON-CURRENT LIABILITIES		1,153,111	1,048,782
TOTAL LIABILITIES		16,648,515	12,044,203
NET ASSETS		39,974,510	36,300,889
EQUITY			
Retained earnings		17,579,800	13,191,356
Asset revaluation reserve	15	8,237,397	9,033,041
Asset contribution reserve	15	8,704,249	8,704,249
General reserve	15	4,323,354	4,263,255
Carer development fund	15	627,837	700,000
Available for sale asset reserve	15	-	408,988
Fair value through OCI reserve	15	501,873	-
TOTAL EQUITY		39,974,510	36,300,889

The accompanying notes form part of these financial statements.

Mind Australia Limited

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained earnings $	Asset revaluation reserve $	Asset contribution reserve $	General reserve $	Carer development funds $	Available-for-sale asset reserve $	Fair value through OCI reserve $	Total $
Balance at 1 July 2018	13,191,356	9,033,041	8,704,249	4,263,255	700,000	408,988	-	36,300,889
Change in accounting policy	-	-	-	-	-	(408,988)	408,988	-
Balance at 1 July 2018 (adjusted)	13,191,356	9,033,041	8,704,249	4,263,255	700,000	-	408,988	36,300,889
Profit for the year attributable to the members	3,592,800	-	-	-	-	-	-	3,592,800
Other comprehensive income for the year	-	-	-	-	-	-	92,885	92,885
Transfers in/(out) of reserve accounts	795,644	(795,644)	-	60,099	(72,163)	-	-	(12,064)
Balance at 30 June 2019	17,579,800	8,237,397	8,704,249	4,323,354	627,837	-	501,873	39,974,510

2018

	Retained earnings $	Asset revaluation reserve $	Asset contribution reserve $	General reserve $	Carer development funds $	Available-for-sale asset reserve $	Fair value through OCI reserve $	Total $
Balance at 1 July 2017	14,909,256	7,776,791	8,704,249	4,263,255	700,000	324,112	-	36,677,663
Loss for the year attributable to the members	(1,717,900)	-	-	-	-	-	-	(1,717,900)
Other comprehensive income for the year	-	1,256,250	-	-	-	84,876	-	1,341,126
Balance at 30 June 2018	13,191,356	9,033,041	8,704,249	4,263,255	700,000	408,988	-	36,300,889

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		74,984,503	69,946,843
Payments to supplier and employees		(75,206,152)	(69,347,411)
Net cash (used in) / from operating activities		(221,649)	599,432
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income		469,117	716,132
Proceeds from sale of plant and equipment		1,106,058	531,019
Purchase of property, plant and equipment		(8,073,275)	(3,694,448)
Net proceeds from financial assets at amortised cost (2018 - held to maturity)		2,000,000	3,000,035
Proceeds from the sale of financial assets at fair value through profit or loss		4,031,994	-
Cash received on acquisition of subsidiary	16	1,449,422	-
Net cash from investing activities		983,316	552,738
Net increase in cash and cash equivalents held		761,667	1,152,170
Cash and cash equivalents at beginning of year		2,448,045	1,295,875
Cash and cash equivalents at end of financial year	7	3,209,712	2,448,045

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

Mind Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. In accordance with the guarantee, if the Group 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 Group. At 30 June 2019 the number of members was 18 (2018: 17).

The financial report covers Mind Australia Limited as a consolidated entity. The controlled entities are detailed in note 17. Mind Australia Limited is a not-for-profit company, incorporated and domiciled in Australia.

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

1 Basis of Preparation

The financial statements are for Mind Australia Limited as a consolidated 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.

The Group has prepared the financial statements for the year ended 30 June 2019 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Group 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 Group is also exempt from certain other government levies such as payroll tax. Donations of $2.00 or more made to the Group 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 Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

(i) Government grants

The Group 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.

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

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.

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. The same approach is adapted for other contracted services such as revenue received from Health services.

(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 Group gains control of the contribution and associated conditions are fulfilled.

(iv) Contribution of assets

Contributions are recognised when the Group 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 Group 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).

2 Summary of Significant Accounting Policies (continued)

(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.

Any property, plant and equipment donated to the Group or acquired for nominal cost is recognised at fair value at the date the Group 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 Group, 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 (continued)

(e) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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%
Software	16% - 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) De-recognition 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) Impairment of non-current assets

The carrying values of property, plant and equipment and intangible assets 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 property, plant and equipment and intangible assets 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 property, plant and equipment and intangible assets, 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.

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument, and are initially measured at fair value, adjustments by transaction costs, except for those carried at fair value through profit and loss, which are measured initially at fair value.

Classification and Subsequent Measurement of Financial Assets

Financial assets are subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortised cost.

Classifications are determined by both i) the Group's business model for managing the financial asset and ii) the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Categories of financial assets under AASB 9

Financial Assets at Amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit or loss):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss.

The Group's financial assets at amortised cost includes cash and cash equivalents and trade and other receivables.

Equity instruments designated at fair value through other comprehensive income

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividends from these investments are recorded as other income within the profit or loss unless they clearly represent a return of capital. This category includes equity securities that were previously classified as 'available-for-sale' under AASB 139.

The Group has elected to classify irrevocably its listed equity investments under this category.

Debt instruments at fair value through other comprehensive income

The Group measures debt instruments at fair value through other comprehensive income when:

- they are held within a business model whose objective is to both hold to collect contractual cash flows and selling, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 **Summary of Significant Accounting Policies (continued)**

(g) **Financial instruments (continued)**

For debt instruments through other comprehensive income, interest income and impairment losses are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

The Group's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments that were previously classified as 'available-for-sale' under AASB 139.

Financial assets at fair value through profit or loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Changes in the fair value of the assets are recognised in the statement of profit or loss.

This category includes convertible capital notes, previously recognised as 'available-for-sale' under AASB 139. However, these were disposed of during the year, and none were held as at balance sheet date.

Categories of financial assets previously under AASB 139

Financial assets are recognised initially using trade date accounting, i.e. of the date that the Group 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).

Financial assets are classified as loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets, or held-to-maturity financial investments.

Financial assets are assigned to the different categories on initial recognition, depending upon the characteristics of the instrument and its purpose. A financial asset'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.

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 expected credit loss. Any change in their value is recognised in profit or loss.

The Group'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.

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

2 **Summary of Significant Accounting Policies (continued)**

(g) **Financial instruments (continued)**

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 Group'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 the estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

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 Group's available-for-sale financial assets comprise listed securities.

The investment in convertible notes is reported at fair value less any impairment charges.

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

Gains or 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 in transferred to profit or loss.

Classification and measurement of financial liabilities

The accounting for financial liabilities remains largely unchanged from AASB 139 and the Group's liabilities were not impacted by the adoption of AASB 9. The Group's financial liabilities include trade and other payables. Such financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

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 either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based upon the days past due. The Group has a history of minimal bad debts and is exposed to minimal such risks, accordingly no provision is made as at the balance sheet date.

(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 Group'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 Group to an employee superannuation fund and are charged as expenses when incurred.

(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 Group 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.

2 Summary of Significant Accounting Policies (continued)

(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 Group 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 Group.

AASB 9 *Financial instruments:*

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement.* It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for calculating impairment on financial assets.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment is recognised in opening retained earnings as at 1 July 2018.

Classification and measurement

Equity investments of $3,433,910 at 30 June 2018, previously classified as available-for-sale financial assets under AASB 139, were reclassified to fair value through other comprehensive income (equity FVOCI) under AASB 9 since these are held as long-term investments, taking advantage of the available irrevocable election under AASB 9 to designate equity instruments through other comprehensive income. There are no changes to the carrying value of these assets. The amounts included within the Available-for-sale reserve of $408,988 have been transferred to the Fair Value through OCI reserve on 1 July 2018.

Bank deposits of $6,000,000 at 30 June 2018, previously classified as held-to-maturity financial assets under AASB 139, were reclassified to amortised cost under AASB 9. The Group intends to hold these to maturity to collect the contractual cash flows and these cash flows are solely payments of principal and interest.

Listed convertible notes of $4,069,400 at 30 June 2018, previously classified as available-for-sale financial assets under AASB 139, were reclassified to fair value through profit or loss under AASB 9.

Capital notes of $905,677 at 30 June 2018, previously classified as available-for-sale assets under AASB 139, were reclassified to debt instruments at fair value through other comprehensive income. The Group expects not only to hold the assets to collect contractual cashflows, but also to sell a proportion on a regular basis.

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

The Group's trade and other receivables previously classified as loans and receivables are now classified as debt instruments at amortised cost.

The Group has not designated any of its financial liabilities as fair value through profit or loss. There are no changes in the classification and measurement of the Group's financial liabilities.

(n) New, revised, or amending Accounting Standards and Interpretations that are not yet effective

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.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019.

The directors of the Group have undertaken an assessment and expect that on the adoption of AASB 15 in the year ended 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 1058 *Income for Not-for-Profit Entities:*

AASB 1058 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

AASB 1058 is effective for annual reporting periods beginning on or after 1 January 2019.

The directors of the Group have undertaken an assessment and expect that on the adoption of AASB 1058 in the year ended 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements. It is however considered that there will be an impact in relation to peppercorn leases, however, AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* has provided a temporary option for not-for-profit entities to not apply the fair value measurement requirements for right-of-use assets arising under leases with significantly below market terms.

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.

The directors of the Group have undertaken an assessment and expect that on adoption of AASB 16 for the year ending 30 June 2020 this will give rise to a material impact on the transactions and balances recognised in the financial statements, in particular:

- Right of Use assets of $1.2 million,
- Related depreciation of $0.6 million,
- Lease liabilities of $1.5 million, and
- Related interest of $52k calculated using effective interest method.

2 Summary of Significant Accounting Policies (continued)

(o) Comparative information

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

(p) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all material subsidiaries of Mind Australia Limited as at 30 June 2019 or for the period under which control was obtained through the year then ended.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(q) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

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 Group 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.

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 Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group 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 Consolidated Financial Statements
For the Year Ended 30 June 2019

4 Revenue and Other Income

	2019	2018
	$	$
Revenue from rendering services		
Grants and income from services provided	77,039,373	69,205,111
Board, lodgings and rentals	643,350	705,210
Other revenue	1,050,690	513,881
	78,733,413	70,424,202
Revenue from other sources		
Fundraising income	530,140	611,808
Investment income	469,117	716,132
Net gain on disposal of fixed assets	480,849	90,875
	1,480,106	1,418,815

5 Result for the Year

	2019	2018
The result for the year includes the following specific expenses:	$	$
Amortisation of intangible assets	401,043	255,310
Depreciation expense	3,093,140	3,118,959

Mind Australia Limited

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

6 Breakdown of Expenses

	2019	2018
	$	$
Administrative Expenses		
Premises costs	1,619,099	1,296,953
ICT costs	1,572,126	1,340,116
Maintenance and repairs	509,283	466,154
Other administration expenses	625,193	744,029
	4,325,701	3,847,252
Other Expenses		
Legal fees	316,944	160,717
Consultancy	1,403,820	1,884,768
Subscription and memberships	116,710	124,784
Travel and accommodation	782,098	626,896
Minor capital expenses	124,694	113,539
Other expenses	221,445	107,281
Training	455,336	592,430
	3,421,047	3,610,415

7 Cash and Cash Equivalents

	2019	2018
	$	$
Cash at bank and on hand	3,209,712	2,448,045
Cash as shown in the Statement of cash flows	3,209,712	2,448,045

8 Trade and Other Receivables

	2019	2018
	$	$
Receivables related to services provided	5,838,324	1,721,997
Funds in escrow	6,102,943	-
Prepaid expenses	500,044	581,636
Other accrued income and receivables	2,409,606	2,087,872
	14,850,917	4,391,505

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.

The funds in escrow relate to the disposal of assets treated as held for sale, refer to note 11.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

9 Current Other Financial Assets

	2019	2018
	$	$
Equity instruments designated at fair value through other comprehensive income	3,543,955	-
Debt instruments at fair value through other comprehensive income	925,946	-
Available-for-sale financial assets at fair value	-	8,408,987
Financial assets at amortised cost	4,000,000	-
Held to maturity (amortised cost)	-	6,000,000
Total current financial assets	8,469,901	14,408,987

10 Property, plant and equipment

	2019	2018
	$	$
Property		
Land and buildings - at fair value	16,344,343	8,569,534
Accumulated depreciation	(193,372)	(129,799)
Total property	16,150,971	8,439,735
Plant and equipment		
Furniture, fittings and equipment - at cost	5,659,334	5,695,353
Accumulated depreciation	(4,531,690)	(4,144,654)
	1,127,644	1,550,699
Motor vehicles - at cost	5,333,591	5,117,703
Accumulated depreciation	(1,952,318)	(1,853,184)
	3,381,273	3,264,519
Leasehold improvements - at cost	7,333,276	6,652,855
Accumulated depreciation	(4,297,811)	(3,601,419)
	3,035,465	3,051,436
Software - at cost	4,181,760	3,216,815
Accumulated amortisation	(2,688,814)	(2,287,771)
	1,492,946	929,044
Capital works in progress	1,104,196	1,111,122
Total plant and equipment	10,141,524	9,906,820
Total property, plant and equipment	26,292,495	18,346,555

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

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment (continued)

(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	Leasehold improve' ments	Software	Capital works in progress	Total
	$	$	$	$	$	$	$
1 July 2017	**16,295,815**	**1,922,910**	**3,622,892**	**3,241,660**	**536,331**	**340,662**	**25,960,270**
Additions	-	491,284	652,669	1,132,012	648,023	770,460	3,694,448
Disposals	(227,001)	(1,345)	(211,498)	(300)	-	-	(440,144)
Depreciation	(135,329)	(862,150)	(799,544)	(1,321,936)	(255,310)	-	(3,374,269)
Revaluation	1,256,250	-	-	-	-	-	1,256,250
Transfer to asset held for sale	(8,750,000)	-	-	-	-	-	(8,750,000)
30 June 2018	**8,439,735**	**1,550,699**	**3,264,519**	**3,051,436**	**929,044**	**1,111,122**	**18,346,555**
Additions	3,829,344	510,768	1,376,194	1,179,694	964,945	-	7,860,945
Disposals	(1,078,699)	(70,393)	(409,804)	-	-	(6,926)	(1,565,822)
Depreciation	(184,409)	(863,430)	(849,636)	(1,195,665)	(401,043)	-	(3,494,183)
Property acquired as part of a business combination	5,145,000	-	-	-	-	-	5,145,000
30 June 2019	**16,150,971**	**1,127,644**	**3,381,273**	**3,035,465**	**1,492,946**	**1,104,196**	**26,292,495**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

11 Non-current assets classified as held for sale

	2019	2018
	$	$
Assets held for sale	3,800,000	8,750,000

The property situated in Kinkora Road, Hawthorn, VIC was part disposed of during the year, with the funds receivable in escrow at the balance sheet date, as detailed in note 8, subject to final settlement. The remaining proportion of the property is expected to be sold in the year ended 30 June 2020. Included within the net gain on disposal detailed in note 4, is a gain on the part disposal of the held for sale property of $933,688.

12 Trade and Other Payables

	2019	2018
	$	$
Current		
Trade payables and accrued expenses	7,338,785	4,833,725
Goods and Services Tax (GST) payable	545,381	180,801
	7,884,166	5,014,526

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.

13 Other Liabilities

	2019	2018
	$	$
Deferred grant income	2,555,524	1,405,767

14 Employee Benefits

	2019	2018
	$	$
Current liabilities		
Employee entitlements	5,055,714	4,562,762
Specific purpose funding	-	12,366
	5,055,714	4,575,128
Non-current liabilities		
Employee entitlements	1,153,111	1,048,782

15 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 financial assets and property assets).

(c) General reserve

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

(d) 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 Group's clients in the interests of families and carers.

(e) Available for sale asset reserve

The reserve is used to recognise increments and decrements in the fair value of available for sale investments. This reserve was transferred to financial assets at fair value through other comprehensive income reserve on adoption of AASB 9: Financial Instruments.

(f) Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

16 Business combination

On 1 July 2018 Mind Australia Limited agreed to a merging of interests with The Haven Foundation with the view to capitalise on synergies identified through both The Haven Foundation and Mind Australia Limited. Under the transfer deed agreement Mind Australia Limited obtained control of The Haven Foundation and became its sole member. $nil consideration was paid to the previous members of The Haven Foundation.

	$
Fair Value of Recognised Identifiable Net Assets	
Cash	1,449,422
Trade Receivables	77,419
Total Current Assets	1,526,841
Land and Buildings	5,145,000
Total Non-Current Assets	5,145,000
Trade and Other Payables	(749,185)
Provisions	(35,882)
Total Liability	(785,067)
Identifiable net assets	5,886,774
Discount on consideration	5,886,774

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2019

17 Interest in subsidiaries

Name of Subsidiary	Principal place of business	Principal activity	Ownership held by group 2019	2018
The Haven Foundation	Australia	Accommodation provided for persons with serious and persistent mental illness.	100%	-
Home Base Services Limited	Australia	Investment in and development of specialist disability accommodation	100%	100%

18 Leasing Commitments

(a) Operating leases

	2019 $	2018 $
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	1,233,979	1,904,224
- between one year and five years	549,748	1,785,303
	1,783,727	3,689,527

Operating leases are in place for several properties.

19 Contingent liabilities

The Group had no contingent liabilities as at 30 June 2019 and 30 June 2018.

20 Related Parties

(a) Key management personnel

Disclosures related to key management personnel are set out at note 20 (b).

(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 2018-2019 financial year was $226,546 (2017-2018: $223,940).

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

	2019 $	2018 $
Short-term employee benefits	1,423,555	1,396,077
Post-employment benefit	125,643	123,669

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2019

21 Parent Entity Information

Information relating to Mind Australia Limited (the Parent Entity):

	2019
	$
Statement of financial position	
Current assets	29,170,180
Total assets	45,506,997
Current liabilities	(14,068,281)
Total liabilities	(15,221,392)
Net assets	30,285,605
Retained earnings and reserves	30,285,605
Statement of profit or loss and other comprehensive income	
Deficit for the year	(2,894,885)
Other comprehensive income	92,885
Total comprehensive loss for the year	(2,802,000)

Note comparatives have not been disclosed for the year ended 30 June 2018 as the amounts included in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position relate solely to the activities of the parent entity.

22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 September 2019 by the board of directors.

23 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 Group declare that:

1. The consolidated financial statements and notes, as set out on pages 5-29, 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 Group as at 30 June 2019 and of the performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the Group 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 .... A. Ford

A. Ford

Director ....

C. Gibbs

Dated this 30th day of September 2019

Crowe

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

Opinion

We have audited the financial report of Mind Australia Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated 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 Group 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 Group's financial position as at 30 June 2019 and of its performance and cash flows for the year then ended; and

ii. complying with Australian Accounting Standards – *Reduced Disclosure Requirements* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Act 2012.*

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 Group 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 confirm that the independence declaration, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Group's annual report for the year ended 30 June 2019, 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.

Responsibility of the directors for the financial report

The directors of the Group 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 Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit if 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.

As part of an audit in accordance with the 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 the 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 Group'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 Group'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 Group 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 those charged with governance 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 the audit.

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 Melbourne

CROWE MELBOURNE

David Munday

DAVID MUNDAY
Partner

Melbourne, Victoria

8 October 2019

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