Mind Australia Limited and controlled entities

Consolidated Financial Statements

For the year ended 30 June 2024

ABN 22 005 063 589

General information

The financial statements cover Mind Australia Limited as a consolidated company consisting of Mind Australia Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mind Australia Limited's functional and presentation currency.

Mind Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Mind Australia Limited
Building 8
Level 3, 584 Swan Street
Burnley VIC 3121

A description of the nature of the consolidated company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2024. The directors have the power to amend and reissue the financial statements.

Mind Australia Limited and Controlled Entities
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated company' or the 'Group') consisting of Mind Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors
The following persons were directors of the consolidated company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Experience	Responsibilities
A. Fels AO	Professor	Chair
R. Picker AM (resigned 31 December 2023)	Chartered Accountant	Deputy Chair
J. Coggin	Senior Executive	Director
L. Darwin	Mental Health Advocate	Director
T. Fels	Senior Executive	Director
E. Jayakody	Mental Health Advocate (consumer perspective)	Director
M. Grigg OAM	Senior Executive Mental Health Services	Director
A. MacMillan (assigned 1 January 2024)	Consumer Advocate	Director
A. Harris AM (assigned 1 January 2024)	Professor	Deputy Chair
A. Chia (assigned 1 January 2024)	Strategy Director	Director
B. Mullin (assigned 1 January 2024)	Public Health Physician / Lived Experience member	Director
R. Wynne (Hon) (assigned 30 April 2024)	Former Member of Parliament	Director
S. Dubois (assigned 24 June 2024)	Chartered Accountant	Director

Objectives
Short-term objectives
The Group's short-term objectives are to:

- offer community support services to persons experiencing mental ill-health to develop wellbeing, resilience and life skills;
- support recovery of people experiencing mental ill-health by engaging all sectors of the community in ongoing partnerships and support programs;
- be a recognised leader in the provision of mental health support services, including housing, as evidenced by the success of programs and practices;
- continue to deliver evidence-based recovery-oriented services; and
- maximise opportunities to expand services nationally.

Long-term objectives
The Group's long-term objectives are to:

- invest in service design and innovation to deliver better services and outcomes;
- increase our impact by growing and expanding our service delivery;
- be a strong organisation that enables its people to do their best possible work; and
- contribute to a better, stronger Australian mental health system.

Strategy for achieving short and long-term objectives
To achieve these objectives, the Group has adopted the following strategies:

- the Group strives to attract and retain quality staff who are committed to working with people in need of support, and this is evidenced by high levels of staff engagement and low staff turnover. The Group believes that attracting and retaining quality staff will assist with the success of the Group in both the short and long term.
- staff work in partnership with a range of community stakeholders, and this is evidenced by ongoing support of the Entity's projects and initiatives. The Group ensures community stakeholders understand and are committed to the objectives of the Group through ongoing education in order for the projects to succeed.
- staff are committed to creating new and maintaining existing programs in support of its consumers. Committed staff allow the Group the ability to engage in continuous improvement.
- the Group's staff strive to meet consistent standards of best practice and provide clear expectations of professional accountabilities and responsibilities to all stakeholders. This is evidenced by the performance of staff who are assessed based on these accountabilities; and ensures staff are operating in the best interests of its consumers and the Group.
- the Group strives to invest in innovative services and processes to maximise positive impact on customer experience evidenced through customer outcomes better than relevant benchmarks.

Mind Australia Limited and Controlled Entities
Directors' report
30 June 2024

Principal activities
The principal activities of the consolidated company during the financial year consisted of provision of support to people with mental ill-health in their recovery and to actively participate in social and economic life through the provision of services, accommodation, information and education.

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

Operating results
The consolidated company's operating surplus for the financial year ended 30 June 2024 was $20,290,226 (2023: $19,406,669).

Review of operations
On the 1st January 2024, the consolidated entity has extended its operation through the acquisitions of Schizophrenia Fellowship of New South Wales Ltd (trading as One Door Mental Health), Sunflower Foundation Trust and Schizophrenia Fellowship of New South Wales Research Trust Fund, to establish one of the largest community managed mental health and wellbeing service specialists within Australia.

During the financial year, the consolidated company grew the provision of services in Victoria, Queensland, South Australia and Western Australia by winning additional contracts in sub-acute and psychosocial services.

The consolidated company continued to develop community housing and specialist accommodation.

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

Meetings of directors
The number of meetings of the consolidated company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Directors' Meetings Held	Attended	Finance, Audit & Risk (FAaR) Committee Held	Attended	Governance and Nominations (GAN) Committee Held	Attended
A. Fels (Chair)	9	8	7	5	7	7
R. Picker (Deputy Chair)	4	4	3	2	-	-
J. Coggin	9	7	7	5	7	6
L. Darwin	9	8	-	-	-	-
T. Fels	9	8	7	6	-	-
E. Jayakody	9	8	-	-	7	5
M. Grigg	9	8	-	-	7	7
A. Chia	5	5	4	4	-	-
A. Harris	5	4	4	4	-	-
A. MacMillan	5	4	-	-	6	4
R. Wynne (Hon)	2	2	-	-	-	-
S. Dubois	-	-	-	-	-	-
B. Mullin	5	5	-	-	-	-

	Program Practice and Quality (PPaQ) Committee Held	Attended	Culture People and Remuneration (CPaR) Committee Held	Attended
A. Fels (Chair)	4	1	3	2
R. Picker (Deputy Chair)	2	1	-	-
J. Coggin	-	-	3	3
L. Darwin	4	3	-	-
T. Fels	-	-	3	3
E. Jayakody	4	2	3	2
M. Grigg	4	4	-	-
A. Harris AM	2	2	-	-
A. MacMillan	-	-	3	1
R. Wynne (Hon)	-	-	-	-
S. Dubois	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee. Where are Director was not a member of a Committee during the year, this is shown as '-' under 'Held'.

Indemnification and insurance of officers and auditors
During the financial year the consolidated company insured the directors of the consolidated 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 wilful breach of duty in relation to Mind Australia Limited or its controlled entities.

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 or its controlled entities.

Contributions on winding up
In the event of the consolidated company being wound up, members are required to contribute a maximum of $10 each.

The total amount that members of the consolidated company are liable to contribute if the consolidated company is wound up is $200, based on 20 current members.

Events after the reporting period
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated company's operations, the results of those operations, or the consolidated company's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* is set out immediately after this directors' report.

On behalf of the directors

A. Fels

A. Harris

30 September 2024
Melbourne

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DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF MIND AUSTRALIA LIMITED

As lead auditor of Mind Australia Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mind Australia Limited and the entities it controlled during the period.

Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 30 September 2024

Mind Australia Limited and Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue	3	141,758,365	121,959,968
Other income	4	1,896,588	871,038
Gain on bargain purchase	27	7,762,229	-
Total revenue		151,417,182	122,831,006
Expenses			
Administrative and other expenses		(4,113,429)	(1,538,083)
Consultancy fees		(1,081,936)	(1,488,769)
Employee benefits expense		(106,688,868)	(85,968,771)
Depreciation and amortisation expense	5	(3,219,487)	(3,333,299)
Impairment of assets	5	(4,610,803)	(2,414,195)
Loss on disposal of assets		(35,573)	(111,267)
Property expenses		(4,726,358)	(3,147,488)
Client expenses		(938,585)	(1,120,786)
Information technology and communication expenses		(3,499,495)	(2,563,354)
Motor vehicle and travel expenses		(1,319,198)	(1,303,595)
Finance costs	5	(893,224)	(434,730)
Total expenses		(131,126,956)	(103,424,337)
Surplus for the year	20	20,290,226	19,406,669
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
(Loss)/gain on the revaluation of land and buildings		(4,967,646)	5,838,609
Gain on equity instruments at fair value through other comprehensive income		75,714	115,420
Gain on debt instruments at fair value through other comprehensive income		185,053	118,694
Other comprehensive (loss)/income for the year		(4,706,879)	6,072,723
Total comprehensive income for the year		15,583,347	25,479,392

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

Mind Australia Limited and Controlled Entities
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	6	34,386,220	17,103,452
Trade and other receivables	7	12,281,099	11,892,740
Other financial assets	8	21,027,009	15,587,403
		67,694,328	44,583,595
Non-current assets classified as held for sale	9	3,130,000	5,800,000
Total current assets		70,824,328	50,383,595
Non-current assets			
Trade and other receivables	7	2,573,923	1,163,571
Investment property	10	7,704,377	7,761,877
Property, plant and equipment	11	78,441,270	69,351,365
Right-of-use assets	12	9,762,267	4,886,361
Total non-current assets		98,481,837	83,163,174
Total assets		169,306,165	133,546,769
Liabilities			
Current liabilities			
Trade and other payables	13	11,475,316	7,270,317
Contract liabilities	14	24,283,297	15,256,574
Borrowings	15	99,991	10,815,000
Lease liabilities	16	2,663,251	1,367,349
Employee benefits	17	10,101,758	7,163,222
Provisions	18	465,500	267,080
Total current liabilities		49,089,113	42,139,542
Non-current liabilities			
Borrowings	15	14,450,161	5,500,000
Lease liabilities	16	7,226,369	3,637,073
Employee benefits	17	2,351,123	1,664,102
Total non-current liabilities		24,027,653	10,801,175
Total liabilities		73,116,766	52,940,717
Net assets		96,189,399	80,606,052
Equity			
Reserves	19	19,687,583	24,394,462
Retained surpluses	20	76,501,816	56,211,590
Total equity		96,189,399	80,606,052

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

Mind Australia Limited and Controlled Entities
Consolidated statement of changes in equity
For the year ended 30 June 2024

Consolidated	**Asset revaluation reserve $**	**General reserve $**	**Fair value through OCI reserve $**	**Retained surpluses $**	**Total equity $**
Balance at 1 July 2022	9,138,577	13,655,440	176,930	32,155,713	55,126,660
Surplus for the year	-	-	-	19,406,669	19,406,669
Other comprehensive income for the year	5,838,609	-	234,114	-	6,072,723
Total comprehensive income for the year	5,838,609	-	234,114	19,406,669	25,479,392
Transfer in/(out) of reserve accounts	(4,649,208)	-	-	4,649,208	-
Balance at 30 June 2023	10,327,978	13,655,440	411,044	56,211,590	80,606,052

Consolidated	**Asset revaluation reserve $**	**General reserve $**	**Fair value through OCI reserve $**	**Retained surpluses $**	**Total equity $**
Balance at 1 July 2023	10,327,978	13,655,440	411,044	56,211,590	80,606,052
Surplus for the year	-	-	-	20,290,226	20,290,226
Other comprehensive (loss)/income for the year	(4,967,646)	-	260,767	-	(4,706,879)
Total comprehensive (loss)/income for the year	(4,967,646)	-	260,767	20,290,226	15,583,347
Balance at 30 June 2024	5,360,332	13,655,440	671,811	76,501,816	96,189,399

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

Mind Australia Limited and Controlled Entities
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from grants and customers		151,405,215	113,958,446
Payments to suppliers and employees		(132,167,594)	(103,966,133)
Receipts from capital grants		12,748,571	19,677,915
Donations received	3	258,898	325,768
Interest and dividends received		1,888,918	871,038
Interest paid		(893,224)	(434,730)
Net cash from operating activities		33,240,784	30,432,304
Cash flows from investing activities			
Business combination, cash acquired	27	4,027,975	-
Net payments for investments		(182,762)	-
Payments for property, plant and equipment	11	(22,547,913)	(27,696,125)
Proceeds from disposal of property, plant and equipment		-	1,262,388
Redemption/(payment for) of term deposits		987,000	(4,410,984)
Proceeds from sale of assets held for sale		5,800,000	-
Net cash used in investing activities		(11,915,700)	(30,844,721)
Cash flows from financing activities			
Net (repayment of)/proceeds from borrowings		(1,764,848)	9,815,000
Repayment of lease liabilities		(2,277,468)	(1,836,477)
Net cash (used in)/from financing activities		(4,042,316)	7,978,523
Net increase in cash and cash equivalents		17,282,768	7,566,106
Cash and cash equivalents at the beginning of the financial year		17,103,452	9,537,346
Cash and cash equivalents at the end of the financial year	6	34,386,220	17,103,452

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated company.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties and certain classes of property, plant and equipment.

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

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Mind Australia Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all controlled entities for the year then ended. Mind Australia Limited and its controlled entities together are referred to in these financial statements as the 'consolidated company'.

Controlled entities are all those entities over which the consolidated company has control. The consolidated company controls an entity when the consolidated company 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. Controlled entities are fully consolidated from the date on which control is transferred to the consolidated company. They are de-consolidated from the date that control ceases.

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

The acquisition of controlled entities are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated company loses control over a controlled entity, it derecognises the assets including goodwill, liabilities and non-controlling interest in the controlled entity together with any cumulative translation differences recognised in equity. The consolidated company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax
As the consolidated company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax. The consolidated company is also exempt from certain other government levies such as payroll tax.

Note 1. Material accounting policy information (continued)

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 the consolidated company's 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 the consolidated company's 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.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped on days overdue.
The consolidated company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 1. Material accounting policy information (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
As discussed in note 17, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Recognition of grant income
Determining the revenue recognition of grant revenue involves judgement and estimates in order to identify performance obligations, then allocate the transaction price, assess whether the revenue is to be recognised at a point in time or over-time, and as the performance obligations are met.

Note 3. Revenue

	Consolidated	
	2024	**2023**
	$	**$**
Revenue from rendering services		
Capital grants	12,748,571	19,677,915
Government grants	54,115,481	39,249,602
Provision of services	70,801,423	59,556,569
	137,665,475	118,484,086
Rent	2,756,418	2,033,401
Donations	310,792	325,768
Other revenue	1,025,680	1,116,713
	4,092,890	3,475,882
Revenue	141,758,365	121,959,968

Note 3. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from rendering services is as follows:

	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers - AASB 15		
Government grants	54,115,481	39,249,602
Rent	2,756,418	2,033,401
Provision of services	70,801,423	59,556,569
Other revenue	1,025,680	1,116,713
	128,699,002	101,956,285
Revenue recognised under AASB 1058 Income for NFP entities		
Capital grants	12,748,571	19,677,915
Donations	310,792	325,768
	13,059,363	20,003,683
	141,758,365	121,959,968

Accounting policy for revenue recognition
The consolidated company recognises revenue as follows:

Capital grants
For capital grants received under an enforceable agreement where it includes a transfer to enable the consolidated company to acquire or construct a recognisable non-financial asset to identified specifications which will be controlled by the consolidated company when completed, the consolidated company recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income as it satisfies its obligations under the transfer. As the capital grants received by the consolidated company are primarily for the acquisition of land and the construction of buildings, the consolidated company recognises income as the land is acquired and the buildings are constructed (when it satisfies its obligations).

Government grants
Grant income consists of revenue received directly and indirectly from State and Australian Federal governments for the provision of services. Amounts received which relate to unfulfilled performance obligations under AASB 15 are recognised as part of contract liabilities as detailed within note 14.

Rent
Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of each lease, in accordance with AASB 16 Leases. There is no change to this policy from that applied prior to the date of initial application of this standard.

Revenue from the provision of services
Revenue from the rendering of a service is recognised by the consolidated company upon the delivery of the service to the client. Sources of revenue include but are not limited to government and federal grant and NDIS funding.

Donations
Donations are immediately recognised on receipt as revenue where there is no obligation to refund the monies.

Note 4. Other income

	Consolidated 2024 $	Consolidated 2023 $
Net gain on disposal of assets	7,670	-
Interest income	1,888,918	871,038
Other income	1,896,588	871,038

Interest
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Note 5. Expenses

	Consolidated 2024 $	Consolidated 2023 $
Surplus includes the following specific expenses:		
Depreciation and amortisation		
Property, plant and equipment	1,120,843	1,119,283
Intangibles	-	603,303
Right-of-use assets	2,098,644	1,610,713
Total depreciation and amortisation	3,219,487	3,333,299
Impairment		
Impairment of intangibles	-	2,173,524
Impairment of assets held for sale	145,772	240,671
Impairment of property, plant and equipment	4,465,031	-
Total impairment	4,610,803	2,414,195
Finance costs		
Interest and finance charges paid/payable on borrowings	522,759	341,437
Interest and finance charges paid/payable on lease liabilities	370,465	93,293
Finance costs expensed	893,224	434,730
Leases		
Short-term and low-value assets lease payments	367,694	181,241
Superannuation expense		
Defined contribution superannuation expense	10,240,575	7,551,696
Employee benefits expense excluding superannuation	96,448,293	78,417,075
Bad debts write off/(recovered)	124,428	(177,903)

Note 5. Expenses (continued)

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 6. Cash and cash equivalents

	Consolidated	
	2024	2023
	$	$
Current assets		
Cash on hand	46,500	-
Cash at bank	34,339,720	17,103,452
	34,386,220	17,103,452

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Trade and other receivables

	Consolidated	
	2024	2023
	$	$
Current assets		
Trade receivables	7,333,148	4,776,433
Less: Allowance for expected credit losses	(193,933)	(80,749)
	7,139,215	4,695,684
Prepayments	1,512,365	833,252
Other accrued income and receivables	3,629,519	6,363,804
	5,141,884	7,197,056
	12,281,099	11,892,740
Non-current assets		
Other accrued income and receivables	2,573,923	1,163,571
	14,855,022	13,056,311

The accrued income represents grants receivable where the consolidated company has unconditional right to consideration.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables vary and are generally due for settlement within 30 to 60 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 8. Other financial assets

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Equity instruments designated at fair value through other comprehensive income	3,242,877	2,596,595
Debt instruments at fair value through other comprehensive income	2,672,309	3,057,824
Term deposits at amortised cost	9,113,954	9,932,984
Cash	34,830	-
Debt instruments at fair value through profit or loss	4,198,817	-
Equity instruments at fair value through profit or loss	1,764,222	-
	21,027,009	15,587,403

Note 9. Non-current assets classified as held for sale

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Land and buildings	3,130,000	5,800,000

During the financial year, The Haven Foundation transferred property of $3,275,772 to assets held for sale as it is expected this property will be sold in the next 12 months. An impairment expense of $145,772 has been recognised to carry the property at fair value less costs to sell.

Subsequent to year end, a property included within the assets classified as held for sale was settled on 16 September 2024, for the value of its carrying amount at 30 June 2024. No further impairment was recognised.

Accounting policy for non-current assets 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.

Note 10. Investment property

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Investment property - at independent valuation	7,704,377	7,761,877

Note 10. Investment property (continued)

The company's property at 86-92 Mount Street, Heidelberg, VIC 3084 was reclassified to investment properties during the 2023 financial year, in April 2023, when the premises was vacated. The property is subject to a mortgage.

Valuations of investment properties
The basis of the valuation of investment properties is fair value. The investment properties are revalued every 3 years based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Lessee commitments

	Consolidated	
	2024	**2023**
	$	**$**
Minimum lease commitments receivable but not recognised in the financial statements:		
Within one year	451,040	519,422
One to five years	1,352,756	2,075,519
More than five years	-	-
	1,803,796	2,594,941

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Note 11. Property, plant and equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land and buildings - at independent valuation	73,746,281	48,355,037
Less: Accumulated depreciation	(484,844)	-
	73,261,437	48,355,037
Leasehold improvements - at cost	5,371,997	4,685,129
Less: Accumulated depreciation	(5,320,036)	(4,548,844)
	51,961	136,285
Motor vehicles - at cost	325,505	-
Less: Accumulated depreciation	(322,272)	-
	3,233	-
Furniture, fittings and equipment - at cost	7,126,239	4,055,200
Less: Accumulated depreciation	(6,688,392)	(3,835,578)
	437,847	219,622
Capital work in progress	6,074,239	20,640,421
Less: Impairment	(1,387,447)	-
	4,686,792	20,640,421
	78,441,270	69,351,365

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and buildings $	Leasehold improvements $	Motor Vehicle $	Furniture, fittings and equipment $	Capital work in progress $	Total $
Balance at 1 July 2023	48,355,037	136,285	-	219,622	20,640,421	69,351,365
Additions	908,247	22,727	-	306,799	21,310,140	22,547,913
Additions through business combinations (note 27)	-	550	4,447	172,776	-	177,773
Classified as held for sale (note 9)	(3,275,772)	-	-	-	-	(3,275,772)
Revaluation decrements	(7,851,719)	-	-	-	-	(7,851,719)
Impairment of assets	-	-	-	-	(1,387,447)	(1,387,447)
Transfers in/(out)	35,876,322	-	-	-	(35,876,322)	-
Depreciation expense	(750,678)	(107,601)	(1,214)	(261,350)	-	(1,120,843)
Balance at 30 June 2024	73,261,437	51,961	3,233	437,847	4,686,792	78,441,270

During the year, The Haven Foundation transferred some properties to assets held for sale (note 9).

Note 11. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) at the expected rate as follows:

Buildings	2% - 2.5%
Leasehold improvements	10% - 33%
Motor Vehicles	15% - 20%
Furniture, fittings and equipment - at cost	10% - 33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained surpluses.

Note 12. Right-of-use assets

	Consolidated	
	2024	2023
	$	$
Non-current assets		
Land and buildings - right-of-use	12,814,658	6,161,981
Less: Accumulated depreciation	(5,308,970)	(2,020,362)
	7,505,688	4,141,619
Motor vehicles - right-of-use	4,348,371	2,305,708
Less: Accumulated depreciation	(2,091,792)	(1,560,966)
	2,256,579	744,742
	9,762,267	4,886,361

Additions to the right-of-use assets during the year totalled $4,978,442 (2023: $3,694,301) and depreciation charged to the profit and loss is $2,098,644 (2023: $1,610,713). Additions include new rental properties for new services commenced during the year.

The right-of-use assets acquired as part of the business combination of Schizophrenia Fellowship of New South Wales Ltd was $1,996,109 (refer to note 27).

Note 12. Right-of-use assets (continued)

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

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

The consolidated company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets, other than in respect of motor vehicles where all leases have been recognised. Lease payments on these assets are expensed to profit or loss as incurred.

The consolidated company leases various offices around Australia and the rental contracts are generally for a period of up to five years, but may contain extension options which the consolidated company uses to maximise operational flexibility in terms of managing the assets used in the consolidated company's operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Note 13. Trade and other payables

	Consolidated	
	2024 $	2023 $
Current liabilities		
Trade payables and accrued expenses	10,702,050	7,108,833
Goods and services tax (GST)	773,266	161,484
	11,475,316	7,270,317

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Contract liabilities

	Consolidated	
	2024 $	2023 $
Current liabilities		
Grants received in advance	24,283,297	15,256,574

Accounting policy for contract liabilities
A contract liability is recognised when grant income is received or receivable before the consolidated company satisfies the performance obligation. Contract liabilities are measured at the amount of grant income received or receivable that has not yet been recognized in the profit and loss. The liability is reduced, and the income is recognised in the profit and loss as the consolidated company satisfies the performance obligations.

Note 15. Borrowings

	Consolidated	
	2024	**2023**
	$	**$**
Current liabilities		
Loan facility (i)	55,086	10,815,000
Amount owing to other trust funds	44,905	-
	99,991	10,815,000
Non-current liabilities		
Loan facility	-	2,700,000
Loan facility (i)	14,450,161	2,800,000
	14,450,161	5,500,000
	14,550,152	16,315,000

Included within borrowings are:

(i) The consolidated company has a mix of short term / long term / undrawn facilities totalling $24.77 million in place with Treasury Corporation of Victoria to assist with funding various community housing developments within Haven Foundation (the Foundation).

These facilities are subject to both first and second ranking mortgages over all of the Foundation's freehold property assets, coupled with a General Security Agreement over the whole of the Foundation's assets and further supported by a parental guarantee from Mind Australia Limited.

At 30 June 2024, $14.5 million has been drawn under the facility representing Tranche B loans (Principal & Interest). These loans were initially drawn as Tranche A loans (interest only and repayable on demand) and converted to Tranche B loans subsequently.

During the current financial year, Tranche A loans, with face value of $11.75m were renegotiated to Tranche B loans with fixed interest rates in the range of 5.30% to 6.23% per annum for a period of 15 years, which resulted in these loans to be reclassified as non-current liabilities.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 16. Lease liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Lease liability	2,663,251	1,367,349
Non-current liabilities		
Lease liability	7,226,369	3,637,073
	9,889,620	5,004,422
Future lease payments		
Future lease payments are due as follows:		
Within one year	3,057,799	1,515,836
One to five years	6,178,150	1,939,237
More than five years	1,812,787	2,250,529
	11,048,736	5,705,602

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

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

Note 17. Employee benefits

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Annual leave	7,897,224	5,496,470
Long service leave	2,204,534	1,666,752
	10,101,758	7,163,222
Non-current liabilities		
Long service leave	2,351,123	1,664,102
	12,452,881	8,827,324

Accounting policy for employee benefits

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

Note 17. Employee benefits (continued)

Other long-term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 bond rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Provisions

	Consolidated	
	2024	**2023**
	$	**$**
Current liabilities		
Lease make good	465,500	267,080

Accounting policy for provisions
Provisions are recognised when the consolidated company has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated company at the end of the respective lease terms.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2024	**Lease make good $**
Carrying amount at the start of the year	267,080
Additional provisions recognised	198,420
Carrying amount at the end of the year	465,500

Note 19. Reserves

	Consolidated	
	2024	**2023**
	$	**$**
Asset revaluation reserve	5,360,332	10,327,978
Financial assets at fair value through other comprehensive income reserve	671,811	411,044
General reserve	13,655,440	13,655,440
	19,687,583	24,394,462

Accounting policy for reserves

Note 19. Reserves (continued)

Asset revaluation reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

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.

General reserve
The general reserve records funds set aside for future expansion of Mind Australia Limited. The asset contribution reserve and Mind carer development fund have been consolidated into this reserve.

Note 20. Retained surpluses

	Consolidated	
	2024	2023
	$	$
Retained surpluses at the beginning of the financial year	56,211,590	32,155,713
Surplus for the year	20,290,226	19,406,669
Transfer from revaluation surplus reserve	-	4,649,208
Retained surpluses at the end of the financial year	76,501,816	56,211,590

Note 21. Key management personnel disclosures

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

	Consolidated	
	2024	2023
	$	$
Aggregate compensation	1,148,719	904,226

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the consolidated company:

	Consolidated	
	2024	2023
	$	$
Audit services - BDO Audit Pty Ltd		
Audit of the financial statements	136,000	72,000
Other services - network firms		
Audited acquittals	45,000	16,000
Other services	33,750	21,956
Preparation of financial statements	17,000	9,900
	95,750	47,856
	231,750	119,856

Note 23. Contingent assets

The consolidated company had no contingent assets as at 30 June 2024 and 30 June 2023.

Note 24. Contingent liabilities

Mind Australia Limited (as the parent entity) has given parental guarantee to Treasury Corporation of Victoria for the value of drawn loans of The Haven Foundation as disclosed in note 15.

The consolidated company has given bank guarantees as at 30 June 2024 of $390,440 (2023 $1,377,440) to various landlords.

Note 25. Commitments

At 30 June 2024, the consolidated company had capital commitments in relation to building works of $8,228,584 (2023: $24,644,257). These commitments will be funded by government grants and low interest loans.

Note 26. Related party transactions

Parent entity
Mind Australia Limited is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 21.

Controlled entities
Interests in controlled entities are set out in note 28.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year other than the transactions disclosed in note 21.

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

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

Note 27. Business combinations

On 1 January 2024, the Group formalised the Change of Member transaction through a merger deed and accordingly agreed to the merger of Schizophrenia Fellowship of New South Wales Ltd (t/a One Door Mental Health) and Mind Australia by way of a Change of Member transaction, where Mind Australia will become the sole member and holding company of One Door Mental Health. One Door Mental Health became a wholly owned subsidiary of Mind Australia on 1 January 2024. The merger creates one of Australia's largest community-managed specialists in mental health and wellbeing services.

The acquired business contributed revenues of $13,109,556 and net surplus of $56,014 to the consolidated entity for the period from 1 January 2024 to 30 June 2024. If the acquisition occurred on 1 July 2023, the full year contributions would have been revenues of $25,605,276 and net deficit of $304,965. The values identified in relation to the acquisition of One Door Mental Health is final as at 30 June 2024.

Note 27. Business combinations (continued)

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of One Door Mental Health as at the date of acquisition were:

	Fair value $
Cash and cash equivalents	4,027,975
Trade receivables	4,006,634
Other financial assets	5,815,107
Other current assets	671,322
Plant and equipment	177,773
Right-of-use assets	1,996,109
Trade payables	(69,268)
Contract liabilities	(3,059,096)
Employee benefits	(2,069,983)
Accrued expenses and other payables	(1,550,120)
Lease liability	(2,184,224)
Total identifiable net assets at fair value	7,762,229
Purchase consideration transferred	-
Gain on bargain purchase	7,762,229

At acquisition date, the identifiable assets acquired, and liabilities assumed through business combination approximates their fair value in accordance with the recognition and measurement requirements of relevant accounting standard and AASB 3. Acquisition-related costs were expensed as incurred and included in administrative expenses.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, or liabilities incurred by the acquirer of the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated company assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated company's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and the fair value of the consideration transferred is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 28. Interests in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Controlling interest 2024 %	2023 %
The Haven Foundation	Australia	100.00%	100.00%
Home Base Services Limited	Australia	100.00%	100.00%
The Haven Foundation (Australia) Limited	Australia	100.00%	100.00%
Schizophrenia Fellowship of New South Wales Ltd	Australia	100.00%	-
Sunflower Foundation Trust	Australia	100.00%	-
Schizophrenia Fellowship of New South Wales Research Trust Fund	Australia	100.00%	-

During the year, Home Base Services settled its option deeds for the sale of property at Melton South, White Hills, Morayfield and Burpengary. The Company is dormant as at 30 June 2024 however still remains registered with the Australian Securities and Investments Commission (ASIC).

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated company's operations, the results of those operations, or the consolidated company's state of affairs in future financial years.

Mind Australia Limited and Controlled Entities
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A. Fels

A. Harris

30 September 2024
Melbourne

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INDEPENDENT AUDITOR'S REPORT

To the members of Mind Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mind Australia Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 report, including material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report of Mind Australia Limited, is 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 2024 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The responsible entities of the registered entity are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Elizabeth Blunt
Director

Melbourne, 30 September 2024

A trusted provider of community mental health support services to people and their families, friends and carers for more than 45 years.

mind®

Help, hope and purpose

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Carer Helpline

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