

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC

ABN : 91 804 704 259

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC
ABN : 91 804 704 259

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC
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COMMITTEE MEMBERS' REPORT

The committee presents their report, together with the financial statements, on the association for the year ended 30 June 2023.

Committee members

The names of the Committee members in office at any time during or since the end of the year are:

Peter Riley	Chairperson
Lavenia Saville	Treasurer
Alison Thorn	Board member
Stephanie Van Son	Board member
Mary Menotti	Board member
Duncan Leggo	Board member
Daniel Shane	Board Member
Gabriel Waterford	Board Member
Susan Brooks (Retired Dec 22)	Board member
Greg Bull (Retired Dec 22)	Board member
Marcus Tabart (Retired Jun 22)	Board member

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

Principal Activities

The principal activities of the association during the financial year is the offering of psychosocial support services, NDIS services, suicide prevention programs and health promotion initiatives aimed at enhancing the mental health and wellbeing of people living in Central Australia.

No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

There was no significant change in the state of affairs of the association during the year.

Operating results

The association incurred a net surplus for the year of \$206,997 (2022: \$4,153).

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year and not disclosed in the financial statements that has significantly affected, or may significantly affect, the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 18 of the financial report.

Signed in accordance with a resolution of the Committee


Board member


Board member

Dated this 8th day of November 2023

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC
ABN : 91 804 704 259

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue and other income	2	3,963,651	3,586,671
Employee benefits expenses		(2,715,789)	(2,831,054)
Depreciation and amortisation expenses	6,7	(103,871)	(124,075)
Motor Vehicle Expenses		(44,935)	(52,595)
Interest		(7,122)	(4,690)
Repairs and Maintenance		(55,795)	(33,213)
Auditor remuneration		(6,576)	(17,960)
Health promotions		(101,519)	(70,005)
Health and Safety		(8,237)	(7,281)
Bad Debts		(3,857)	(860)
Consulting services		(157,146)	(14,825)
Client Consumables		(74,133)	(49,193)
Computer and Telecommunication Expenses		(63,102)	(82,460)
Equipment		(26,144)	(6,622)
Office Expenses		(63,353)	(71,205)
Insurance		(27,903)	(26,630)
Printing and Stationery		(10,358)	(17,914)
Recruitment		(8,563)	(37,844)
Other expenses		(47,404)	(36,510)
Rental property expenses		(65,889)	(48,760)
Travel expenses		(48,202)	(15,634)
Training and Development		(81,773)	(25,024)
Workshops and Conferences		(34,983)	(8,164)
Current year surplus (deficit) before income tax		206,997	4,153
Other comprehensive income			
Items that will not be classified subsequently to profit or loss			
Fair value gains (losses) on land and buildings at fair value through			
Other comprehensive income, net of tax		(69,319)	-
Total other comprehensive income (losses) for the year		(69,319)	-
Total comprehensive income		137,678	4,153

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,189,210	961,901
Accounts receivable and other debtors	4	142,188	186,648
Other current assets	5	<u>114,672</u>	<u>112,714</u>
TOTAL CURRENT ASSETS		<u>1,446,070</u>	<u>1,261,263</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,495,203	2,607,942
Long Term Investments	8	500	500
Right of use assets	7	<u>226,828</u>	<u>47,962</u>
TOTAL NON-CURRENT ASSETS		<u>2,722,531</u>	<u>2,656,404</u>
TOTAL ASSETS		<u>4,168,601</u>	<u>3,917,667</u>
CURRENT LIABILITIES			
Accounts payable and other payables	9	349,455	326,699
Contract liabilities		-	104,517
Lease liabilities	12	48,054	9,459
Employee provisions	10	<u>184,946</u>	<u>178,544</u>
TOTAL CURRENT LIABILITIES		<u>582,455</u>	<u>619,219</u>
NON-CURRENT LIABILITIES			
Borrowings	11	4,800	4,278
Employee provisions	10	73,360	66,725
Lease Liability	12	<u>181,739</u>	<u>38,876</u>
TOTAL NON-CURRENT LIABILITIES		<u>259,899</u>	<u>109,879</u>
TOTAL LIABILITIES		<u>842,354</u>	<u>729,098</u>
NET ASSETS		<u>3,326,247</u>	<u>3,188,569</u>
EQUITY			
Retained surplus		3,269,933	3,062,936
Asset revaluation surplus	13	<u>56,314</u>	<u>125,633</u>
TOTAL EQUITY		<u>3,326,247</u>	<u>3,188,569</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2021	3,058,783	125,633	3,184,416
Comprehensive income			
Net surplus (deficit) for the year	4,153	-	4,153
Total comprehensive income for the year	4,153	-	4,153
Balance at 30 June 2022	3,062,936	125,633	3,188,569
Balance at 1 July 2022	3,062,936	125,633	3,188,569
Comprehensive income			
Net surplus (deficit) for the year	206,997	-	206,997
Other comprehensive income for the year value through other comprehensive income, net of tax	-	(69,319)	(69,319)
Total comprehensive income for the year	206,997	(69,319)	137,678
Balance at 30 June 2023	3,269,933	56,314	3,326,247

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from funding bodies and customers		4,208,672	3,942,103
Payments to suppliers and employees		(3,935,396)	(4,142,562)
Interest received		8,113	1,218
Interest paid		(7,122)	(4,690)
Net cash provided by (used in) operating activities		274,267	(203,931)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		18,035	-
Payments for property, plant and equipment		(39,394)	(28,201)
Net cash used in investing activities		(21,359)	(28,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(26,121)	(42,007)
Proceeds from borrowings		522	386
Net cash provided by (used in) financing activities		(25,599)	(41,621)
NET INCREASE (DECREASE) IN CASH HELD		227,309	(273,753)
Cash at the beginning of the financial year		961,901	1,235,654
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3	1,189,210	961,901

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Mental Health Association of Central Australia Inc ("the association") as an individual entity. Mental Health Association of Central Australia Inc is an association incorporated in Northern Territory and operating pursuant to the Australian Charities and Not-for-profits Commission Act 2012.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards committee (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The association is a not-for-profit association for financial reporting purposes under Australian Accounting Standards.

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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 1(q)

Accounting Policies

(a) Income Tax

The association is not subject to income tax and therefore no income tax expense or income tax payable is shown in the financial statements.

(b) Fair Value of Assets and Liabilities

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(c) Property, Plant and Equipment

Property

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. 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	2.5%
Motor Vehicles	25.0%
Artwork	0.0%
Plant, equipment, fixtures and fittings	15% - 36%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

(d) Impairment of Assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

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

(f) Employee Provisions

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from customers in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(i) Revenue recognition

The association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Capital grants

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the association.

Interest Income

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Interest revenue 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 revenue

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Comparative Figures

When required by Accounting Standards or for improved presentation of the financial report, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Accounts Payable and Other Payables

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

(m) Contract Liabilities

Contract liabilities represent the corporation's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the corporation recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the corporation has transferred the goods or services to the customer.

(n) Provisions

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

(o) 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 association'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.

(p) 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 association'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 association'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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(q) 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.

(i) Useful lives of property, plant & equipment

The association 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.

(ii) Employee benefits provision

As described in note 1(f), 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.

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(iii) Accruals

The Accruals at reporting date have been reviewed to determine whether there is any objective evidence that any of the accruals are payable. An payable provision is included for any accrual where the entire balance is not considered received. The provision is based on the best information at the reporting date.

(iv) Performance obligations under AASB15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/value, quantity and the period of transfer related to the goods or services promised

(v) Lease term and Option to Extend under AASB16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make. The association determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the association.

(r) Economic Dependence

The association is dependent on Federal and State Government Departments ("Departments") for the majority of its revenue used to operate the business. At the date of this report, the committee has no reason to believe the Departments will not continue to support the association.

NOTE 2: REVENUE AND OTHER INCOME

	2023	2022
	\$	\$
Revenue from contracts with customers:		
Grant income	2,429,551	2,182,346
Rental income	50,362	52,718
Sponsorship income	950	3,870
Sale of services	20,569	2,874
NDIS	<u>1,433,758</u>	<u>1,270,384</u>
	<u>3,935,190</u>	<u>3,512,192</u>
Non-contract Income:		

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Interest received	8,113	1,218
Gain/Losses on disposal of non current assets	10,452	-
Other	9,896	73,261
	<u>28,461</u>	<u>74,479</u>
Total revenue and other income	<u>3,963,651</u>	<u>3,586,671</u>
NOTE 3 - CASH AND CASH EQUIVALENT ASSETS	2023	2022
	\$	\$
Cash at bank - unrestricted	1,022,770	786,755
Cash at bank - restricted	165,297	174,546
Cash on hand	1,143	600
Total cash and cash equivalents	<u>1,189,210</u>	<u>961,901</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>1,189,210</u>	<u>961,901</u>
Cash at bank - restricted		
Cash at bank includes proceeds from the sale of a property under the Associations Act 2003. Permission has been received from the Northern Territory Government for the funds to be retained and used for the ongoing maintenance of the remaining properties.		
NOTE 4 - ACCOUNTS RECEIVABLE AND OTHER DEBTORS	2023	2022
	\$	\$
Current		
Accounts receivable	142,188	186,648
Total accounts receivable and other debtors	<u>142,188</u>	<u>186,648</u>
NOTE 5 - OTHER CURRENT ASSETS	2023	2022
	\$	\$
Prepayments	114,672	109,084
Deposits	-	3,630
Total other current assets	<u>114,672</u>	<u>112,714</u>
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT	2023	2022
	\$	\$
Land at independent valuation	375,000	370,000
Buildings at independent valuation	2,045,000	2,290,000
Less: Accumulated Depreciation	-	(179,605)
	<u>2,045,000</u>	<u>2,110,395</u>
Buildings improvements - at cost	-	38,141
Less: Accumulated Depreciation	-	(3,852)
	<u>-</u>	<u>34,289</u>
Plant and equipment at cost	178,156	167,871
Less: Accumulated Depreciation	(133,909)	(120,917)
	<u>44,247</u>	<u>46,954</u>
Artwork at cost	4,622	3,082
Less: Accumulated Depreciation	-	-
	<u>4,622</u>	<u>3,082</u>
Motor vehicles at cost	116,776	184,763
Less: Accumulated Depreciation	(90,442)	(141,541)
	<u>26,334</u>	<u>43,222</u>
Total Property, plant & equipment	<u>2,495,203</u>	<u>2,607,942</u>
Asset Revaluations - Land & buildings		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

As at 6th April 2023 the freehold land and building and strata title buildings held by the association were valued by independent valuers Herron Todd White and Integrated Valuation Services. The fair value of the freehold land and building were determined to be \$2,420,000. Certain properties held by the Association are subject to the prescribed property provision of the Associations Act 2003 which require permission from the Northern Territory Government before they are sold and sale proceeds may have to be returned to the Northern Territory Government.

At 30 June 2023 the committee members reviewed the key assumptions made by the valuers as at 6th April 2023. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2023.

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 \$	Buildings \$	Building improvements \$	Plant & equipment \$	Art Work \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	370,000	2,110,395	34,289	46,954	3,082	43,222	2,607,942
Transfers & Adjustments	-	-	-	(46)	-	(27)	(73)
Revaluation	5,000	(22,742)	(51,577)	-	-	-	(69,319)
Additions	-	-	23,403	14,448	1,540	-	39,391
Disposals at book value	-	-	-	(746)	-	(6,835)	(7,581)
Depreciation expense	-	(42,653)	(6,115)	(16,363)	-	(10,026)	(75,157)
Carrying Amount at 30 June 2023	375,000	2,045,000	-	44,247	4,622	26,334	2,495,203

NOTE 7 - RIGHT OF USE ASSETS

2023
\$

2022
\$

The association's lease portfolio includes motor vehicles and property.

i) AASB 16 related amounts recognised in the statement of financial position

Leased Motor Vehicle	258,967	51,388
Less: Accumulated Depreciation	(32,139)	(3,426)
	<u>226,828</u>	<u>47,962</u>
Total Right of Use Assets	<u>226,828</u>	<u>47,962</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of right to use asset between the beginning and the end of the current financial year:

	Leased Motor Vehicle \$	
Balance at 1 July 2022	47,962	
Additions	207,579	
Disposals	-	
Depreciation expense	(28,713)	
Carrying Amount at 30 June 2023	<u>226,828</u>	

2023
\$

2022
\$

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

Depreciation charge related to right-of-use assets	28,713	42,380
Interest expense on lease liabilities	6,870	4,574

NOTE 8 - LONG TERM INVESTMENTS

2023
\$

2022
\$

Shares (at cost)	500	500
Total Long Term Investments	<u>500</u>	<u>500</u>

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC
ABN : 91 804 704 259

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 9 - ACCOUNTS PAYABLE AND OTHER PAYABLES

	2023 \$	2022 \$
Current		
Unsecured liabilities:		
Accounts payable and other payables	318,300	305,045
Accrued expenses & clearing accounts	31,155	21,654
Total accounts payable and other payables	<u>349,455</u>	<u>326,699</u>

Collateral Pledged

No collateral has been pledged for any of the accounts payable and other payable balances.

NOTE 10 - EMPLOYEE PROVISIONS

	2023 \$	2022 \$
Current		
Provision for annual leave entitlements	141,426	143,078
Provision for long service leave entitlements	43,520	35,466
	<u>184,946</u>	<u>178,544</u>
Non- Current		
Provision for long service leave entitlements	73,360	66,725
	<u>73,360</u>	<u>66,725</u>
Analysis of total employee provisions		
Opening balance at 1 July 2022	245,269	295,051
Additional provisions	322,516	301,067
Amounts used	(309,479)	(350,849)
Balance at 30 June 2023	<u>258,306</u>	<u>245,269</u>

Employee provisions

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(f).

NOTE 11 - BORROWINGS

	2023 \$	2022 \$
CURRENT		
Secured Loans	-	-
NON-CURRENT		
Secured Loans	4,800	4,278
Total borrowings	<u>4,800</u>	<u>4,278</u>

The bank loans are secured by first mortgages over the Association's freehold land and buildings.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are:

Non-Current		
<i>First Mortgage</i>		
Freehold land and buildings	2,420,000	2,660,000
Total assets pledged as security	<u>2,420,000</u>	<u>2,660,000</u>

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC
ABN : 91 804 704 259

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 12 - LEASE LIABILITIES	2023	2022
	\$	\$
Lease Liability - Current	48,054	9,459
Lease Liability - Non-current	181,739	38,876
Total lease liabilities	229,793	48,335

NOTE 13 - RESERVES

Asset revaluation surplus

The revaluation surplus records revaluations of non-current assets at fair value and independent valuation.

NOTE 14 - RELATED PARTY DISCLOSURES

2023
\$

2022
\$

Board of Management

No member of the committee received remuneration, other than noted in this financial report, from the association in their capacity as a member. No other association that the above members are associated with has received funds other than through dealings with the association in the ordinary course of business and on normal commercial terms and conditions.

Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

Short Term Benefit	254,017	289,543
Post Employment Benefit	26,096	26,011
Total Compensation	280,113	315,554

Other related parties

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

NOTE 15: AUDITOR REMUNERATION

2023
\$

2022
\$

During the financial year the following fees were paid or payable for services provided by Basso

Audit of financial statements	14,500	10,300
Accounting and consulting services	3,369	592
Total services provided by Basso Newman	17,869	10,892

NOTE 16 - CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2023.

NOTE 17 - EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

NOTE 18 - ASSOCIATION DETAILS

The registered office and principal place of business of the association is 14 Lindsay Ave, East Side, NT 0870

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC

STATEMENT BY MEMBERS OF THE COMMITTEE

The members of the committee declare that, in the committee's opinion:

1. The financial statements and notes, as set out on pages 3 to 16, are in accordance with *the Australian Charities and Not-for-profits Commission Act 2012* and:

- a. comply with Australian Accounting Standards - Simplified Disclosures; and
- b. give a true and fair view of the financial position of the Mental Health Association of Central Australia Inc as at 30 June 2023 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the Mental Health Association of Central Australia Inc will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and by resolution of the board:


.....
Board member


.....
Board member

Dated this 8th day of November 2023

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INCORPORATED

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 60-40 AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

**To the board of Mental Health Association of Central Australia
Incorporated**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023,
there have been no contraventions of any applicable code of professional conduct in relation
to the audit.



A handwritten signature in black ink, appearing to read 'T A Basso'.

**T A Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 11th day of November 2023**

Basso Newman Audit Pty Ltd
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INCORPORATED

Opinion

We have audited the financial report of Mental Health Association of Central Australia Incorporated ("the entity") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Mental Health Association of Central Australia Incorporated is in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Act 2003, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards–Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards- Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Act 2003 and for such internal control as management determines 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, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial report process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INCORPORATED**

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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 entity'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 entity 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 our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Trevor Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 11th day of November 2023**