

SANE Australia Limited

ABN 92 006 533 606

Consolidated Financial Statements - 30 June 2020

SANE Australia Limited

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General information

The financial statements cover both SANE Australia Limited as an individual entity and the group consisting of SANE 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 SANE Australia Limited's functional and presentation currency.

SANE 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 are:

Registered office

Level 2
120 Clarendon Street
Southbank, VIC 3006

Principal place of business

Level 2
120 Clarendon Street
Southbank, VIC 3006

A description of the nature of the group'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 26 November 2020. The directors have the power to amend and reissue the financial statements.

SANE Australia Limited
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of SANE 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 2020.

Directors

The following persons were directors of SANE Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Ewan Barron	
Assoc Prof Elizabeth Dax AM	resigned 4 October 2019
Mr Robert Gerrand	
Dr Mark Cross	
Dr Roderick Farmer	
Ms Heather Gray	
Mr Osher Günsberg	resigned 4 November 2019
Mr John Heath	
Ms Lucy Myer	
Ms Margaret O'Donnell AO	resigned 30 July 2020
Mr Cameron Solnordal	
Ms Suchitra Chari	

Group secretary

The following person held the position of group secretary at the end of the financial year:

Dinah Rowe-Roberts

Information on directors

Chair	Ms Lucy Myer B.Comm Partner Success Manager, SEEK Director, Louise and Martyn Myer Foundation
	Ms Margaret O'Donnell AO, FAICD B Social Studies Uni of QLD Director, Breast Cancer Trials Director, Board of Refugee and Immigration Legal Service Resigned: 30 July 2020
Honorary Treasurer:	Mr Ewan Barron BA (Hons), CA Partner, PwC
Other board members:	
Ms Suchitra Chari Accredited Mental Health Social Worker Coach and mentor at Enfold Health Trust, Bengaluru, India	Dr Mark Cross MBChB, MRCPsych (UK), FRANZCP Consultant Psychiatrist, Northside Group, Sydney
Associate Professor Elizabeth Dax, AM; MD, BS; PhD; GIACD Director, Accountability Round Table Ltd. Chair, Cunningham Dax Collection Pty Resigned: 4 October 2019	Dr Roderick Farmer BA/BSc (Hons), PhD Engineering, Masters (Sociology) Digital Expert Associate Partner, McKinsey & Company

SANE Australia Limited
Directors' report
30 June 2020

Mr Robert Gerrand, BA, FAMI, FAICD
 Director, Melbourne Primary Care Network Ltd
 Chair, Director Nexus, Australian Institute of Company Directors

Mr Osher Günsberg
 Presenter, Ten Network Holdings
 Host/Producer, The Osher Günsberg Podcast
 Resigned: 4 November 2019

Ms Heather Gray BA (Hons) LLB (Hons)
 Lead Ombudsman - Superannuation at the Australian
 Financial Complaints Authority
 Director, Mother's Day Classic Foundation

Mr John Heath BA (Hons) LLB
 Chief Executive Officer, SANE Australia
 Chair, Drogmi Health Institute

Mr Cameron Solnordal
 Peer Ambassador, SANE Australia
 Champion for the rebuilding of the Mental Health and Suicide
 Prevention Charter

Meetings of directors

	Director's meetings		Risk management and audit committee meetings		Governance and nominations committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Mark Cross	6	5	-	-	-	-
Dr Rod Farmer	6	3	-	-	-	-
Mr Ewan Barron	6	6	13	13	-	-
Ms Heather Gray	6	6	13	13	6	6
Mr Osher Gunsberg (Resigned 4/11/19)	2	1	-	-	-	-
Mr John Heath	6	6	13	13	6	6
Ms Lucy Myer	6	4	13	12	-	-
Ms Margaret O'Donnell AO (Resigned 30/07/20)	6	6	13	13	6	6
Assoc Prof Elizabeth Dax AM (Resigned 4/10/19)	1	1	-	-	-	-
Mr Rob Gerrand	6	6	-	-	6	6
Mr Cameron Solnordal	6	6	-	-	-	-
Ms Suchitra Chari	6	5	-	-	-	-

During the financial year, six (6) meetings of Directors were held, in addition to thirteen (13) meetings of the Risk Management and Audit Committee, and six (6) meetings of the Governance and Nominations Committee.

Principal activities

The Group's primary objects and activities are to:

- Support - provide information, peer support and counselling services to support people affected by complex mental health issues;
- Research - undertake practical research that drives policy change to produce better social outcomes for Australians affected by complex mental health issues;
- Advocacy - advocate for appropriate services, systems of care and reform that focus on the whole person.

Purpose

Vision

An Australia where people affected by complex mental health issues live long and fulfilling lives, free from stigma and discrimination.

Mission

We make a real difference in the lives of people affected by complex mental health issues through support, research and advocacy.

Strategies

SANE's three year goals are:

Ensure people affected by complex mental health issues get the support, connection and care they need to live long and fulfilling lives

- Deliver evidence-informed, integrated digital mental health services that provide information and support as it's needed
- Advocate for appropriate services, systems of care and reform that focus on the whole person
- Reduce the risk of suicide in adults living in Australia affected by complex mental health issues

Eliminate stigma and discrimination experienced by people affected by complex mental health issues

- Facilitate a better understanding of the impact of self, perceived, public and structural stigma and discrimination
- Reduce self and perceived stigma among our service users, peer ambassadors and within the wider community
- Reduce structural and public stigma and discrimination through advocacy and education to policymakers, media, health professionals and other key audiences

Amplify SANE's role as an effective and respected leader in addressing complex mental health issues

- Partner with people affected by complex mental health issues so that their expertise guides all that we do
- Increase our influence with key decision makers who can help us realise our mission
- Partner with other organisations to increase our reach and effectiveness

Enhance SANE's capacity and capability to make a real difference for people affected by complex mental health issues

- Provide an inspiring workplace which enables our team to meet their personal and professional potential
- Secure funding to ensure our growth and sustainability
- Maximise our impact by planning, measuring and learning

Key performance measures

The Group measures its own performance through the use of both qualitative and quantitative evaluation. These metrics are used by the Board to assess the financial sustainability of the Group, and whether the Group's short and long-term objectives are being met.

Operating results

The consolidated net current year deficit the Group for the year ended 30 June 2020 amounted to \$398,228 (2019 deficit: \$165,149). The current year deficit includes non-cash items such as depreciation and the amortisation of the right to occupy building intangible from the acquisition of The Dax Centre. A reconciliation of the net (deficit)/surplus of the Group and the Company to the underlying operating results are provided in the table below.

SANE Australia Limited
Directors' report
30 June 2020

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue	7,360,776	6,441,015	6,786,254	6,209,888
Expenditure	(7,759,004)	(6,606,164)	(7,198,318)	(6,295,316)
Deficit	<u>(398,228)</u>	<u>(165,149)</u>	<u>(412,064)</u>	<u>(85,428)</u>
Non-cash items				
Amortisation of right to occupy building	142,220	142,220	-	-
Depreciation	<u>90,128</u>	<u>58,124</u>	<u>66,803</u>	<u>36,091</u>
Operating result	<u><u>(165,880)</u></u>	<u><u>35,195</u></u>	<u><u>(345,261)</u></u>	<u><u>(49,337)</u></u>
Impact of new revenue accounting standard				
Revenue adjusted directly to retained earnings	2,474,975	-	2,416,684	-
Less: Revenue included above received for future activity	(978,484)	-	(978,484)	-
Operating result prior to adoption of new accounting standard	<u>1,228,603</u>	<u>35,195</u>	<u>1,092,939</u>	<u>(49,337)</u>

The current year deficit doesn't include the realised loss on the sale of investments of \$18,885. The realised loss on investments has been recognised in the Statement of Changes in Equity as the investments are classified at Fair Value through Other Comprehensive Income in accordance with AASB 9 *Financial Instruments*. The proceeds from the sale of investments were used to fund the strategy of the Company.

Significant changes in state of affairs

There were no significant changes to the state of affairs for the Group during the financial year.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Future developments

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

Environmental issues

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

Indemnifying officers

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2020 the number of members was 10 (2019: 12).

The Group's Constitution provides indemnity for each officer of the Group ('officer' being a Director, Secretary, Treasurer or employee and includes a former officer) out of the assets of the Group to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Group or in or arising out of the discharge of the duties of the officer unless the liability was incurred by the officer through his or her own dishonesty, negligence, lack of good faith or breach of duty.

During the period under review, the Group has paid a premium for an insurance policy for the benefit of those officers. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability and the amount of the premium.

SANE Australia Limited
Directors' report
30 June 2020

Proceedings on behalf of group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Auditor's independence declaration

A copy of the auditor's declaration in relation to the audit for the financial year is provided with this report.

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

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Ewan Barron
Honorary Treasurer

26 November 2020



John Heath
Chief Executive Officer



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Australia

DECLARATION OF INDEPENDENCE BY TIM FAIRCLOUGH TO THE DIRECTORS OF SANE AUSTRALIA LIMITED

As lead auditor of SANE Australia Limited for the year ended 30 June 2020, 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-profit 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 Sane Australia and the entity it controlled during the period.

A handwritten signature in black ink that reads 'Tim Fairclough'. The signature is written in a cursive style with a horizontal line above the first few letters.

Tim Fairclough
Director

BDO Audit Pty Ltd

Melbourne, 26 November 2020

SANE Australia Limited
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated		Company	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue					
Revenue	3	7,360,776	6,441,015	6,786,254	6,209,888
Expenses					
Personnel costs		(4,372,367)	(3,675,024)	(4,000,651)	(3,324,561)
Community awareness and program expenses		(2,260,467)	(1,761,899)	(2,428,998)	(2,197,568)
Fundraising		(53,313)	(93,435)	(53,313)	(93,435)
Auditor's remuneration		(33,500)	(29,000)	(28,500)	(29,000)
Depreciation and amortisation		(90,128)	(58,124)	(66,803)	(36,091)
Office operational		(807,009)	(846,462)	(620,053)	(614,661)
Amortisation of right to occupy building intangible		(142,220)	(142,220)	-	-
Deficit for the year		(398,228)	(165,149)	(412,064)	(85,428)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on revaluation of equity instruments at fair value through other comprehensive income		(139,667)	(2,224)	(139,667)	(2,224)
Other comprehensive income for the year		(139,667)	(2,224)	(139,667)	(2,224)
Total comprehensive income for the year		(537,895)	(167,373)	(551,731)	(87,652)

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

SANE Australia Limited
Statements of financial position
As at 30 June 2020

		Consolidated		Company	
	Note	2020	2019	2020	2019
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	4	3,130,749	2,881,894	3,094,891	2,796,600
Trade and other receivables	5	249,018	159,584	188,228	124,862
Other assets	7	42,390	32,094	42,390	32,094
Total current assets		<u>3,422,157</u>	<u>3,073,572</u>	<u>3,325,509</u>	<u>2,953,556</u>
Non-current assets					
Financial assets	6	1,614,912	1,742,765	1,614,912	1,742,765
Property, plant and equipment	8	53,216	164,366	34,794	129,793
Intangible assets	9	4,945,839	4,963,735	202,716	78,392
Other assets	7	47,232	32,565	47,232	32,565
Total non-current assets		<u>6,661,199</u>	<u>6,903,431</u>	<u>1,899,654</u>	<u>1,983,515</u>
Total assets		<u>10,083,356</u>	<u>9,977,003</u>	<u>5,225,163</u>	<u>4,937,071</u>
Liabilities					
Current liabilities					
Trade and other payables	10	657,398	214,141	938,016	295,155
Provisions	11	248,169	155,253	220,282	130,642
Funds received in advance	12	125,000	2,475,559	125,000	2,417,269
Total current liabilities		<u>1,030,567</u>	<u>2,844,953</u>	<u>1,283,298</u>	<u>2,843,066</u>
Non-current liabilities					
Provisions	11	26,903	43,244	26,151	43,244
Total non-current liabilities		<u>26,903</u>	<u>43,244</u>	<u>26,151</u>	<u>43,244</u>
Total liabilities		<u>1,057,470</u>	<u>2,888,197</u>	<u>1,309,449</u>	<u>2,886,310</u>
Net assets		<u>9,025,886</u>	<u>7,088,806</u>	<u>3,915,714</u>	<u>2,050,761</u>
Equity					
Endowment fund		1,750,000	1,750,000	1,750,000	1,750,000
Investment fluctuation reserve		(85,072)	35,710	(85,072)	35,710
Retained surpluses		7,360,958	5,303,096	2,250,786	265,051
Total equity		<u>9,025,886</u>	<u>7,088,806</u>	<u>3,915,714</u>	<u>2,050,761</u>

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

SANE Australia Limited
Statements of changes in equity
For the year ended 30 June 2020

Consolidated	Investment fluctuation reserve \$	Endowment fund \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	238,679	1,750,000	5,267,500	7,256,179
Deficit for the year	-	-	(165,149)	(165,149)
Other comprehensive income for the year	(2,224)	-	-	(2,224)
Total comprehensive income for the year	(2,224)	-	(165,149)	(167,373)
Realised gain on sale of investments	(200,745)	-	200,745	-
Balance at 30 June 2019	<u>35,710</u>	<u>1,750,000</u>	<u>5,303,096</u>	<u>7,088,806</u>

Consolidated	Investment fluctuation reserve \$	Endowment fund \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	35,710	1,750,000	5,303,096	7,088,806
Adjust for changes in accounting policy (Note 1)	-	-	2,474,975	2,474,975
Balance at 1 July 2019 - restated	35,710	1,750,000	7,778,071	9,563,781
Deficit for the year	-	-	(398,228)	(398,228)
Other comprehensive income for the year	(139,667)	-	-	(139,667)
Total comprehensive income for the year	(139,667)	-	(398,228)	(537,895)
Realised loss on sale of investments	18,885	-	(18,885)	-
Balance at 30 June 2020	<u>(85,072)</u>	<u>1,750,000</u>	<u>7,360,958</u>	<u>9,025,886</u>

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

SANE Australia Limited
Statements of changes in equity
For the year ended 30 June 2020

Company	Investment fluctuation reserve \$	Endowment fund \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	238,679	1,750,000	149,734	2,138,413
Deficit for the year	-	-	(85,428)	(85,428)
Other comprehensive income for the year	(2,224)	-	-	(2,224)
Total comprehensive income for the year	(2,224)	-	(85,428)	(87,652)
Realised gain on sale of investments	(200,745)	-	200,745	-
Balance at 30 June 2019	<u>35,710</u>	<u>1,750,000</u>	<u>265,051</u>	<u>2,050,761</u>

Company	Investment fluctuation reserve \$	Endowment fund \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	35,710	1,750,000	265,051	2,050,761
Adjust for changes in accounting policy (Note 1)	-	-	2,416,684	2,416,684
Balance at 1 July 2019 - restated	35,710	1,750,000	2,681,735	4,467,445
Deficit for the year	-	-	(412,064)	(412,064)
Other comprehensive income for the year	(139,667)	-	-	(139,667)
Total comprehensive income for the year	(139,667)	-	(412,064)	(551,731)
Realised loss on sale of investments	18,885	-	(18,885)	-
Balance at 30 June 2020	<u>(85,072)</u>	<u>1,750,000</u>	<u>2,250,786</u>	<u>3,915,714</u>

The investment fluctuation reserve comprises the cumulative net change in the fair value of the financial assets classified as Fair Value through Other Comprehensive Income until the assets are derecognised or impaired.

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

SANE Australia Limited
Statements of cash flows
For the year ended 30 June 2020

	Note	Consolidated		Company	
		2020 \$	2019 \$	2020 \$	2019 \$
Cash flows from operating activities					
Government grants		5,907,084	4,570,069	5,654,266	4,550,558
Donations, bequests and grants		1,516,826	2,411,263	1,516,826	2,380,081
Interest and dividends		67,303	47,171	67,303	47,149
Other income		170,576	278,363	16,922	150,724
		<u>7,661,789</u>	<u>7,306,866</u>	<u>7,255,317</u>	<u>7,128,512</u>
Payments to employees and suppliers		(7,223,106)	(6,061,630)	(6,774,372)	(5,922,846)
Net cash from operating activities		<u>438,683</u>	<u>1,245,236</u>	<u>480,945</u>	<u>1,205,666</u>
Cash flows from investing activities					
Payments for financial assets		(105,313)	(1,592,058)	(105,313)	(1,592,058)
Payments for property, plant and equipment	8	(19,053)	(51,550)	(11,879)	(51,550)
Payments for intangibles	9	(153,598)	(78,392)	(153,598)	(78,392)
Proceeds from disposal of financial assets		88,136	1,720,607	88,136	1,720,607
Net cash used in investing activities		<u>(189,828)</u>	<u>(1,393)</u>	<u>(182,654)</u>	<u>(1,393)</u>
Cash flows from financing activities					
Net cash from financing activities		-	-	-	-
Net increase in cash and cash equivalents		248,855	1,243,843	298,291	1,204,273
Cash and cash equivalents at the beginning of the financial year		2,881,894	1,638,051	2,796,600	1,592,327
Cash and cash equivalents at the end of the financial year	4	<u>3,130,749</u>	<u>2,881,894</u>	<u>3,094,891</u>	<u>2,796,600</u>

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

Note 1. Significant accounting policies

The financial statements cover SANE Australia, the parent Company, and its acquired entity The Dax Centre Limited (together referred to as the 'Group'). Both entities are incorporated and domiciled in Australia. SANE Australia and its acquired entity are both companies limited by guarantee.

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 group 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.

The following Accounting Standards and Interpretations are most relevant to the group:

AASB 15 Revenue from Contracts with Customers

The group has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

AASB 16 Leases

The group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities

The group has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. The impact on opening accumulated surplus as at 1 July 2019 was:

	Consolidated 1 July 2019 \$	Company 1 July 2019 \$
Deferred income recognised on receipt as required by AASB 15 and AASB 1058	2,474,975	2,416,684

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption as at 1 July 2019 was as follows:

	Consolidated 1 July 2019 \$	Company 1 July 2019 \$
Operating lease commitments as at 1 July 2019 (AASB 117)	214,362	214,362
Short-term assets leases not recognised as a right-of-use asset (AASB 16)	<u>(214,362)</u>	<u>(214,362)</u>
Impact of adoption of AASB 16	<u><u>-</u></u>	<u><u>-</u></u>

Basis of preparation

This reduced disclosure financial report that has been prepared for the sole purpose of complying with the *Australian Charities and Not-For-Profits Commission ('ACNC') Act 2012* requirements to prepare and distribute an audited financial report to the members and must not be used for any other purpose.

The Group is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the ACNC and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods 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 unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. These financial statements are presented in Australian dollars, which is the Group's functional currency. The amounts presented have been rounded to the nearest dollar.

Income tax

As the group 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.

Impairment of non-financial assets

At the end of each reporting period, the entity reviews the carrying values 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 cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Note 1. Significant accounting policies (continued)

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2020.

Economic dependence

The Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report the Group has no reason to believe that this financial support will not continue.

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.

Provision for impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers

Estimation of useful lives of assets

The group 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.

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 3. Revenue

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
Corporate donations	215,635	115,714	215,635	115,714
Trusts and foundations	1,804,550	1,408,889	1,796,550	1,367,707
Education	33,338	71,141	-	-
Bequests	65,000	10,000	50,000	10,000
Individual donations	1,262,663	869,425	1,251,191	835,660
Government grants	3,255,456	3,720,715	2,906,153	3,701,204
Sales of publications	-	1,863	-	1,863
Professional advice	16,560	9,249	16,560	9,249
Interest and dividends	67,303	37,149	67,303	37,149
Sundry income	54,542	196,870	362	131,342
Jobkeeper and cash flow boost	585,729	-	482,500	-
	<u>7,360,776</u>	<u>6,441,015</u>	<u>6,786,254</u>	<u>6,209,888</u>

Accounting policy for revenue recognition

The company recognises revenue as follows:

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

If conditions are attached to the grant which must be satisfied before the company 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.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

Note 4. Cash and cash equivalents

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current assets</i>				
Cash on hand	750	1,502	550	709
Cash at bank	2,129,999	2,880,392	2,094,341	2,795,891
Term deposit	1,000,000	-	1,000,000	-
	<u>3,130,749</u>	<u>2,881,894</u>	<u>3,094,891</u>	<u>2,796,600</u>

There are no restricted cash balances as at 30 June 2020.

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 4. Cash and cash equivalents (continued)

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 5. Trade and other receivables

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current assets</i>				
Trade receivables	249,018	154,582	188,228	119,861
Sundry receivables	-	5,002	-	5,001
	<u>249,018</u>	<u>159,584</u>	<u>188,228</u>	<u>124,862</u>

Accounting policy for trade and other receivables

Accounts receivable and other debtors include amounts due from customers and any outstanding grant receipts. 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. The simplified approach to measuring expected credit losses has been applied which was a lifetime expected credit loss allowance. To measure trade expected credit losses, receivables have been grouped based on days overdue.

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 are generally due for settlement within 30 days.

The group 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 based on days overdue.

Note 6. Financial assets

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Listed shares in listed corporations at market value	891,039	1,070,113	891,039	1,070,113
Unlisted units in managed funds at market value	723,873	672,652	723,873	672,652
	<u>1,614,912</u>	<u>1,742,765</u>	<u>1,614,912</u>	<u>1,742,765</u>

Refer to note 14 for further information on fair value measurement.

Note 6. Financial assets (continued)

Accounting policy for financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement. 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 group 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 other comprehensive income

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

Impairment of financial assets

The group 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 group'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.

The group 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 based on days overdue.

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

Note 7. Other assets

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current assets</i>				
Prepayments	42,390	32,094	42,390	32,094
<i>Non-current assets</i>				
Security deposits - rental	47,232	32,565	47,232	32,565

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 8. Property, plant and equipment

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Leasehold improvements - at cost	297,578	297,578	297,578	297,578
Less: Accumulated depreciation	(297,578)	(234,549)	(297,578)	(234,549)
	<u>-</u>	<u>63,029</u>	<u>-</u>	<u>63,029</u>
Plant and equipment - at cost	404,054	508,281	57,157	161,798
Less: Accumulated depreciation	(350,838)	(406,944)	(22,363)	(95,034)
	<u>53,216</u>	<u>101,337</u>	<u>34,794</u>	<u>66,764</u>
	<u>53,216</u>	<u>164,366</u>	<u>34,794</u>	<u>129,793</u>

Reconciliations

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

Consolidated	Plant and equipment \$	Leasehold improve- ments \$	Total \$
Balance at 1 July 2019	101,337	63,029	164,366
Additions	19,054	-	19,054
Write off of assets	(16,825)	(52,525)	(69,350)
Depreciation expense	(50,350)	(10,504)	(60,854)
Balance at 30 June 2020	<u>53,216</u>	<u>-</u>	<u>53,216</u>
Company	Plant and equipment \$	Leasehold improve- ments \$	Total \$
Balance at 1 July 2019	66,764	63,029	129,793
Additions	11,879	-	11,879
Write off of assets	(16,824)	(52,525)	(69,349)
Depreciation expense	(27,025)	(10,504)	(37,529)
Balance at 30 June 2020	<u>34,794</u>	<u>-</u>	<u>34,794</u>

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Note 8. Property, plant and equipment (continued)

Accounting policy for property, plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

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

Class of fixed asset	Depreciation rate
Plant and equipment	10 - 25%
Leasehold improvements	Term of the lease

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Note 9. Intangible assets

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Non-current assets</i>				
Software - at cost	231,990	78,392	231,990	78,392
Less: Accumulated amortisation	(29,274)	-	(29,274)	-
	<u>202,716</u>	<u>78,392</u>	<u>202,716</u>	<u>78,392</u>
The Dax Centre - at cost	5,063,143	5,063,143	-	-
Less: Accumulated amortisation	(320,020)	(177,800)	-	-
	<u>4,743,123</u>	<u>4,885,343</u>	<u>-</u>	<u>-</u>
	<u><u>4,945,839</u></u>	<u><u>4,963,735</u></u>	<u><u>202,716</u></u>	<u><u>78,392</u></u>

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 9. Intangible assets (continued)

Reconciliations

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

Consolidated	Software \$	The Dax Centre \$	Total \$
Balance at 1 July 2018	-	5,027,563	5,027,563
Additions	78,392	-	78,392
Amortisation expense	-	(142,220)	(142,220)
Balance at 30 June 2019	78,392	4,885,343	4,963,735
Additions	153,598	-	153,598
Amortisation expense	(29,274)	(142,220)	(171,494)
Balance at 30 June 2020	<u>202,716</u>	<u>4,743,123</u>	<u>4,945,839</u>
		Software \$	Total \$
Company			
Balance at 1 July 2018		-	-
Additions		78,392	78,392
Balance at 30 June 2019		78,392	78,392
Additions		153,598	153,598
Amortisation expense		(29,274)	(29,274)
Balance at 30 June 2020		<u>202,716</u>	<u>202,716</u>

The Group has recognised an intangible asset which represents The Dax Centre's right to occupy a portion of the Melbourne Brain Centre Building. The value of this asset was originally determined through the value of the floor space allocated to The Dax Centre as a proportion of the total building construction and fit out cost. Grants and donations to The Dax Centre contributed to the construction of the building. The intangible asset is amortised on a straight line basis over a period of 42 years, being the term of the lease (21 years) and the right to extend the lease for a further period of 21 years, which is expected to be exercised. The land and building is owned by the University of Melbourne and leased to the occupants, including The Dax Centre at a peppercorn rental in recognition of its contribution to initial construction costs. Refer also Note 15.

Note 10. Trade and other payables

	Consolidated		Company	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Current liabilities</i>				
Other accruals and payables	657,398	214,141	626,184	194,969
Intercompany payable	-	-	311,832	100,186
	<u>657,398</u>	<u>214,141</u>	<u>938,016</u>	<u>295,155</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the group 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.

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 11. Provisions

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current liabilities</i>				
Employee benefits	<u>248,169</u>	<u>155,253</u>	<u>220,282</u>	<u>130,642</u>
<i>Non-current liabilities</i>				
Employee benefits	<u>26,903</u>	<u>43,244</u>	<u>26,151</u>	<u>43,244</u>

Accounting policy for employee provisions

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.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured 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 national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

Note 12. Funds received in advance

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Current liabilities</i>				
Government funded	-	1,105,330	-	1,086,130
Non-government funded	<u>125,000</u>	<u>1,370,229</u>	<u>125,000</u>	<u>1,331,139</u>
	<u>125,000</u>	<u>2,475,559</u>	<u>125,000</u>	<u>2,417,269</u>

Accounting policy for funds received in advance

Funds received in advance relates to grants received that contain performance obligations which must be satisfied before the company is eligible to retain the contribution, the grant is recognised in the statement of financial position as a liability until those conditions are satisfied.

Note 13. Remuneration of auditors

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

	Consolidated		Company	
	2020	2019	2020	2019
	\$	\$	\$	\$
<i>Audit services -</i>				
Audit of the financial statements	<u>33,500</u>	<u>29,000</u>	<u>28,500</u>	<u>24,000</u>

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 14. Fair value measurement

Fair value hierarchy

The following tables detail the group's and company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 2020				
<i>Assets</i>				
Investment portfolio	1,380,894	234,018	-	1,614,912
Total assets	<u>1,380,894</u>	<u>234,018</u>	<u>-</u>	<u>1,614,912</u>
Consolidated - 2019				
<i>Assets</i>				
Investment portfolio	1,469,960	272,805	-	1,742,765
Total assets	<u>1,469,960</u>	<u>272,805</u>	<u>-</u>	<u>1,742,765</u>

There were no transfers between levels during the financial year.

Note 15. Commitments

	Consolidated		Company	
	2020 \$	2019 \$	2020 \$	2019 \$
<i>Lease commitments - operating</i>				
Committed at the reporting date but not recognised as liabilities, payable:				
Within one year	22,281	192,081	22,281	192,081
One to five years	-	22,281	-	22,281
More than five years	-	-	-	-
	<u>22,281</u>	<u>214,362</u>	<u>22,281</u>	<u>214,362</u>

Leases recognised primarily relate to leases for the premises in which the Group and Company reside in.

Note 16. Members' guarantee

The parent Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Group is wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the entity. As at 30 June 2020, the number of members was 10 (2019: 12).

The subsidiary entity is a company incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. As at 30 June 2020, the number of members was 1 (2019: 1).

SANE Australia Limited
Notes to the financial statements
30 June 2020

Note 17. Related party transactions

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Other than the Chief Executive Officer no director has received compensation during the years ended 30 June 2020 and 30 June 2019, other than for guest speaking appearances.

	2020	2019
	\$	\$
Aggregate compensation	<u>249,987</u>	<u>251,227</u>

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 18. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

SANE Australia Limited
Directors' declaration
30 June 2020

In the directors' opinion:

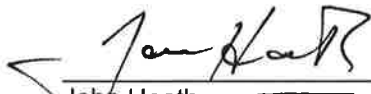
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's and group's financial position as at 30 June 2020 and of their 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 directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ewan Barron
Honorary Treasurer



John Heath
Chief Executive Officer

26 November 2020

INDEPENDENT AUDITOR'S REPORT

To the members of SANE Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SANE Australia (the registered entity), which comprises the consolidated statement of financial position as at 30 June 2020, 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 a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of SANE Australia, 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 registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity 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

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in 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 - Reduced Disclosure Requirements 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 registered 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 the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity'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/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink that reads 'BDO' on the top line and 'Tim Fairclough' on the bottom line.

Tim Fairclough
Director

Melbourne, 26 November 2020