

SANE Australia Limited

ABN 92 006 533 606

Consolidated Financial Statements - 30 June 2021

SANE Australia Limited

Contents

30 June 2021

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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 is:

700 Swanston Street
Carlton, VIC, 3053

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 17 November 2021. The directors have the power to amend and reissue the financial statements.

SANE Australia Limited
Directors' report
30 June 2021

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 2021.

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 | |
| Mr Robert Gerrand | |
| Dr Mark Cross | |
| Dr Roderick Farmer | |
| Ms Heather Gray | |
| Mr John Heath | resigned 31 December 2020 |
| Ms Lucy Myer | |
| Ms Margaret O'Donnell AO | resigned 30 July 2020 |
| Mr Cameron Solnordal | |
| Ms Suchitra Chari | |
| Mr Craig Connelly | appointed 5 February 2021 |
| Ms Rachel Green | appointed 11 January 2021 |

Group secretary

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

Rachel Green

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 |
| Mr John Heath BA (Hons) LLB Chief Executive Officer, SANE Australia Chair, Drogmi Health Institute | Dr Roderick Farmer BA/BSc (Hons), PhD Engineering, Masters (Sociology) Digital Expert Associate Partner, McKinsey & Company |

SANE Australia Limited
Directors' report
30 June 2021

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

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

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

Craig Connelly, FFIN and FCA
 CEO, The Ian Potter Foundation, The George Alexander
 Foundation and The Ian Potter Cultural Trust
 Trustee, National Parks Conservation Trust
 Member, Australian Water & Catchment Centre

Rachel Green
 Chief Executive Officer, SANE Australia
 Chair, SANDS - Miscarriage Stillbirth Newborn Death
 Support

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 | 8 | 7 | - | - | - | - |
| Dr Rod Farmer | 8 | 6 | - | - | - | - |
| Mr Ewan Barron | 8 | 8 | 4 | 4 | - | - |
| Ms Heather Gray | 7 | 8 | 4 | 4 | 5 | 5 |
| Mr John Heath | 5 | 5 | 3 | 2 | 3 | 2 |
| Ms Lucy Myer | 8 | 8 | 4 | 4 | 5 | 5 |
| Mr Rob Gerrand | 8 | 8 | - | - | 5 | 5 |
| Mr Cameron Solnordal | 8 | 8 | - | - | - | - |
| Ms Suchitra Chari | 8 | 8 | - | - | - | - |
| Mr Craig Connelly | 3 | 2 | - | - | - | - |
| Ms Rachel Green | 3 | 3 | 1 | 1 | 2 | 2 |
| Ms Margaret O'Donnell | 1 | 1 | 1 | 1 | - | - |

During the financial year, eight (8) meetings of Directors were held, in addition to four (4) meetings of the Risk Management and Audit Committee, and five (5) 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 surplus for the year ended 30 June 2021 amounted to \$1,908,990 (2020 deficit: \$398,228). The current year surplus 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 surplus of the Group and the Company to the underlying operating results are provided in the table below.

| | Consolidated | | Company | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Revenue | 10,119,854 | 7,354,037 | 9,668,139 | 6,779,515 |
| Expenditure | (8,210,864) | (7,759,004) | (7,531,748) | (7,198,318) |
| Surplus | <u>1,908,990</u> | <u>(404,967)</u> | <u>2,136,391</u> | <u>(418,803)</u> |
| Non-cash items | | | | |
| Amortisation of right to occupy building | 142,220 | 142,220 | - | - |
| Depreciation | <u>236,569</u> | <u>90,128</u> | <u>222,093</u> | <u>66,803</u> |
| Operating result | <u><u>2,287,779</u></u> | <u><u>(172,619)</u></u> | <u><u>2,358,484</u></u> | <u><u>(352,000)</u></u> |

Revenue includes \$2.5m tied funding brought forward and \$1.4m of COVID related funding to support the organisation and the increased demand for services.

Significant changes in state of affairs

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

SANE Australia Limited
Directors' report
30 June 2021

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 with the receipt of Jobkeeper and Cashflow Boost to 30 June 2021, 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 2021 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 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.

Auditor's independence declaration

This report is made in accordance with a resolution of directors, pursuant to Australian Charities and Not-for-profit Commission Act 2012. A copy of the auditor's independence declaration as required under the Australian Charities and Not-for-profit Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.



Ewan Barron
Honorary Treasurer

17 November 2021



Rachel Green
Chief Executive Officer

17 November 2021

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

As lead auditor of SANE Australia Limited for the year ended 30 June 2021, 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.



Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 17 November 2021

SANE Australia Limited
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2021

| | Note | Consolidated | | Company | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Revenue | | | | | |
| Revenue | 3 | 10,111,542 | 7,354,037 | 9,668,139 | 6,779,515 |
| Interest revenue calculated using the effective interest method | | 8,312 | 6,739 | 8,312 | 6,739 |
| Expenses | | | | | |
| Personnel costs | | (4,951,484) | (4,372,367) | (4,657,939) | (4,000,651) |
| Community awareness and program expenses | | (1,967,346) | (2,260,467) | (1,941,945) | (2,428,998) |
| Fundraising | | (21,523) | (53,313) | (21,523) | (53,313) |
| Depreciation and amortisation | | (365,248) | (232,348) | (208,552) | (66,803) |
| Office operational | | (905,263) | (840,509) | (701,789) | (648,553) |
| Surplus/(deficit) for the year | | 1,908,990 | (398,228) | 2,144,703 | (412,064) |
| Other comprehensive income | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Gain/(loss) on the revaluation of financial assets at fair value through other comprehensive income | | 228,468 | (139,667) | 228,468 | (139,667) |
| Other comprehensive income for the year | | 228,468 | (139,667) | 228,468 | (139,667) |
| Total comprehensive income for the year | | <u>2,137,458</u> | <u>(537,895)</u> | <u>2,373,171</u> | <u>(551,731)</u> |

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 2021

| | Note | Consolidated | | Company | |
|--------------------------------------|------|-------------------|-------------------|------------------|------------------|
| | | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 3,460,100 | 3,130,749 | 3,413,115 | 3,094,891 |
| Trade and other receivables | 6 | 189,435 | 249,018 | 185,165 | 188,228 |
| Other financial assets | 7 | 1,000,000 | - | 1,000,000 | - |
| Other assets | 9 | 23,868 | 42,390 | 23,868 | 42,390 |
| Total current assets | | <u>4,673,403</u> | <u>3,422,157</u> | <u>4,622,148</u> | <u>3,325,509</u> |
| Non-current assets | | | | | |
| Other financial assets | 7 | 1,882,752 | 1,614,912 | 1,882,752 | 1,614,912 |
| Property, plant and equipment | 10 | 623,951 | 53,216 | 620,005 | 34,794 |
| Right-of-use assets | 8 | 1,476,787 | - | 1,476,787 | - |
| Intangible assets | 11 | 4,928,059 | 4,945,839 | 327,156 | 202,716 |
| Other assets | 9 | 174,700 | 47,232 | 174,700 | 47,232 |
| Total non-current assets | | <u>9,086,249</u> | <u>6,661,199</u> | <u>4,481,400</u> | <u>1,899,654</u> |
| Total assets | | <u>13,759,652</u> | <u>10,083,356</u> | <u>9,103,548</u> | <u>5,225,163</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 12 | 758,187 | 657,398 | 1,105,017 | 938,016 |
| Lease liabilities | 13 | 102,460 | - | 102,460 | - |
| Employee benefits | 14 | 233,131 | 248,169 | 206,180 | 220,282 |
| Funds received in advance | 15 | 95,484 | 125,000 | - | 125,000 |
| Total current liabilities | | <u>1,189,262</u> | <u>1,030,567</u> | <u>1,413,657</u> | <u>1,283,298</u> |
| Non-current liabilities | | | | | |
| Lease liabilities | 13 | 1,380,134 | - | 1,380,134 | - |
| Employee benefits | 14 | 26,912 | 26,903 | 20,872 | 26,151 |
| Total non-current liabilities | | <u>1,407,046</u> | <u>26,903</u> | <u>1,401,006</u> | <u>26,151</u> |
| Total liabilities | | <u>2,596,308</u> | <u>1,057,470</u> | <u>2,814,663</u> | <u>1,309,449</u> |
| Net assets | | <u>11,163,344</u> | <u>9,025,886</u> | <u>6,288,885</u> | <u>3,915,714</u> |
| Equity | | | | | |
| Endowment fund | | 1,750,000 | 1,750,000 | 1,750,000 | 1,750,000 |
| Investment fluctuation reserve | | 132,358 | (85,072) | 132,358 | (85,072) |
| Retained surpluses | | 9,280,986 | 7,360,958 | 4,406,527 | 2,250,786 |
| Total equity | | <u>11,163,344</u> | <u>9,025,886</u> | <u>6,288,885</u> | <u>3,915,714</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 2021

| Consolidated | Investment fluctuation reserve \$ | Endowment fund \$ | Retained profits \$ | Total equity \$ |
|---|--|----------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2019 | 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) |
| Transfer to/(from) reserves realised loss on sale of investments at FVOCI | 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> |

| Consolidated | Investment fluctuation reserve \$ | Endowment fund \$ | Retained profits \$ | Total equity \$ |
|---|--|----------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2020 | (85,072) | 1,750,000 | 7,360,958 | 9,025,886 |
| Surplus for the year | - | - | 1,908,990 | 1,908,990 |
| Other comprehensive income for the year | 228,468 | - | - | 228,468 |
| Total comprehensive income for the year | 228,468 | - | 1,908,990 | 2,137,458 |
| Transfer to/(from) reserved realised gain on investments at FVOCI | (11,038) | - | 11,038 | - |
| Balance at 30 June 2021 | <u>132,358</u> | <u>1,750,000</u> | <u>9,280,986</u> | <u>11,163,344</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.

SANE Australia Limited
Statements of changes in equity
For the year ended 30 June 2021

| Company | Investment fluctuation reserve \$ | Endowment fund \$ | Retained profits \$ | Total equity \$ |
|---|--|----------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2019 | 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> |

| Company | Investment fluctuation reserve \$ | Endowment fund \$ | Retained profits \$ | Total equity \$ |
|---|--|----------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2020 | (85,072) | 1,750,000 | 2,250,786 | 3,915,714 |
| Surplus for the year | - | - | 2,144,703 | 2,144,703 |
| Other comprehensive income for the year | 228,468 | - | - | 228,468 |
| Total comprehensive income for the year | 228,468 | - | 2,144,703 | 2,373,171 |
| Transfer to/(from) reserves Realised gain on investments at FVOCI | (11,038) | - | 11,038 | - |
| Balance at 30 June 2021 | <u>132,358</u> | <u>1,750,000</u> | <u>4,406,527</u> | <u>6,288,885</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 2021

| | Note | Consolidated | | Company | |
|--|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | | |
| Government grants | | 3,541,169 | 5,907,084 | 3,299,922 | 5,654,266 |
| Donations, bequests and grants | | 5,945,098 | 1,516,826 | 5,851,384 | 1,516,826 |
| Interest and dividends | | 70,440 | 67,303 | 70,440 | 67,303 |
| Other income | | 625,989 | 170,576 | 461,026 | 16,922 |
| Interest and other finance costs paid | | (4,875) | - | (4,875) | - |
| Payments to suppliers and employees | | (7,906,698) | (7,223,106) | (7,473,540) | (6,774,372) |
| Net cash from operating activities | | <u>2,271,123</u> | <u>438,683</u> | <u>2,204,357</u> | <u>480,945</u> |
| Cash flows from investing activities | | | | | |
| Payments for financial assets | | (67,308) | (105,313) | (67,308) | (105,313) |
| Payments for property, plant and equipment | 10 | (613,410) | (19,053) | (613,410) | (11,879) |
| Payments for intangibles | 11 | (292,481) | (153,598) | (292,481) | (153,598) |
| Investment in financial assets at amortised cost | | (1,000,000) | - | (1,000,000) | - |
| Proceeds from disposal of financial assets | | 37,933 | 88,136 | 37,933 | 88,136 |
| Net cash used in investing activities | | <u>(1,935,266)</u> | <u>(189,828)</u> | <u>(1,935,266)</u> | <u>(182,654)</u> |
| Cash flows from financing activities | | | | | |
| Receipt from related party borrowings | | - | - | 55,639 | - |
| Payments for right-of-use | | (6,506) | - | (6,506) | - |
| Net cash from/(used in) financing activities | | <u>(6,506)</u> | <u>-</u> | <u>49,133</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | 329,351 | 248,855 | 318,224 | 298,291 |
| Cash and cash equivalents at the beginning of the financial year | | 3,130,749 | 2,881,894 | 3,094,891 | 2,796,600 |
| Cash and cash equivalents at the end of the financial year | 5 | <u><u>3,460,100</u></u> | <u><u>3,130,749</u></u> | <u><u>3,413,115</u></u> | <u><u>3,094,891</u></u> |

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

SANE Australia Limited
Notes to the financial statements
30 June 2021

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.

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 Australian Accounting Standards Reduced Disclosure Requirements 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.

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.

Note 1. Significant accounting policies (continued)

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 2021.

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.

Lease term

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

Incremental borrowing rate

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

SANE Australia Limited
Notes to the financial statements
30 June 2021

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

Employee benefits provision

As discussed in note 14, 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.

Note 3. Revenue

| | Consolidated | | Company | |
|-------------------------------|-------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Corporate donations | 172,092 | 215,635 | 172,092 | 215,635 |
| Trusts and foundations (i) | 4,416,343 | 1,804,550 | 4,400,915 | 1,796,550 |
| Education | 10,226 | 33,338 | 599 | - |
| Bequests | 1,393 | 65,000 | 1,393 | 50,000 |
| Individual donations | 1,103,724 | 1,262,663 | 1,091,586 | 1,251,191 |
| Government grants | 2,711,169 | 3,255,456 | 2,469,922 | 2,906,153 |
| Professional advice | 26,849 | 16,560 | 26,849 | 16,560 |
| Interest and dividends | 57,253 | 60,564 | 57,253 | 60,564 |
| Sundry income | 59,298 | 54,542 | 18,630 | 362 |
| Jobkeeper and cash flow boost | 723,195 | 585,729 | 598,900 | 482,500 |
| COVID Government Support | 830,000 | - | 830,000 | - |
| | <u>10,111,542</u> | <u>7,354,037</u> | <u>9,668,139</u> | <u>6,779,515</u> |

(i) Includes \$2.5m of funding received upon early payout of a multi-period grant.

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.

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).

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 4. Expenses

| | Consolidated | | Company | |
|---|---------------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Surplus/(deficit) includes the following specific expenses: | | | | |
| <i>Depreciation</i> | | | | |
| Leasehold improvements | 7,608 | 16,938 | 7,608 | 16,938 |
| Plant and equipment | 35,066 | 43,916 | 20,590 | 20,591 |
| Buildings right-of-use assets | 12,313 | - | 12,313 | - |
| Total depreciation | 54,987 | 60,854 | 40,511 | 37,529 |
| <i>Amortisation</i> | | | | |
| Software | 168,041 | 29,274 | 168,041 | 29,274 |
| The Dax Centre | 142,220 | 142,220 | - | - |
| Total amortisation | 310,261 | 171,494 | 168,041 | 29,274 |
| Total depreciation and amortisation | 365,248 | 232,348 | 208,552 | 66,803 |

Note 5. Cash and cash equivalents

| | Consolidated | | Company | |
|-----------------------|---------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current assets</i> | | | | |
| Cash on hand | 697 | 750 | 497 | 550 |
| Cash at bank | 3,459,403 | 2,129,999 | 3,412,618 | 2,094,341 |
| Term deposit | - | 1,000,000 | - | 1,000,000 |
| | <u>3,460,100</u> | <u>3,130,749</u> | <u>3,413,115</u> | <u>3,094,891</u> |

There are no restricted cash balances as at 30 June 2021.

Accounting policy for cash and cash equivalents

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

Note 6. Trade and other receivables

| | Consolidated | | Company | |
|-----------------------------|---------------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current assets</i> | | | | |
| Trade and other receivables | 189,435 | 249,018 | 185,165 | 188,228 |

Accounting policy for trade and other receivables

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

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 7. Other financial assets

| | Consolidated | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current assets</i> | | | | |
| Financial assets at amortised cost | 1,000,000 | - | 1,000,000 | - |
| <i>Non-current assets</i> | | | | |
| Listed shares in listed corporations at market value | 629,320 | 891,039 | 629,320 | 891,039 |
| Unlisted units in managed funds at market value | 1,253,432 | 723,873 | 1,253,432 | 723,873 |
| | <u>1,882,752</u> | <u>1,614,912</u> | <u>1,882,752</u> | <u>1,614,912</u> |

Refer to note 17 for further information on fair value measurement.

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.

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.

Note 8. Right-of-use assets

| | Consolidated | | Company | |
|-----------------------------------|------------------|----------|------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Non-current assets</i> | | | | |
| Land and buildings - right-of-use | 1,489,100 | - | 1,489,100 | - |
| Less: Accumulated depreciation | (12,313) | - | (12,313) | - |
| | <u>1,476,787</u> | <u>-</u> | <u>1,476,787</u> | <u>-</u> |

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 8. Right-of-use assets (continued)

Accounting policy for right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group 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 group 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.

Note 9. Other assets

| | Consolidated | | Company | |
|----------------------------|--------------|--------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current assets</i> | | | | |
| Prepayments | 23,868 | 42,390 | 23,868 | 42,390 |
| <i>Non-current assets</i> | | | | |
| Security deposits - rental | 174,700 | 47,232 | 174,700 | 47,232 |

Note 10. Property, plant and equipment

| | Consolidated | | Company | |
|----------------------------------|--------------|-----------|----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Non-current assets</i> | | | | |
| Leasehold improvements - at cost | 587,411 | 297,578 | 587,411 | 297,578 |
| Less: Accumulated depreciation | (7,608) | (297,578) | (7,608) | (297,578) |
| | 579,803 | - | 579,803 | - |
| Plant and equipment - at cost | 430,053 | 404,054 | 83,156 | 57,157 |
| Less: Accumulated depreciation | (385,905) | (350,838) | (42,954) | (22,363) |
| | 44,148 | 53,216 | 40,202 | 34,794 |
| | 623,951 | 53,216 | 620,005 | 34,794 |

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 10. Property, plant and equipment (continued)

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 2020 | 53,216 | - | 53,216 |
| Additions | 48,363 | 587,411 | 635,774 |
| Disposals | (22,364) | - | (22,364) |
| Depreciation expense | (35,067) | (7,608) | (42,675) |
| Balance at 30 June 2021 | <u>44,148</u> | <u>579,803</u> | <u>623,951</u> |

| Company | Plant and equipment \$ | Leasehold improve- ments \$ | Total \$ |
|-------------------------|---------------------------------------|--|---------------------|
| Balance at 1 July 2020 | 34,794 | - | 34,794 |
| Additions | 48,363 | 587,411 | 635,774 |
| Disposals | (22,364) | - | (22,364) |
| Depreciation expense | (20,591) | (7,608) | (28,199) |
| Balance at 30 June 2021 | <u>40,202</u> | <u>579,803</u> | <u>620,005</u> |

Accounting policy for property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment 10 - 25%

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

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

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

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 11. Intangible assets

| | Consolidated | | Company | |
|--------------------------------|------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Non-current assets</i> | | | | |
| Software - at cost | 524,471 | 231,990 | 524,471 | 231,990 |
| Less: Accumulated amortisation | (197,315) | (29,274) | (197,315) | (29,274) |
| | <u>327,156</u> | <u>202,716</u> | <u>327,156</u> | <u>202,716</u> |
| | | | | |
| The Dax Centre - at cost | 5,063,143 | 5,063,143 | - | - |
| Less: Accumulated amortisation | (462,240) | (320,020) | - | - |
| | <u>4,600,903</u> | <u>4,743,123</u> | <u>-</u> | <u>-</u> |
| | <u>4,928,059</u> | <u>4,945,839</u> | <u>327,156</u> | <u>202,716</u> |

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 | Total |
|-------------------------|----------------|------------------|------------------|
| | \$ | Centre | \$ |
| Balance at 1 July 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 | 202,716 | 4,743,123 | 4,945,839 |
| Additions | 292,481 | - | 292,481 |
| Amortisation expense | (168,041) | (142,220) | (310,261) |
| Balance at 30 June 2021 | <u>327,156</u> | <u>4,600,903</u> | <u>4,928,059</u> |
| | | | |
| Company | Software | Total | |
| | \$ | \$ | |
| Balance at 1 July 2019 | 78,392 | 78,392 | |
| Additions | 153,598 | 153,598 | |
| Amortisation expense | (29,274) | (29,274) | |
| Balance at 30 June 2020 | 202,716 | 202,716 | |
| Additions | 292,481 | 292,481 | |
| Amortisation expense | (168,041) | (168,041) | |
| Balance at 30 June 2021 | <u>327,156</u> | <u>327,156</u> | |

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 11. Intangible assets (continued)

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.

Note 12. Trade and other payables

| | Consolidated | | Company | |
|-----------------------------|---------------------|----------------|------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current liabilities</i> | | | | |
| Other accruals and payables | 758,187 | 657,398 | 737,546 | 626,184 |
| Intercompany payable | - | - | 367,471 | 311,832 |
| | <u>758,187</u> | <u>657,398</u> | <u>1,105,017</u> | <u>938,016</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.

Note 13. Lease liabilities

| | Consolidated | | Company | |
|--------------------------------|---------------------|-------------|------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current liabilities</i> | | | | |
| Lease liability | <u>102,460</u> | <u>-</u> | <u>102,460</u> | <u>-</u> |
| <i>Non-current liabilities</i> | | | | |
| Lease liability | <u>1,380,134</u> | <u>-</u> | <u>1,380,134</u> | <u>-</u> |

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group'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.

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 14. Employee benefits

| | Consolidated | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current liabilities</i> | | | | |
| Employee benefits | <u>233,131</u> | <u>248,169</u> | <u>206,180</u> | <u>220,282</u> |
| <i>Non-current liabilities</i> | | | | |
| Employee benefits | <u>26,912</u> | <u>26,903</u> | <u>20,872</u> | <u>26,151</u> |

Accounting policy for employee benefits

Short-term employee benefits

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

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 15. Funds received in advance

| | Consolidated | | Company | |
|----------------------------|---------------|----------------|----------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Current liabilities</i> | | | | |
| Non-government funded | <u>95,484</u> | <u>125,000</u> | <u>-</u> | <u>125,000</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 16. 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 | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <i>Audit services -</i> | | | | |
| Audit of the financial statements | <u>32,500</u> | <u>33,500</u> | <u>27,000</u> | <u>28,500</u> |
| <i>Other services -</i> | | | | |
| Preparation of financial statements | <u>4,500</u> | <u>4,000</u> | <u>3,500</u> | <u>3,000</u> |
| | <u>37,000</u> | <u>37,500</u> | <u>30,500</u> | <u>31,500</u> |

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 17. 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

| Consolidated - 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|----------------------------|----------------------|----------------------|----------------------|--------------------|
| <i>Assets</i> | | | | |
| Investment portfolio | 629,320 | 1,253,432 | - | 1,882,752 |
| Total assets | <u>629,320</u> | <u>1,253,432</u> | <u>-</u> | <u>1,882,752</u> |
| | | | | |
| Consolidated - 2020 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| <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> |

There were no transfers between levels during the financial year.

Accounting policy for fair value measurement

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.

Note 18. 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 2021, the number of members was 10 (2020: 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 2021, the number of members was 1 (2020: 1).

Note 19. 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 2021 and 30 June 2020, other than for guest speaking appearances.

SANE Australia Limited
Notes to the financial statements
30 June 2021

Note 19. Related party transactions (continued)

| | 2021 | 2019 |
|------------------------|----------------|----------------|
| | \$ | \$ |
| Aggregate compensation | <u>287,374</u> | <u>249,987</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 20. 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 with the receipt of Jokkeeper and Cashflow Boost up to 30 June 2021, 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 2021 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 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's and group's financial position as at 30 June 2021 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.



Ewan Barron
Honorary Treasurer

17 November 2021



Rachel Green
Chief Executive Officer

17 November 2021

INDEPENDENT AUDITOR'S REPORT

To the members of SANE Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SANE Australia Limited (the registered entity) and its controlled entity (the Group), which comprises the statements of financial position as at 30 June 2021, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of 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 Group's financial position as at 30 June 2021 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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

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

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

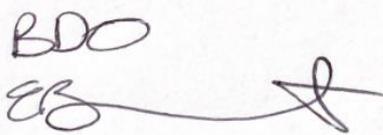
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Elizabeth Blunt
Director

Melbourne, 17 November 2021