Help, hope and purpose

Mind Australia Limited and controlled entities

Consolidated Financial Statements

For the year ended 30 June 2022

ABN 22 005 063 589

Mind Australia Limited and controlled entities
Contents
30 June 2022

General information

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

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

Mind Australia Limited
86-92 Mount Street
Heidelberg VIC 3084

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2022. The directors have the power to amend and reissue the financial statements.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated company') consisting of Mind Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

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

Name	Experience	Responsibilities
M.J. Field (Resigned 29 November 2021)	Chartered Accountant	Chair
C. Gibbs (Resigned 29 November 2021)	Senior Executive	Deputy Chair
A. Fels	Professor	Chair
R. Picker (Appointed 1 February 2022)	Chartered Accountant	Deputy Chair
J. Coggin	Senior Executive	Director
L. Darwin (Appointed 2 December 2021)	Senior Executive	Director
T. Fels	Barrister and Solicitor	Director
A. Ford (Resigned 29 November 2021)	Certified Practising Accountant	Director
E. Jayakody	Mental Health Advocate (consumer perspective)	Director
R. Vine	Psychiatrist	Director

Principal activities

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

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

Operating results

The consolidated company's operating surplus for the financial year ended 30 June 2022 was $9,282,768 (2021: $8,325,808).

Dividends paid or recommended

Mind Australia Limited is a company limited by guarantee and is not permitted to pay dividends.

Review of operations

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

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

Future developments and results

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

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the consolidated company during the year.

Environmental issues

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

Mind Australia Limited and controlled entities
Directors' report
30 June 2022

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Directors' Meetings Held	Attended	Finance, Audit & Risk (FAaR) Committee Held	Attended	Governance and Nominations (GAN) Committee Held	Attended
M.J. Field (Chair)	5	5	3	3	2	2
C.Gibbs (Deputy Chair)	5	5	-	-	2	2
A. Fels (Chair)	10	10	7	6	4	3
R. Picker (Deputy Chair)	5	4	4	4	-	-
J. Coggin	10	9	4	4	4	4
L. Darwin	5	5	-	-	-	-
T. Fels	10	10	7	5	-	-
A. Ford	5	5	3	3	2	2
E. Jayakody	10	9	-	-	2	2
R. Vine	10	8	-	-	2	2

	Program Practice and Quality (PPaQ) Committee Held	Attended	Culture People and Remuneration (CPaR) Committee Held	Attended
M.J. Field (Chair)	2	2	2	2
C.Gibbs (Deputy Chair)	2	2	2	2
A. Fels (Chair)	2	1	1	1
R. Picker (Deputy Chair)	2	1	-	-
J. Coggin	-	-	3	3
L. Darwin	2	2	-	-
T. Fels	2	2	3	3
A. Ford	-	-	-	-
E. Jayakody	2	2	1	1
R. Vine	4	4	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Indemnification and insurance of officers and auditors
During the financial year the consolidated company insured the directors of the consolidated company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director other than conduct involving wilful breach of duty in relation to Mind Australia Limited or its controlled entities.

Otherwise, no indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of Mind Australia Limited or its controlled entities.

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

The total amount that members of the consolidated company are liable to contribute if the consolidated company is wound up is $180, based on 18 current members.

Events after the reporting period
No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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

On behalf of the directors

A. Fels

R. Picker

29 September 2022

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DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF MIND AUSTRALIA LIMITED AND CONTROLLED ENTITIES

As lead auditor of Mind Australia Limited for the year ended 30 June 2022, 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 Mind Australia Limited and the entities it controlled during the period.

James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 29 September 2022

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Mind Australia Limited and controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Revenue	3	110,509,252	100,140,906
Other income	4	910,163	1,453,678
Total revenue		111,419,415	101,594,584
Expenses			
Administrative and other expenses	5	(2,705,534)	(2,299,677)
Employee benefits expense		(86,080,926)	(77,544,924)
Depreciation and amortisation expense	6	(4,193,649)	(4,735,191)
Impairment of assets		(1,280,518)	-
Property expenses		(3,295,505)	(4,127,460)
Client expenses		(1,140,891)	(1,009,069)
Information technology and communication expenses		(2,309,731)	(2,483,547)
Motor vehicle and travel expenses		(911,515)	(936,070)
Finance costs	6	(218,378)	(132,838)
Total expenses		(102,136,647)	(93,268,776)
Surplus for the year	21	9,282,768	8,325,808
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on equity instruments at fair value through other comprehensive income		(598,473)	643,616
Items that may be reclassified subsequently to profit or loss			
Gain/(loss) on debt instruments at fair value through other comprehensive income		-	8,215
Other comprehensive income for the year		(598,473)	651,831
Total comprehensive income for the year		8,684,295	8,977,639

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

Mind Australia Limited and controlled entities
Consolidated statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	7	9,537,346	9,751,184
Trade and other receivables	8	5,827,516	6,245,756
Other financial assets	9	10,942,305	12,877,494
		26,307,167	28,874,434
Current assets classified as held for sale	11	-	503,020
Total current assets		26,307,167	29,377,454
Non-current assets			
Trade and other receivables	8	887,294	-
Property, plant and equipment	12	52,897,782	40,194,629
Right-of-use assets	10	1,550,217	2,373,241
Intangibles	13	2,776,827	4,014,730
Total non-current assets		58,112,120	46,582,600
Total assets		84,419,287	75,960,054
Liabilities			
Current liabilities			
Trade and other payables	14	4,925,077	6,344,958
Contract liabilities	15	7,720,075	7,997,551
Borrowings	16	3,800,000	1,640,000
Lease liabilities	17	1,061,006	1,429,051
Employee benefits	18	6,611,460	6,103,896
Provisions	19	257,704	310,000
Total current liabilities		24,375,322	23,825,456
Non-current liabilities			
Borrowings	16	2,700,000	2,734,538
Lease liabilities	17	833,036	1,587,789
Employee benefits	18	1,384,269	1,369,906
Total non-current liabilities		4,917,305	5,692,233
Total liabilities		29,292,627	29,517,689
Net assets		55,126,660	46,442,365
Equity			
Reserves	20	22,970,947	23,442,925
Retained surpluses	21	32,155,713	22,999,440
Total equity		55,126,660	46,442,365

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

Mind Australia Limited and controlled entities
Consolidated statement of changes in equity
For the year ended 30 June 2022

Consolidated	**Asset revaluation reserve $**	**General reserve $**	**Fair value through OCI reserve $**	**Retained surpluses $**	**Total equity $**
Balance at 1 July 2020	9,138,577	13,655,440	257,190	14,413,519	37,464,726
Surplus for the year	-	-	-	8,325,808	8,325,808
Other comprehensive income for the year	-	-	651,831	-	651,831
Total comprehensive income for the year	-	-	651,831	8,325,808	8,977,639
Transfers in/(out) of reserve accounts	-	-	(260,113)	260,113	-
Balance at 30 June 2021	9,138,577	13,655,440	648,908	22,999,440	46,442,365

Consolidated	**Asset revaluation reserve $**	**General reserve $**	**Fair value through OCI reserve $**	**Retained surpluses $**	**Total equity $**
Balance at 1 July 2021	9,138,577	13,655,440	648,908	22,999,440	46,442,365
Surplus for the year	-	-	-	9,282,768	9,282,768
Other comprehensive income for the year	-	-	(598,473)	-	(598,473)
Total comprehensive income for the year	-	-	(598,473)	9,282,768	8,684,295
Transfers in/(out) of reserve accounts	-	-	126,495	(126,495)	-
Balance at 30 June 2022	9,138,577	13,655,440	176,930	32,155,713	55,126,660

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

Mind Australia Limited and controlled entities
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Cash flows from operating activities			
Receipts from customers		109,433,410	99,012,013
Payments to suppliers and employees		(107,227,789)	(97,376,216)
Receipts from capital grants		10,034,465	10,346,360
Net cash from operating activities		12,240,086	11,982,157
Cash flows from investing activities			
Payments for property, plant and equipment		(15,582,138)	(16,039,583)
Payments for intangibles	13	(519,275)	-
Investment in term deposit		(535,000)	(987,000)
Proceeds from disposal of financial assets at amortised cost		2,000,000	2,000,000
Proceeds from disposal of property, plant and equipment		1,845,229	4,124,347
Investment income received		332,540	296,919
Net cash used in investing activities		(12,458,644)	(10,605,317)
Cash flows from financing activities			
Proceeds from borrowings		2,125,462	2,800,000
Repayment of lease liabilities		(1,902,364)	(1,125,211)
Interest paid		(218,378)	(93,764)
Net cash from financing activities		4,720	1,581,025
Net increase/(decrease) in cash and cash equivalents		(213,838)	2,957,865
Cash and cash equivalents at the beginning of the financial year		9,751,184	6,793,319
Cash and cash equivalents at the end of the financial year	7	9,537,346	9,751,184

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of the business.

The directors have assessed the going concern basis is appropriate for the following reason:

- The consolidated company has cash reserves of $9.5m and in other financial assets of $10.9m at the reporting date.
- The consolidated company has generated positive operating cash flows of $12m in the reporting period.
- The directors have prepared budgets which demonstrate that consolidated company can continue to meet its commitments for a period beyond twelve months from the date of this report.

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated company only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Mind Australia Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all controlled entities for the year then ended. Mind Australia Limited and its controlled entities together are referred to in these financial statements as the 'consolidated company'.

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

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

Note 1. Significant accounting policies (continued)

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

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

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

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

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

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

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

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

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

Employee benefits provision
As discussed in note 18, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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

Mind Australia Limited and controlled entities
Notes to the consolidated financial statements
30 June 2022

Note 3. Revenue

	Consolidated 2022 $	2021 $
Revenue from rendering services		
Capital grants	10,034,465	10,346,360
Government grants	18,764,430	15,568,944
	28,798,895	25,915,304
Rent	1,353,442	1,077,775
Provision of services	78,744,110	72,108,466
Donations	955,509	465,291
Other revenue	657,296	574,070
	81,710,357	74,225,602
Revenue	110,509,252	100,140,906

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

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

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

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

Revenue from the provision of services
Revenue from the rendering of a service is recognised by the consolidated company upon the delivery of the service to the client.

Donations
Donations are immediately recognised on receipt as revenue where there is no obligation to refund the monies. Where these are tied to a specific purpose the donations are initially recognised as "Funds received in advance", a liability, and are recognised as income only when the funds have been utilised in accordance with their purpose or conditions.

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

Note 4. Other income

	Consolidated 2022 $	Consolidated 2021 $
Net gain on disposal of property, plant and equipment	577,623	1,143,044
Investment income	332,540	296,919
Net gain on disposal of debt instruments	-	13,715
Other income	910,163	1,453,678

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

Note 5. Administrative and other expenses

	Consolidated 2022 $	Consolidated 2021 $
Bad and doubtful debts	261,602	87,852
Consultancy	866,849	1,058,984
Legal and accounting	398,600	253,436
Marketing and communications	146,065	203,091
Personal protective equipment	274,322	-
Other expenses	758,096	696,314
	2,705,534	2,299,677

Note 6. Expenses

	Consolidated 2022 $	Consolidated 2021 $
Surplus includes the following specific expenses:		
Depreciation		
Property, plant and equipment	1,556,636	2,744,210
Intangibles	1,034,423	828,323
Right-of-use assets	1,602,590	1,162,658
Total depreciation	4,193,649	4,735,191
Finance costs		
Interest and finance charges paid/payable on borrowings	120,307	64,935
Interest and finance charges paid/payable on lease liabilities	98,071	67,903
Finance costs expensed	218,378	132,838
Superannuation expense		
Defined contribution superannuation expense	7,142,232	6,239,266

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

Note 6. Expenses (continued)

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

Note 7. Cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Cash at bank	9,537,346	9,751,184

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 8. Trade and other receivables

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Trade receivables	3,290,708	3,445,114
Less: Allowance for expected credit losses	(376,547)	(138,185)
	2,914,161	3,306,929
Prepayments	491,499	833,825
Other accrued income and receivables	2,421,856	2,105,002
	2,913,355	2,938,827
	5,827,516	6,245,756
Non-current assets		
Other accrued income and receivables	887,294	-
	6,714,810	6,245,756

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses. Bad debts are written off when identified.

Note 9. Other financial assets

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Equity instruments designated at fair value through other comprehensive income	4,565,667	5,002,752
Debt instruments at fair value through other comprehensive income	854,638	887,742
Financial assets at amortised cost	4,535,000	6,000,000
Financial assets at amortised cost - term deposit	987,000	987,000
	10,942,305	12,877,494

Note 10. Right-of-use assets

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Land and buildings - right-of-use	3,167,769	3,300,541
Less: Accumulated depreciation	(2,266,138)	(1,889,391)
	901,631	1,411,150
Motor vehicles - right-of-use	1,483,825	1,023,914
Less: Accumulated depreciation	(835,239)	(61,823)
	648,586	962,091
	1,550,217	2,373,241

Additions to the right-of-use assets during the year totalled $286,065 (2021: $1,072,341).

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

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

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

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

Note 11. Current assets classified as held for sale

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Property held for sale	-	503,020

Note 12. Property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Land and buildings - at independent valuation	39,439,110	27,905,360
Less: Accumulated depreciation	(688,094)	(213,035)
	38,751,016	27,692,325
Leasehold improvements - at cost	4,653,831	5,656,268
Less: Accumulated depreciation	(4,279,831)	(4,578,203)
	374,000	1,078,065
Motor vehicles - at cost	8,155	10,336
Less: Accumulated depreciation	(8,155)	(10,336)
	-	-
Furniture, fittings and equipment - at cost	4,020,616	3,845,837
Less: Accumulated depreciation	(3,660,490)	(3,267,869)
	360,126	577,968
Capital work in progress	13,412,640	10,846,271
	52,897,782	40,194,629

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

Consolidated	Land and buildings $	Leasehold improvements $	Motor vehicles $	Furniture, fittings and equipment $	Capital work in progress $	Total $
Balance at 1 July 2020	19,827,500	2,268,374	3,020,202	892,069	4,600,071	30,608,216
Additions	-	61,536	-	144,986	14,834,205	15,040,727
Classified as held for sale (note 11)	(503,020)	-	-	-	-	(503,020)
Disposals	-	(1,638)	(2,204,493)	(953)	-	(2,207,084)
Transfers in/(out)	8,588,005	-	-	-	(8,588,005)	-
Depreciation expense	(220,160)	(1,250,207)	(815,709)	(458,134)	-	(2,744,210)
Balance at 30 June 2021	27,692,325	1,078,065	-	577,968	10,846,271	40,194,629
Additions	12,193,892	-	-	264,114	3,124,132	15,582,138
Disposals	(660,141)	(97,668)	-	(6,777)	(557,763)	(1,322,349)
Depreciation expense	(475,059)	(606,397)	-	(475,180)	-	(1,556,636)
Balance at 30 June 2022	38,751,017	374,000	-	360,125	13,412,640	52,897,782

Note 12. Property, plant and equipment (continued)

During the year $557,763 was transferred from capital works in progress to software.

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

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

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

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

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

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

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

Note 13. Intangibles

	Consolidated	
	2022	2021
	$	$
Non-current assets		
Software - at cost	7,672,456	6,818,910
Less: Accumulated amortisation	(3,615,111)	(2,804,180)
Less: Impairment	(1,280,518)	-
	2,776,827	4,014,730

Note 13. Intangibles (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 at cost $
Balance at 1 July 2020	3,269,224
Additions	1,573,829
Amortisation expense	(828,323)
Balance at 30 June 2021	4,014,730
Additions	1,077,038
Impairment of assets	(1,280,518)
Amortisation expense	(1,034,423)
Balance at 30 June 2022	2,776,827

Accounting policy for intangible assets
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.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 14. Trade and other payables

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Trade payables and accrued expenses	4,737,576	5,961,378
Goods and services tax (GST)	187,501	383,580
	4,925,077	6,344,958

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

Note 15. Contract liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Subsidies and grants received in advance	7,720,075	7,997,551

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

Note 16. Borrowings

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Deferred consideration payable	-	340,000
Loan facility (ii)	3,800,000	1,300,000
	3,800,000	1,640,000
Non-current liabilities		
Loan facility (i)	2,700,000	2,734,538
	6,500,000	4,374,538

Included within borrowings are:

(i) The above loan is part of a facility of $4,000,000 granted to the consolidated company for a period of 10 years. The facility is repayable in instalments commencing in the financial year ending 30 June 2027. Interest is charged at a rate of 3.76% above the Australian Bank Bill Swap Reference Rate (Mid) administered by ASX Benchmarks. The facility is subject to a mortgage over 5 properties and is subject to a charge and guarantee across the assets of the consolidated company.

(ii) The Haven Foundation has a facility for an amount of $7.766 million with Treasury Corporation of Victoria to assist with funding various developments. When drawn down the interest rates will be set and aligned to treasury bond rates. This facility is subject to a mortgage over four properties, and a second mortgage, but prioritised through a deed of subordination, over a further property, and a charge and guarantee across the Foundation's assets. At 30 June 2022, $3.8 million has been drawn under the facility representing Tranche A loan which is a current liability. Under the facility agreement which will be renegotiated to a Tranche B loan during 2022/23 Financial Year at which time the repayment terms will result in the loan being reclassified to a non-current liability.

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

Note 17. Lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Lease liability	1,061,006	1,429,051
Non-current liabilities		
Lease liability	833,036	1,587,789
	1,894,042	3,016,840
Future lease payments		
Future lease payments are due as follows:		
Within one year	1,075,618	1,566,294
One to five years	893,440	1,598,774
	1,969,058	3,165,068

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

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

Note 18. Employee benefits

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Employee entitlements	6,611,460	6,103,896
Non-current liabilities		
Employee entitlements	1,384,269	1,369,906
	7,995,729	7,473,802

Accounting policy for employee benefits

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

Note 18. Employee benefits (continued)

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 government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 19. Provisions

	Consolidated	
	2022	2021
	$	$
Current liabilities		
Restoration	257,704	310,000

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

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

Note 20. Reserves

	Consolidated	
	2022	2021
	$	$
Asset revaluation reserve	9,138,577	9,138,577
Financial assets at fair value through other comprehensive income reserve	176,930	648,908
General reserve	13,655,440	13,655,440
	22,970,947	23,442,925

Accounting policy for reserves

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

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

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

Note 21. Retained surpluses

	Consolidated 2022 $	Consolidated 2021 $
Retained surpluses at the beginning of the financial year	22,999,440	14,673,632
Surplus for the year	9,282,768	8,325,808
Transfer to other reserves	(126,495)	-
Retained surpluses at the end of the financial year	32,155,713	22,999,440

Note 22. Key management personnel disclosures

Compensation

	Consolidated 2022 $	Consolidated 2021 $
Aggregate compensation	233,128	232,663

The members approved a remuneration pool of $300,000 for the directors. Total director remuneration paid in the 2022 financial year was $233,128 (2021: $232,663).

Note 23. Remuneration of auditors

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

	Consolidated 2022 $	Consolidated 2021 $
Audit services		
Audit of the financial statements	70,250	65,100
Other services		
Audited acquittals	10,000	9,000
Lease management services	18,000	36,000
Preparation of financial statements	11,250	10,400
	39,250	55,400
	109,500	120,500

Note 24. Contingent liabilities

The consolidated company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 25. Commitments

At 30 June 2022 the consolidated company had capital commitments in relation to building works of $24,644,257 (2021: $8,181,183). These commitments will be funded by government grants and a low interest loan.

At 30 June 2022 the consolidated company had capital commitments in relation to the purchase of land of $13,018,000 (2021: $675,000).

Note 26. Related party transactions

Parent entity
Mind Australia Limited is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 22.

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

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

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

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

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $	2021 $
Deficit	(470,289)	(2,064,850)
Other comprehensive income for the year	(598,473)	651,831
Total comprehensive income	(1,068,762)	(1,413,019)

Statement of financial position

	Parent	
	2022 $	2021 $
Total current assets	27,184,615	22,992,792
Total assets	41,234,786	39,893,287
Total current liabilities	19,009,291	15,858,640
Total liabilities	21,226,596	18,816,335
Equity		
Reserves	22,890,762	23,362,742
Accumulated deficits	(2,882,572)	(2,285,790)
Total equity	20,008,190	21,076,952

Guarantees entered into by the parent entity in relation to the debts of its controlled entities.
The parent entity provides guarantees in relation to the debts of The Haven Foundation Limited and Home Base Services Limited as at 30 June 2022 and 30 June 2021.

Note 27. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated company, as disclosed in the notes.

Note 28. Interests in controlled entities

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

Name	Principal place of business / Country of incorporation	Controlling interest 2022 %	2021 %
The Haven Foundation	Australia	100.00%	100.00%
Home Base Services Limited	Australia	100.00%	100.00%
The Haven Foundation (Australia) Limited	Australia	100.00%	100.00%

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated company's operations, the results of those operations, or the consolidated company's state of affairs in future financial years.

Mind Australia Limited and controlled entities
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A. Fels

R. Picker

29 September 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Mind Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mind Australia Limited (the company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 Mind Australia Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosure 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 Mind Australia Limited's 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.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Responsibilities of directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosure and the ACNC Act, and for such internal control as the directors 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, directors 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 directors 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 company'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

James Mooney
Director

Melbourne, 29 September 2022

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