

Society for Mental Health Research Inc

ABN 637 754 160 41

Financial Report

For the Year Ended 30 September 2020

Society for Mental Health Research Inc

ABN 637 754 160 41

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For the Year Ended 30 September 2020

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Society for Mental Health Research Inc

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Committees' Report 30 September 2020

The committee members submit the financial report on Society for Mental Health Research Inc for the financial year ended 30 September 2020.

Committee Members

The names of the committee members throughout the year and at the date of this report are:

Prof Frances Kay-Lambkin
Dr Alison Calear
Dr Christopher Gale
Prof Cathy Mihalopoulos
Prof Ian Hickie
Prof Eoin Killackey
Prof Daniel Hermens
Dr Ashleigh Lin
Dr Fiona Cocker
Dr Louise Thornton
Prof Sarah Hetrick
Prof Stephen Wood
Prof Mike Kyrios

Principal activities and significant changes in nature of activities

The principal activities of the association during the financial year were to prevent mental illness by supporting mental health research, and researchers; facilitating collaboration between different disciplines of mental health research; raising awareness of mental health issues and supporting the inclusion of mental health issues in the development of health policies, funding and services.

Significant changes

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

Operating result

The deficit for the 2020 financial year amounted to \$43,599 (2019: deficit of \$20,140).

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

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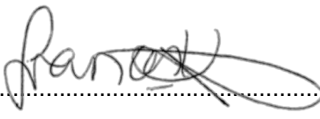
Committees' Report

30 September 2020

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 September 2020 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Committee:


:
Prof Frances Kay-Lambkin


:
Prof Stephen Wood

Dated this18..... day ofOctober..... 2022.



Accountants & Advisors

 Take the lead

AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE MEMBERS OF SOCIETY FOR MENTAL HEALTH RESEARCH

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2020 there have been:

- i. No contraventions of the auditor independence requirements as set out in *the Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit, and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

SW Audit (formerly ShineWing Australia)
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 18 October 2022

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Society for Mental Health Research Inc

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Statement of Comprehensive Income For the Year Ended 30 September 2020

	Note	2020 \$	2019 \$
Revenue			
Conference income		296,060	309,206
Membership income		14,581	12,899
Interest income		356	1,008
Donations / Fundraising income		4,530	7,704
Career Coaching Program	2	-	18,000
Other income		-	1,493
		<u>315,527</u>	<u>350,310</u>
Expenditure			
Administrative expenses		(45,533)	(41,608)
Conference expenses		(307,434)	(276,635)
Career Coaching Program	2	(659)	(47,781)
Conference awards		(3,277)	(3,587)
Other expenses		(2,432)	(839)
		<u>(359,335)</u>	<u>(370,450)</u>
Current year deficit		<u>(43,808)</u>	<u>(20,140)</u>

The accompanying notes form part of these financial statements.

Society for Mental Health Research Inc

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Statement of Financial Position

As At 30 September 2020

		2020	2019
	Note	\$	Restated \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	164,501	181,946
Trade and other receivables	4	-	3,300
Other assets	5	24,423	24,997
TOTAL CURRENT ASSETS		188,924	210,243
TOTAL ASSETS		188,924	210,243
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	43,572	19,884
Contract liabilities	7	7,945	39,144
TOTAL CURRENT LIABILITIES		51,517	59,028
TOTAL LIABILITIES		51,517	59,028
NET ASSETS		137,407	151,215
MEMBERS' FUNDS			
Retained earnings		137,407	151,215
TOTAL MEMBERS' FUND		137,407	151,215

The accompanying notes form part of these financial statements.

Society for Mental Health Research Inc

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Statement of Changes in Equity For the Year Ended 30 September 2020

	Retained Earnings
Note	\$
Balance at 1 October 2018	<u>171,355</u>
Comprehensive Income	
Deficit for the year	<u>(20,140)</u>
Balance at 30 September 2019	<u><u>151,215</u></u>
Balance at 1 October 2019	151,215
Initial adoption of AASB 15 <i>Revenue from Contracts with Customers</i>	1(i) 30,000
Comprehensive Income	
Deficit for the year	<u>(43,808)</u>
Balance at 30 September 2020	<u><u>137,407</u></u>

The accompanying notes form part of these financial statements.

Society for Mental Health Research Inc

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Statement of Cash Flows

For the Year Ended 30 September 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from operations	315,622	352,893
Payments to suppliers	(333,423)	(406,906)
Interest received	356	1,009
Net cash provided by/(used in) operating activities	5 <u>(17,445)</u>	<u>(53,004)</u>
Net increase/(decrease) in cash and cash equivalents held	(17,445)	(53,004)
Cash and cash equivalents at beginning of year	<u>181,946</u>	234,950
Cash and cash equivalents at end of financial year	3 <u><u>164,501</u></u>	<u><u>181,946</u></u>

The accompanying notes form part of these financial statements.

Society for Mental Health Research Inc

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Notes to the Financial Statements For the Year Ended 30 September 2020

1 Summary of Significant Accounting Policies

The financial statements cover the Society for Mental Health Research Inc (the Association) as an individual entity. The Society for Mental Health Research is an association incorporated in Victoria and operating pursuant to the *Associations Incorporation Reform Act 2012*.

The financial statements were authorised for issue on the date of signing the Committee Members' Declaration.

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012*, the *Australian Charities and Not-for-Profits Commission Act 2012* and the needs of the members. The committee has determined that the Association is not a reporting entity. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historic costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The Association's functional and presentation currency is Australian dollars. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following significant accounting policies have been adopted in the preparation of these financial statements.

Statement of compliance

These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

(a) Cash and cash equivalents

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

(b) Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable and other debtors are initially recognised at their transaction price (unless there is a significant financing component) less expected credit losses and subsequently measured at amortised costs using effective interest method.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The organisation applies the simplified approach to impairment, as applicable in AASB 9.

Society for Mental Health Research Inc

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Notes to the Financial Statements For the Year Ended 30 September 2020

1 Summary of Significant Accounting Policies

(c) Revenue and other income

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

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Membership fees are recognised when members pay for their membership or on a basis that reflects the timing, nature and value of the benefits provided.

Donations and bequests are recognised as revenue when received.

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

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

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

(e) Trade and other payables

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

(f) Provisions

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

(g) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(h) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Society for Mental Health Research Inc

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Notes to the Financial Statements For the Year Ended 30 September 2020

1 Summary of Significant Accounting Policies

(i) New and amended accounting policies adopted by the Company

Initial application of AASB 15 and AASB 1058

The Association has applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 October 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 *Revenue* and AASB 1004 *Contributions*.

The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 October 2019.

Statement of financial position

	As presented on 30 September 2019	Application impact of AASB 15 and AASB 1058	As at 1 October 2019
	\$	\$	\$
CURRENT LIABILITIES			
Deferred grant income	30,000	(30,000)	-
MEMBERS FUNDS			
Retained earnings	151,215	30,000	181,215

(j) Accounting standards not yet adopted by the Company

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of these new and amended pronouncements. These new and amended pronouncements are considered to have a limited impact on the Company's reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

Society for Mental Health Research Inc

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Notes to the Financial Statements For the Year Ended 30 September 2020

1 Summary of Significant Accounting Policies

(k) Prior period restatement

During the year ended 30 September 2020, it was identified that seed funds for the annual conference are a prepayment in nature rather than a receivable. The restatement has no impact on the total assets or net assets of the Association.

The errors have been corrected by restating each of the affected financial statement line items for the prior period. The following table summarises the impact on the College's financial statements:

Statement of financial position

	As previously reported	Adjustment	As restated
30 September 2019	\$	\$	\$
Trade and other receivables	28,297	(24,997)	3,300
Other assets	-	24,997	24,997
Total current assets	210,243	-	210,243
Total assets	210,243	-	210,243

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Notes to the Financial Statements For the Year Ended 30 September 2020

2 Career Coaching Program

In 2019, Society of Mental Health Research launched Career Coaching Program. The program paired up 12 early career mentees with mentors. Each of the student mentees are charged \$1,650. Program expenses are related to reimbursement to mentors and payments to third party for facilitating the pairing process.

3 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	<u>164,501</u>	<u>181,946</u>

4 Trade and other receivables

Trade receivables	<u>-</u>	<u>3,300</u>
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5 Other assets

Seed funds	<u>24,423</u>	<u>24,997</u>
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6 Trade and other payables

Trade payables	5,002	1,771
Accrued expenses	34,000	16,500
GST payable	4,570	1,613
	<u>43,572</u>	<u>19,884</u>

7 Contract liabilities

Membership revenue in advance	7,945	9,144
Grant revenue in advance	-	30,000
	<u>7,945</u>	<u>39,144</u>

8 Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Current Year Deficit

Current year deficit	(43,808)	(20,140)
Changes in assets and liabilities:		
- Decrease in trade and other receivables	3,300	2,700
- Decrease in other assets	574	-
- (Decrease)/Increase in trade and other payables	23,688	(36,455)
- (Decrease)/Increase in contract liabilities	(1,199)	891
Cashflows from operating activities	<u>(17,445)</u>	<u>(53,004)</u>

9 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Society for Mental Health Research Inc

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Notes to the Financial Statements For the Year Ended 30 September 2020

10 Statutory Information

The registered office and principal place of business of the association is:

Society for Mental Health Research Inc

35 Poplar Road

Parkville VIC 3052

Society for Mental Health Research Inc

ABN 637 754 160 41


Committee Members' Declaration

The committee members declare that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The committee members of the Association declare that:

1. The financial statements and notes, as set out on pages 4 to 13, are in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - (a) comply with Accounting Standards as stated in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 September 2020 and of the performance for the year ended on that date of the association
2. In the committee members' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee members.

Director

Prof Frances Kay-Lambkin, Chairman

Dated this 18 day of October 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOCIETY FOR MENTAL HEALTH RESEARCH INC.

Opinion

We have audited the financial report of Society for Mental Health Research Inc. (the Association), which comprises the statement of financial position as at 30 September 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee members' Declaration.

In our opinion, the accompanying financial report of the Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the Association's financial position as at 30 September 2020 and of its financial performance for the year then ended, and
- b. complying with Australian Accounting Standards to the extent described in Note 1 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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional & 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



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

Management is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. Management's responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Association'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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SW Audit (formerly ShineWing Australia)
Chartered Accountants



Hayley Underwood
Partner

Melbourne, 18 October 2022