



Annual Financial Report

30 June 2020

HelpingMinds Limited

ACN 622 735 540 | ABN 26 183 089 857



HelpingMinds Limited

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General information

The financial statements cover HelpingMinds Limited as an individual entity. The financial statements are presented in Australian dollars, which is HelpingMinds Limited's functional and presentation currency.

HelpingMinds Limited is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

2nd Floor
The Carer Centre
182 Lord Street
Perth WA 6000

Principal place of business

2nd Floor
The Carer Centre
182 Lord Street
Perth WA 6000

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

The financial statements were authorised for issue on 21st October 2020.

HelpingMinds Limited

Directors' Report

The directors present their report, together with the financial statements, on HelpingMinds Limited for the year ended 30 June 2020.

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:

Franco Guazzelli
Andrew Reynolds
Bernadette Johnston (Wright)
Elisabeth Stevenson
Frederick Yasso (appointed 17/09/2019)
Joel Stein (resigned 16/03/2020)
Kerry Hawkins
Leslie Delaforce
Manjula Vekaria
Patrick Hardwick (resigned 22/10/2019)

Objectives

HelpingMinds Limited objectives are all related to providing direct assistance and support for people with mental health issues and their families and carers, and carers more generally as defined in the Carer Recognition Act, to live their best possible lives. This continues more than 40 years of operation with the objective to support children, adults and families that are affected by mental illness, primarily in carer supports, early intervention, health promotion, advocacy, education and individualised supports.

Strategy for achieving the objectives

During the year HelpingMinds Limited reviewed and devised an updated strategic plan to continue providing and expanding services in Western Australia and the Northern Territory, having established an office in Darwin in July 2018, initially delivering individualised supports.

Principal activities

During the financial year the principal continuing activities of the Company were to support children, adults and families that are affected by mental illness and disability. This is primarily in carer and family supports, early intervention, health promotion and individualised supports through the National Disability Insurance Scheme (NDIS). The activities of the Company have been critical in providing much needed support to vulnerable members of the community dealing with mental ill health.

Performance measures

The Company measures its performance in delivering services in accordance with the multiple Western Australian government and Australian Commonwealth Government funding contracts being delivered. The key performance measures include number of clients serviced, number of sessions run and number of people serviced in the funded community areas as defined in the contracts. Individualised services are delivered in accordance with the plan held by each individual.

HelpingMinds Limited

Directors' Report (continued)

Information on directors (continued)

Name:	Franco Guazzelli
Title:	Board Director
Qualification:	MAICD
Experience and expertise:	Franco brings significant lived experience of being a carer for a person with a mental health illness and with dementia and has been involved in supporting HelpingMinds since first attending a carer support group in 1996. Franco is self employed with many years' experience, including previously running his own building company as a registered builder. In a time when the organisation was much smaller, Franco volunteered his time and skills to HelpingMinds, from running a share and care peer support group, to managing the purchase and refurbishment of the HelpingMinds head office building.
Special responsibilities:	Chair, Member of the Finance Sub-Committee and Governance Sub-Committee.

Name:	Andrew Reynolds
Title:	Board Director
Qualification:	B.Com (Hons), CPA
Experience and expertise:	Andrew has been on the HelpingMinds board since 2012, through most of that time as Treasurer, having been inspired to join as the result of experience in caring for a relative with mental health care needs. Andrew has worked in the not-for-profit sector for over 10 years. He is an accounting and finance advisor, having previously been a lecturer in Accounting at Curtin University, and before that with accounting firms and banks in Perth and the UK. He started his career investigating fraud for the Director of Public Prosecutions in WA. Andrew is married with two children.
Special responsibilities:	Board Treasurer, Chair of the Finance Sub-Committee and Member of the Partnership Review Sub-Committee.

HelpingMinds Limited

Directors' Report (continued)

Information on directors (continued)

Name:	Dr Bernadette Johnston (Wright)
Title:	Board Director
Qualification:	Doctor of Psychology (Clinical), BA (Hons) Psychology, BA French & Psychology.
Experience and expertise:	Bernadette is a Clinical Psychologist specialising in transcultural mental health. Having worked with the WA Transcultural Mental Health Service for 19 years, she has now established a private practice exclusively working with clients from ethnoculturally diverse backgrounds, and especially those in FDV situations. As an Adjunct Senior Lecturer at Curtin University, Bernadette mentors and supervises postgraduate clinical psychology trainees who are about to enter the profession. She is also a Co-Director of CrossCultural Intellect which offers training to service providers on culturally responsive strategies aimed at facilitating the transcultural process between the agency and consumer, their carer(s) and family. In her role as Co-Chair of the Multicultural Mental Health Subnetwork Steering group, auspiced by the Mental Health Commission, Bernadette continues to facilitate the development of better pathways to timely mental health assistance for those whose culture and language are barriers to service access. Bernadette is also on the Board of the Ethnic Disability Advocacy Centre whose clients include people with psychosocial disabilities from ethnoculturally diverse backgrounds. Drawing on her transcultural mental health expertise, Bernadette has twice served as Specialist Advisor to an Australian Human Rights Commission scrutiny team examining WA's immigration detention facilities and services.
Special responsibilities:	Deputy Chair, Member of the Governance Sub-Committee.

Name:	Elisabeth Stevenson
Title:	Board Director
Qualification:	LLB (Hons)
Experience and expertise:	Elisabeth has been exposed to the impact of mental illness on family life from early childhood, having had an aunt with a chronic mental illness and a sister who has lived with the same illness for the past 40 years. Having studied law as a mature aged student, Elisabeth has an LLB (Hons) and has been practising primarily in administrative law, for the past 15 years. Prior to studying law, Elisabeth worked as a Senior Investigator for the State Ombudsman and in a variety of management roles in local government. She is married with a 'blended' family of 4 children. Elisabeth is keen to use the skills she has acquired in various different capacities to support the provision of services for the carers of people experiencing mental illness.
Special responsibilities:	Chair of the Governance Sub-Committee and Chair of the Partnership Review Sub-Committee.

HelpingMinds Limited

Directors' Report (continued)

Information on directors (continued)

Name: Fred Yasso
 Title: Board Director (appointed 17/09/2019)
 Qualification: B. App Sc. (Indigenous Community Health) Assoc. Degree in Aboriginal Health
 Experience and expertise: Fred has worked in the mental health and health sector for the last 13 years, predominately in the Health and Mental Health space for Government, and is passionate about providing Mental Health services to the community. As an Aboriginal man from Queensland, Fred has knowledge and experience of Aboriginal and Torres Strait Islander Mental Health, having lived and worked in the Indigenous community all his life. Previously, Fred has been a Director on the boards of other non-Government companies within the Aboriginal Community Controlled Health and Social Housing sectors. Fred has experience also working and living in Remote, Rural and Urban Indigenous communities throughout WA, NT and QLD.
 Special responsibilities: Member of the Finance Sub-Committee

Name: Joel Stein
 Title: Board Director (resigned 16/03/2020)
 Qualification: BCom, CPA, MAICD
 Experience and expertise: Joel joined the HelpingMinds Board of Governance in November 2015. Joel is a CPA Australia qualified accountant and holds a Bachelor of Commerce degree (Corporate Finance, Investment Finance and Financial Accounting majors) from the University of Western Australia. Joel is also a member of the Australian Institute of Company Directors. Joel has previously held commercial analyst roles with Rio Tinto and News Corp Australia and is currently a Manager in Deloitte's Financial Advisory practice. Joel is passionate about utilising his practical financial skills and his lived experiences as a COPMI (Children of Parents with a Mental Illness) to help and improve the lives of all people impacted by mental illness.
 Special responsibilities: Member of the Finance Sub-Committee and Partnership Review Sub-Committee.

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Directors' Report (continued)

Information on directors (continued)

Name:	Kerry Hawkins
Title:	Board Director
Qualification:	B Arts, Grad Dip Ed.
Experience and expertise:	A graduate of Boston University's Global Leadership Institute's Recovery Class of 2013, Kerry is able to draw on both her lived experience as a family member of someone experiencing extreme and enduring distress, together with a professional career working as a project management consultant, strategic advisor for a federal government agency, and as a Director within the National Disability Insurance Agency (NDIA). Kerry was the carer representative on the Western Australian Association for Mental Health (WAAMH) board for four years and is currently President of WAAMH. She is also the WA director for Emerging Minds, a national mental health organisation focusing on improving mental health outcomes for children, parents and families, a Board Member of Community Mental Health Australia (CMHA), and a Commissioner for the National Mental Health Commission.
Special responsibilities:	Nil

Name:	Leslie Delaforce
Title:	Board Director
Qualification:	Graduate Certificate in Business
Experience and expertise:	A Gumbaynggirr man with a strong understanding of Aboriginal people and culture, Leslie has worked in disability, mental health, the public sector and Indigenous Affairs space and most recently as a company director in a technological start up business operating in the disability sector. With the combination of strong governance knowledge combined with operational experience in many fields, Leslie identifies innovative methods and focusses on the impact that technology can have on individuals, businesses and the community. Already widely recognised and awarded as a business leader, Leslie has a passion for development within the community.
Special responsibilities:	Member of the Governance Sub-Committee

HelpingMinds Limited

Directors' Report (continued)

Information on directors (continued)

Name:	Manjula Vekaria
Title:	Board Director
Qualification:	Business Education Council National Certificate
Experience and expertise:	Mani has been fortunate to have lived and worked in both the Public and Private sectors in three continents; Europe (London), Africa (Nairobi), and now Australia (Perth). She maintains a close relationship with her community, which originates from Kutch, Gujarat, India, and volunteers at various events throughout the year, having previously served on her community committee as Vice President for three years. Mani has an insight into how communities work when living in different countries and the challenges this brings for families. Mental health is not talked about openly in many minority communities due to stigma. Families try to manage the mental illness internally rather than reach out for assistance. Having witnessed first-hand the trauma and difficulty that the person affected, and carer is faced with, Mani wishes to promote awareness of the assistance and support that HelpingMinds can provide to assist the person, families and carers on their difficult journeys.
Special responsibilities:	Member of the Finance Sub-Committee and Partnership Review Sub-Committee.

Name:	Patrick Hardwick
Title:	Board Member (resigned 22/10/2019)
Qualification:	Graduate Certificate in Management
Experience and expertise:	Patrick is passionate about enhancing services available for carers and families and advocating their rights and needs. He wants to see a cultural change where Mental Health Services and other providers take a more family-centred approach to treatment, discharge and support.
Special responsibilities:	Nil

HelpingMinds Limited

Directors' Report (continued)

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 2020, and the number of meetings attended by each director were:

	Full Board		Finance Sub-Committee		Governance Sub-Committee		Partnership Review Sub-Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Franco Guazzelli	9	9	9	12	3	5	-	-
Andrew Reynolds	8	9	12	12	-	-	-	-
Bernadette Johnston	7	9	-	-	4	5	-	-
Elisabeth Stevenson	8	9	-	-	5	5	-	-
Fred Yasso	6	6	5	8	-	-	-	-
Joel Stein	6	7	6	8	-	-	-	-
Kerry Hawkins	7	9	-	-	-	-	-	-
Leslie Delaforce	9	9	-	-	2	3	-	-
Manjula Vekaria	7	9	11	12	-	-	-	-
Patrick Hardwick	1	4	-	-	-	-	-	-

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

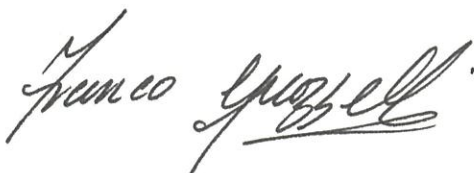
Contributions on winding up

In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$1 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the Company is wound up is \$8, based on 8 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report. This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Franco Guazzelli
Director

Dated at Perth this 21st day of October 2020.

RSM Australia Partners

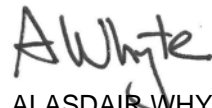
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www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of HelpingMinds Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) 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) any applicable code of professional conduct in relation to the audit.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 21 October 2020

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HelpingMinds Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Note	30 June 2020	30 June 2019
Revenue and other income	3	\$10,416,613	\$9,358,778
Expenses			
Rental expenses		\$296,748	\$423,720
Communication expenses		\$111,735	\$149,088
Insurance		\$126,832	\$118,609
Travel expenses		\$98,321	\$160,117
Employee benefit expenses	4	\$7,669,767	\$6,703,722
Professional Development		\$144,883	\$134,307
Finance costs		\$6,949	-
Other operational expenses		\$155,283	\$43,207
Small Asset purchases		\$321,332	\$206,246
Program expenses		\$141,441	\$125,748
Audit expenses	12	\$16,000	\$14,000
Marketing expenses		\$222,884	\$228,568
IT Support		\$333,805	\$262,891
Administrative expenses		\$126,894	\$116,193
Transport expenses		\$233,544	\$229,220
Professional fees		\$12,669	\$4,354
Depreciation and amortisation expense	7	\$158,274	\$42,116
Impairment expense		-	\$60,000
Other expenses		\$349,958	\$348,685
Total expenses		\$10,527,319	\$9,370,792
Loss before income tax expense		(\$110,706)	(\$12,013)
Income tax expense	1(k)	-	-
Loss after income tax expense		(\$110,706)	(\$12,013)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(\$110,706)	(\$12,013)

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

HelpingMinds Limited

Statement of financial position

As at 30 June 2020

	Note	30 June 2020	30 June 2019
Assets			
Current assets			
Cash and cash equivalents	5	\$3,321,435	\$2,371,123
Trade and other receivables	6	\$491,506	\$186,948
Property held for sale	7	\$278,000	\$668,000
Total current assets		\$4,090,941	\$3,226,071
Non-current assets			
Property, plant and equipment	7	\$1,573,679	\$1,534,152
Security deposits		\$35,049	\$33,913
Total non-current assets		\$1,608,728	\$1,568,065
Total assets		\$5,699,669	\$4,794,136
Liabilities			
Current liabilities			
Trade and other payables	8	\$771,234	\$414,453
Contract Liabilities	9	\$799,316	\$353,702
Lease liability	10	\$76,344	-
Employee benefits	11	\$352,002	\$266,929
Total current liabilities		\$1,998,896	\$1,035,084
Non-current liabilities			
Lease liability	10	\$2,552	-
Employee benefits	11	\$147,961	\$98,086
Total non-current liabilities		\$150,513	\$98,086
Total liabilities		\$2,149,409	\$1,133,170
Net assets		\$3,550,260	\$3,660,966
Equity			
Retained earnings			
Unrestricted funds	13	\$3,550,260	\$3,660,966
Total equity		\$3,550,260	\$3,660,966

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

HelpingMinds Limited

Statement of changes in equity

For the year ended 30 June 2020

	Unrestricted funds	Designated funds	Total equity
Balance at 1 July 2018	\$3,404,885	\$268,094	\$3,672,979
Loss after income tax for the year	(\$12,013)	-	(\$12,013)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	(\$12,013)	-	(\$12,013)
Transfer between funds	\$268,094	(\$268,094)	-
Balance at 30 June 2019	\$3,660,966	-	\$3,660,966
Balance at 1 July 2019	\$3,660,966	-	\$3,660,966
Loss after income tax for the year	(\$110,706)	-	(\$110,706)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	(\$110,706)	-	(\$110,706)
Balance at 30 June 2020	\$3,550,260	-	\$3,550,260

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

HelpingMinds Limited

Statement of cash flows

For the year ended 30 June 2020

	Note	30 June 2020	30 June 2019
Cash flows from operating activities			
Receipts from funding bodies		\$10,462,918	\$8,881,765
Receipts from donations and other income		\$34,835	\$32,570
Payments to suppliers and employees		(\$9,870,367)	(\$8,987,094)
Interest received		\$38,338	\$89,955
Interest paid		(\$6,949)	-
Net cash from operating activities	17	\$658,775	\$17,696
Cash flows from investing activities			
Acquisition of property, plant and equipment		(\$61,548)	(\$215,292)
Proceeds from sale of property, plant and equipment		435,619	-
Payment for short term deposits		(\$1,136)	(\$500)
Net cash used in investing activities		\$372,935	(\$215,792)
Cash flows from financing activities			
Repayment of lease liabilities		(\$81,398)	-
Net cash used in financing activities		(\$81,398)	-
Net increase/(decrease) in cash and cash equivalents		\$950,312	(\$198,096)
Cash and cash equivalents at beginning of year		\$2,371,123	\$2,569,219
Cash and cash equivalents at end of year	5	\$3,321,435	\$2,371,123

The above statement of cash flows should be read in conjunction with the accounting notes.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1 Significant Accounting Policies

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.

The Company's registered office is at: 182 Lord Street, Perth WA 6000.

The Company's principal activity is to provide direct assistance and support for people with mental health issues and their families and carers, and carers more generally as defined in the Carer Recognition Act, to live their best possible lives by providing quality support, education and advocacy services.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following new or amended Accounting Standards or Interpretations are relevant to the Company:

AASB 15 Revenue from Contracts with Customers (effective 1 July 2019)

This standard was adopted from 1 July 2019. AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Contracts with customers are presented in the statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities (effective 1 July 2019)

The Company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1 Significant Accounting Policies (continued)

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of adoption – AASB 15 and AASB 1058

The impact of adopting AASB15 and AASB1058 was not material to the company's financial statements.

AASB 16 Leases (effective 1 July 2019)

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

Impact of adoption – AASB 16

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

	1 July 2019 \$
Operating lease commitments as at 1 July 2019 not previously disclosed (AASB 117)	163,658
Operating lease commitments discount based on the weighted average incremental borrowing rate of 6% (AASB 16)	(11,764)
Right-of-use assets (AASB 16)	<u>151,894</u>
Lease liabilities – current (AASB 16)	86,488
Lease liabilities – non-current (AASB 16)	<u>65,406</u>

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1 Significant Accounting Policies (continued)

When adopting AASB 16 from 1 July 2019, the Company has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- assessed all contracts in our contracts register and determined not to apply AASB 16 to contracts that were not previously identified as containing a lease.

(a) Basis of Preparation

In the directors' opinion, HelpingMinds Limited is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute financial statements to the members of HelpingMinds Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of HelpingMinds Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial report has been prepared under the historical cost convention.

The financial report is presented in Australian dollars (\$), unless otherwise stated.

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 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.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1 Significant Accounting Policies

(b) 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 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 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.

(c) Trade and other payables

These amounts represent liabilities for goods and services provided 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.

(d) 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.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1 Significant Accounting Policies

(e) Cash and cash equivalents

Cash and cash equivalents include 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.

(f) Trade and other receivables

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

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Generally small items of less than \$5,000 purchased from funded sources are written off on purchase.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" in profit or loss.

One of the Respite properties was sold during the year, and the expectation is the second will be realised within 12 months.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1 Significant Accounting Policies

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use.

The depreciation rates used for the significant items of property, plant and equipment as follows:

Building improvements	2.5% - 6%
Furniture and fittings	15% - 20%
Motor vehicles	20% - 25%
Plant and equipment	10% - 50%

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

(h) 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.

(i) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution superannuation plans

Obligations for contributions to defined contribution superannuation plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2019

1 Significant Accounting Policies

(iii) Other long-term employee benefits

The net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long Service Leave is accrued for employees with 6 or more years of service.

(j) Revenue

(i) Government grants

Revenue from government grants and external programs received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

(ii) Revenue from contracts with customers

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

(iii) Fundraising and donations

Donations and bequests are recognised as revenue when it is received.

(iv) Interest income

Interest revenue is recognised using the effective interest rate method.

(v) In-kind donations

Items received as donations are included at the fair value where this can be quantified, and a third party bears the cost. No amounts are included in the financial statements for services donated by volunteers.

(k) Income tax

HelpingMinds Limited is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

1. Significant Accounting Policies

(l) Fund accounting

On occasion HelpingMinds Limited may receive resources for particular purposes. To facilitate observance of these limitations, the financial report lists separately those funds which are restricted or designated and those funds which are unrestricted.

- Restricted funds are those presently for use, but expendable only for operating purposes specified by contract.
- Designated funds are those presently available for use, but expendable only for operating purposes specified by the Board. Designated funds are not subject to a legal commitment and may be reallocated pursuant to Board approval.
- Unrestricted funds are those funds presently available for use at the discretion of the Board.

(m) 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.

(n) Contract Liabilities

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

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

2 Critical accounting judgements, estimates and assumptions

The Company evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Impairment

The Company assess impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

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 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 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 Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 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 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.

Grant income received

The interaction between AASB 15 and AASB 1058 require management to assess whether the government grants and other funding received need to be accounted for under AASB 15 or AASB 1058. Key to this assessment is whether the government grants and other funding agreements contain:

- a contract with a customer that creates 'enforceable' rights and obligations, and
- the contract includes 'sufficiently specific' performance obligations.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

Grant income received (continued)

Critical judgement was applied by management in assessing whether a promise is 'sufficiently specific', taking into account all facts and circumstances and any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services, including conditions regarding:

- the nature or type of the goods or services
- the cost or value of the goods or services
- the quantity of the goods or services
- the period over which the goods or services must be transferred.

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 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.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

3 Revenue and other income	30 June 2020	30 June 2019
Government grants	\$9,995,370	\$8,982,049
Interest income	\$38,338	\$89,955
Fundraising and donations	\$34,835	\$26,661
Respite service income	-	\$1,611
Management fees	\$221,040	\$221,040
Vehicle	\$76,212	\$33,164
Other Income	\$50,818	\$4,298
	\$10,416,613	\$9,358,778
4 Employee benefits expenses		
Salaries and wages	\$7,669,767	\$6,703,722
	\$7,669,767	\$6,703,722
5 Cash and cash equivalents		
Bank balances	\$2,271,129	\$1,320,234
Petty cash	\$306	\$889
Short term deposits	\$1,050,000	\$1,050,000
	\$3,321,435	\$2,371,123
6 Trade and other receivables		
Trade debtors	\$290,512	\$14,448
Other receivables	\$200,994	\$172,500
	\$491,506	\$186,948

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

7 Property, plant and equipment

	Land and buildings	Furniture and fittings	Motor vehicles	Plant and equipment	Right of Use Assets	Total Property Plant and Equipment	Property held for sale	Total
Cost								
Cost at 1 July 2019	\$1,606,562	\$41,611	\$370,917	\$28,556	\$160,294	\$2,207,940	\$668,000	\$2,875,940
Additions	-	-	61,548	-	-	61,548	-	61,548
Disposals	-	-	(\$141,478)	-	-	(\$141,478)	(\$390,000)	(\$531,478)
Balance at 30 June 2020	\$1,606,562	\$41,611	\$290,987	\$28,556	\$160,294	\$2,128,010	\$278,000	\$2,406,010
Accumulated depreciation								
Balance at 1 July 2019	\$321,580	\$23,406	\$149,471	\$19,037	-	\$513,494	-	\$513,494
Depreciation for the year	\$25,492	\$1,773	\$37,967	\$9,519	\$83,523	\$158,274	-	\$158,274
Disposals	-	-	(\$117,437)	-	-	(\$117,437)	-	(\$117,437)
Balance at 30 June 2020	\$347,072	\$25,179	\$70,001	\$28,556	\$83,523	\$554,331	-	\$554,331
Depreciation expense 30 June 2019	\$25,492	-	\$7,105	\$9,519	-	\$42,116	-	\$42,116
Carrying amounts								
At 1 July 2019	\$1,284,982	\$18,205	\$221,446	\$9,519	-	\$1,534,152	\$668,000	\$2,202,152
At 30 June 2020	\$1,259,490	\$16,432	\$220,986	-	\$76,771	\$1,573,679	\$278,000	\$1,851,679

Right of use assets relate to leases on properties.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

	30 June 2020	30 June 2019
8 Trade and other payables		
Trade payables	\$458,974	\$331,899
Other payables and accruals	\$312,260	\$82,554
	\$771,234	\$414,453
9 Contract Liabilities		
Contract Liabilities	\$799,316	\$353,702
	\$799,316	\$353,702
Contract Liabilities related to funds received in advance of which performance obligations specified within the funding and services contracts have not been met.		
10 Lease liability		
<i>Current</i>		
Lease liability	\$76,344	-
	\$76,344	-
<i>Non-current</i>		
Lease liability	\$2,552	-
	\$2,552	-
11 Employee benefits		
<i>Current</i>		
Liability for annual leave	\$352,002	\$266,929
	\$352,002	\$266,929
<i>Non-current</i>		
Liability for long service leave	\$147,961	\$98,086
	\$147,961	\$98,086
12 Remuneration of auditors		
Audit of the financial statements	\$16,000	\$14,000
	\$16,000	\$14,000

During the financial year the following fees were paid or payable for services provided by RSM Australia, the auditor of HelpingMinds Limited.

HelpingMinds Limited

Notes to the financial statements

For the year ended 30 June 2020

	30 June 2020	30 June 2019
13 Unrestricted Funds		
Unrestricted funds at the beginning of the financial year	\$3,660,966	\$3,404,885
Loss after income tax	(\$110,706)	(\$12,013)
Transfer between funds	-	\$268,094
	<u>\$3,550,260</u>	<u>\$3,660,966</u>

14 Commitments

There were no material commitments as at 30 June 2020 and 30 June 2019.

15 Contingent Liabilities

HelpingMinds Limited's head office building at 182 Lord Street Perth is jointly owned with another charity and was partly funded by grants in 2005 and 2007 and is subject to restrictions of ownership conditions until February 2027. It is expected that these conditions will be met and repayment of the grant will not be required.

16 Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and 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 Western Australian Government, Australian Government and other countries. These measure include maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

17 Reconciliation of net cash flows from operating activities:

	30 June 2020	30 June 2019
Deficits after income tax expense for the year	(\$110,706)	(\$12,013)
Adjustments for:		
Depreciation expense	\$158,274	\$42,116
Gain on sale of PPE	(\$21,578)	-
Impairment expense	-	\$60,000
Movements in assets and liabilities:		
Trade and other receivables	(\$304,558)	(\$122,284)
Trade and other payables	\$356,781	\$184,176
Unexpended Funds	\$445,614	(\$232,204)
Provisions	\$134,948	\$97,905
Net cash provided by operating activities	<u>\$658,775</u>	<u>\$17,696</u>

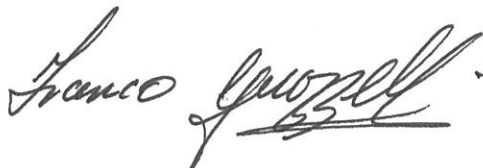
Directors' declaration

In the opinion of the Board of Directors of HelpingMinds Limited:

- 1) The attached financial statements and notes thereto comply with applicable accounting standards as described in Note 1 to the financial statements;
- 2) The attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and giving a true and fair view of the Company's financial position as at 30 June 2020 and its performance for the year ended; and
- 3) In the Board's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the directors:

On behalf of the Board



Franco Guazzelli
Director

Dated at Perth this 21st day of October 2020

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www.rsm.com.au**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HELPINGMINDS LIMITED****Opinion**

We have audited the financial report of HelpingMinds Limited ("HelpingMinds"), which comprises the statement of financial position as at 30 June 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 statement by the Board of Directors.

In our opinion, the financial report of HelpingMinds has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of HelpingMinds' financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; 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 HelpingMinds in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared to assist HelpingMinds to meet the requirements of 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.

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Other Information

The Board of Directors are responsible for the other information. The other information comprises the information included in HelpingMinds' annual report for the year ended 30 June 2020, but does not include the financial report and the 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, 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 Management and Board of Directors for the Financial Report

The Board of Directors of HelpingMinds are responsible for the preparation of the financial report that gives a true and fair view in accordance with the basis of preparation described in Note 1 and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Directors determine 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, the Board of Directors are responsible for assessing HelpingMinds' 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 HelpingMinds or to cease operations, or has no realistic alternative but to do so.

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 at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the requirements of the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA)

Opinion

We have audited the financial report of HelpingMinds, as required by the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

In our opinion:

- (a) The financial report of HelpingMinds has been properly prepared, and the associated records have been properly kept for the year ended 30 June 2020, in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*; and
- (b) Funds received as a result of fundraising activities conducted during the year ended 30 June 2020 have been properly accounted for and applied in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*;

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising activities pursuant to the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

RSM
RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 22 October 2020