

Financial Report 2017




helping minds
Mental Health Services & Carer Support

Let's Talk

Mental Health Carers Arafmi (WA) Inc

Trading as

HelpingMinds

ABN: 26 183 089 857

Annual Financial Report

30 June 2017

HelpingMinds

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HelpingMinds

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

| | Note | 2016 | 2017 |
|--|------|--------------------|--------------------|
| Revenue and other income | 2 | \$6,925,582 | \$7,735,334 |
| Rental expenses | | \$288,136 | \$378,680 |
| Communication expenses | | \$138,915 | \$154,310 |
| Insurance | | \$67,345 | \$92,571 |
| Travel expenses | | \$134,885 | \$125,607 |
| Employee benefit expenses | 3 | \$4,346,111 | \$4,797,941 |
| Professional Development | | \$81,030 | \$109,171 |
| Finance costs | | \$17,014 | \$19,830 |
| Other operational expenses | | \$17,252 | \$19,714 |
| Small Asset purchases | | \$104,848 | \$133,329 |
| Program expenses | | \$544,307 | \$342,402 |
| Audit expenses | | \$10,250 | \$11,574 |
| Marketing expenses | | \$153,706 | \$406,738 |
| IT Support | | \$116,777 | \$111,958 |
| Administrative expenses | | \$106,723 | \$142,246 |
| Transport expenses | | \$207,089 | \$217,423 |
| Professional fees | | \$15,456 | \$8,930 |
| Depreciation and amortisation expense | | \$107,127 | \$184,901 |
| Impairment expense | | - | \$50,399 |
| Other expenses | 4 | \$446,870 | \$349,957 |
| Total expenses | | \$6,903,841 | \$7,657,681 |
| Results from operating activities | | \$21,741 | \$77,653 |
| Tax expense | 1(k) | - | - |
| Profit for the year | | \$21,741 | \$77,653 |
| Total comprehensive income for the year | | \$21,741 | \$77,653 |

The notes on pages 6 to 15 are an integral part of these financial statements.

HelpingMinds

Statement of financial position

As at 30 June 2017

| | Note | 2016 | 2017 |
|--------------------------------------|------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | 5 | \$440,546 | \$1,311,244 |
| Trade and other receivables | 6 | \$18,352 | \$16,608 |
| Short term deposits | | \$1,030,000 | \$1,030,000 |
| Other current assets | | \$110,613 | \$40,968 |
| Total current assets | | \$1,599,511 | \$2,398,820 |
| Property, plant and equipment | 7 | \$1,566,320 | \$1,530,655 |
| Intangible assets | 8 | \$100,532 | \$44,965 |
| Security deposits | | \$15,553 | \$15,213 |
| Total non-current assets | | \$1,682,405 | \$1,590,833 |
| Total assets | | \$3,281,916 | \$3,989,653 |
| Liabilities | | | |
| Trade and other payables | 9 | \$97,600 | \$180,680 |
| Unexpended funds | 10 | \$81,681 | \$813,435 |
| Employee benefits | 11 | \$195,974 | \$250,476 |
| Deferred Income | 12 | \$320,503 | \$281,378 |
| Total current liabilities | | \$695,758 | \$1,525,969 |
| Employee benefits | 11 | \$19,298 | \$135,002 |
| Loans and borrowings | | \$337,695 | \$21,866 |
| Total non-current liabilities | | \$356,993 | \$156,868 |
| Total liabilities | | \$1,052,751 | \$1,682,837 |
| Net assets | | \$2,229,165 | \$2,306,816 |
| Equity | | | |
| Retained earnings | | \$2,229,165 | \$2,306,816 |
| Total equity | | \$2,229,165 | \$2,306,816 |

The notes on pages 6 to 15 are an integral part of these financial statements.

HelpingMinds

Statement of changes in equity

For the year ended 30 June 2017

| | Retained Earnings |
|--|------------------------------|
| Balance at 1 July 2015 | \$2,207,422 |
| Total comprehensive income for the year | |
| Profit for the year | \$21,741 |
| Other comprehensive income for the year | - |
| Total other comprehensive income for the year | - |
| Total comprehensive income for the year | \$21,741 |
| Balance at 30 June 2016 | \$2,229,163 |
| Balance at 1 July 2016 | \$2,229,163 |
| Total comprehensive income for the year | |
| Profit for the year | \$77,653 |
| Other comprehensive income for the year | - |
| Total other comprehensive income for the year | - |
| Total comprehensive income for the year | \$77,653 |
| Balance at 30 June 2017 | \$2,306,816 |

HelpingMinds

Statement of cash flows

For the year ended 30 June 2017

| | Note | 2017 |
|--|------|--------------------|
| Cash flows from operating activities | | |
| Receipts from funding bodies | | \$8,063,123 |
| Donations | | \$17,260 |
| Lease fees | | \$32,781 |
| Retreat fees | | \$16,685 |
| Sundry | | \$5,477 |
| Cash paid to suppliers and employees | | (\$6,856,276) |
| Cash generated from operating activities | | \$1,279,050 |
| Interest received | | \$56,662 |
| Interest paid | | (\$19,830) |
| Net cash from operating activities | | \$1,315,882 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | | (\$129,355) |
| Net cash used in investing activities | | (\$129,355) |
| Cash flows from financing activities | | |
| Repayment of borrowings | | (\$315,829) |
| Net cash used in financing activities | | (\$315,829) |
| Net (decrease)/increase in cash and cash equivalents | | \$870,698 |
| Cash and cash equivalents at beginning of year | | \$440,546 |
| Cash and cash equivalents at end of year | 5 | \$1,311,244 |

The notes on pages 6 to 15 are an integral part of these financial statements.

HelpingMinds

Notes to the financial statements

For the year ended 30 June 2017

1. Significant Accounting Policies

(a) Corporate Information

This financial report of Mental Health Carers Arafmi (WA) Inc T/as HelpingMinds for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Board of Governance on 10 October 2017.

Mental Health Carers Arafmi (WA) Inc t/as HelpingMinds is a not for profit charity incorporated in Australia under the *Associations Incorporation Act (WA) 2015*.

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

The Association's principal activity is the enhancement of the wellbeing of family, friends and others who care for people with mental illness and/or psychosocial disability by providing quality support, education and advocacy services.

(b) Basis of Preparation

The financial report is a special purpose financial report, which has been prepared in accordance with the requirements of Australian Accounting Standards and Interpretations to the extent detailed below.

The accounting policies used in the preparation of this financial report, as described below, are, in the opinion of the Committee members, appropriate to meet the needs of members.

The requirements of Australian Accounting Standards do not have mandatory application to Mental Health Carers Arafmi (WA) Inc in relation to the year ended 30 June 2017 because the Committee have determined that the Association is a not for profit, non-reporting entity.

The Committee has determined that in order for the financial report to present fairly the Association's financial performance and financial position, the special purpose financial report has been prepared in accordance with the basis of accounting specified by all the Accounting Standards and Interpretations (applicable to not for profit organisations) and the disclosure requirements of the following standards:

- 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 and Application of Standards
- AASB 1031: Materiality
- AASB 1054: Australian Additional Disclosures
- AASB 1004: Contributions

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

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

The accounting policies adopted are consistent with those of the previous financial year. Certain comparative amounts in the statement of profit or loss or other comprehensive income and statement of financial position have been reclassified to conform with the current year's presentation. The statement of cash flows has been prepared without comparative information for 2016.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards and Interpretations applicable to not for profit organisations to the extent described in Note 1(b).

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

1. Significant Accounting Policies (continued)

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

(e) Financial instruments

Non-derivative financial assets

The Association initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Association becomes a party to the contractual provisions of the instruments.

The Association derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Association is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Association has loans and receivables which are considered non-derivative financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses (see Note 1(h)(i)).

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Association in the management of its short-term commitments.

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

1. Significant Accounting Policies (continued)

(f) 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.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

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. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(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 Association 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.

(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 current and comparative periods for significant items of property, plant and equipment as follows:

| | 2016 | 2017 |
|------------------------|-----------|-----------|
| Building improvements | 2.5% - 6% | 2.5% - 6% |
| Furniture and fittings | 15% - 20% | 15% - 20% |
| Motor vehicles | 20% - 25% | 20% - 25% |
| Plant and equipment | 10% - 50% | 10% - 50% |

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

1. Significant Accounting Policies (continued)

(f) Property, plant and equipment (continued)

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The Association has a part ownership interest in 182 Lord Street which has been partly funded by a grant from LotteryWest and is subject to restrictions of ownership for the 20 year period until February 2027. The asset is being disclosed as a leasehold asset and being amortised over the period of the restrictions on ownership as set out in a deed dated 22 February 2007.

(g) Intangible assets

(i) Software

Other intangible assets that are acquired by the Association and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

| | 2016 | 2017 |
|----------|---------|---------|
| Software | 2 years | 2 years |

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

(h) Impairments

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

1. Significant Accounting Policies (continued)

(h) Impairments (continued)

(ii) Non-financial assets

The carrying amounts of the Association's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a *pro rata* basis.

(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.

(iii) Other long-term employee benefits

The Association's 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 7 or more years of service.

(j) Revenue

(i) Government grants

Grant revenue is recognised when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If the conditions attached to the grant must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred as unexpended funds until those conditions are satisfied.

(ii) Fundraising and donations

Donations and bequests are recognised as revenue when they are received.

(iii) Interest income

Interest revenue is recognised using the effective interest rate method.

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

1. Significant Accounting Policies (continued)

(j) Revenue (continued)

(iv) In-kind donations

Items received as donations are included at the fair value to the entity 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

No provision for income tax is raised as the Association is exempt from income tax under Division 50-B of the Income Tax Assessment Act 1997.

(l) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these financial statements. Those which may be relevant to the Association are set out below. The Association does not plan to adopt these standards early.

AASB 9 Financial Instruments (2014)

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 Financial Instruments, Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Association is assessing the potential impact on its financial statements resulting from the application of AASB 9.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018. The Association is assessing the potential impact on its financial statements resulting from the application of AASB 15.

AASB 16 Leases

AASB 16 removes the lease classification test for lessees and requires all the leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time. The Association is assessing the potential impact on its financial statements resulting from the application of AASB 16.

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

| 2 Revenue and other income | 2016 | 2017 |
|--|--------------------|--------------------|
| Government grants | \$6,456,137 | \$7,296,655 |
| Interest income | \$50,298 | \$56,662 |
| Fundraising and donations | \$32,245 | \$17,260 |
| Respite service income | \$69,899 | \$49,465 |
| Management fees | \$221,040 | \$221,040 |
| Vehicle | \$40,250 | \$49,650 |
| Deferred Income - Lord Street grant | \$39,125 | \$39,125 |
| Other Income | \$16,588 | \$5,477 |
| | \$6,925,582 | \$7,735,334 |
| 3 Employee benefits expenses | | |
| Salaries and wages | \$4,346,111 | \$4,797,941 |
| | \$4,346,111 | \$4,797,941 |
| 4 Other expenses | | |
| Lord St fee | \$221,040 | \$221,040 |
| Fringe Benefits Tax | \$14,890 | \$7,468 |
| Subcontract service delivery | \$210,940 | \$121,449 |
| | \$446,870 | \$349,957 |
| 5 Cash and cash equivalents | | |
| Bank balances | \$437,030 | \$1,309,147 |
| Petty cash | \$3,516 | \$2,097 |
| Cash and cash equivalents in the statement of cash flows | \$440,546 | \$1,311,244 |
| 6 Trade and other receivables | | |
| Trade debtors | \$18,352 | \$16,608 |
| Other receivables | - | - |
| | \$18,352 | \$16,608 |

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

7 Property, plant and equipment

| | Land and buildings | Building improvements | Furniture and fittings | Motor vehicles | Plant and equipment | Total |
|---|-----------------------|--------------------------|---------------------------|------------------|------------------------|--------------------|
| Cost | | | | | | |
| Cost at 1 July 2016 | \$1,576,136 | \$824,062 | \$42,724 | \$155,625 | - | \$2,598,547 |
| Additions | - | - | - | - | \$129,355 | \$129,355 |
| Balance at 30 June 2017 | \$1,576,136 | \$824,062 | \$42,724 | \$155,625 | \$129,355 | \$2,727,902 |
| Accumulated depreciation and impairment losses | | | | | | |
| Balance at 1 July 2016 | \$478,133 | \$428,939 | \$18,985 | \$106,170 | - | \$1,032,227 |
| Depreciation for the year | \$43,973 | \$49,324 | \$3,226 | \$18,098 | - | \$114,621 |
| Impairment | - | - | - | - | \$50,399 | \$50,399 |
| Balance at 30 June 2017 | \$522,106 | \$478,263 | \$22,211 | \$124,268 | \$50,399 | \$1,197,247 |
| Carrying amounts | | | | | | |
| At 1 July 2016 | \$1,098,003 | \$395,123 | \$23,739 | \$49,455 | - | \$1,566,320 |
| At 30 June 2017 | \$1,054,030 | \$345,799 | \$20,513 | \$31,357 | \$78,956 | \$1,530,655 |

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

| | | | |
|-----------|---|------------------|------------------|
| 8 | Intangible asset | 2016 | 2017 |
| | <i>Software/Commscentre</i> | | |
| | Cost (gross carrying amount) | \$100,532 | \$100,532 |
| | Accumulated amortisation and impairment | - | (\$55,567) |
| | | \$100,532 | \$44,965 |
| 9 | Trade and other payables | | |
| | Trade payables | \$54,824 | \$100,686 |
| | Other payables and accruals | \$42,970 | \$25,564 |
| | GST payable | (\$194) | \$54,430 |
| | | \$97,600 | \$180,680 |
| 10 | Unexpended funds | | |
| | Unexpended funds | \$81,681 | \$813,435 |
| | | \$81,681 | \$813,435 |
| 11 | Employee benefits | | |
| | <i>Current</i> | | |
| | Superannuation | (\$2,822) | \$34,248 |
| | Centrelink for Maternity Leave | - | \$2,609 |
| | Liability for annual leave | \$198,796 | \$213,619 |
| | Liability for long service leave | - | - |
| | | \$195,974 | \$250,476 |
| | <i>Non-current</i> | | |
| | Liability for long service leave | \$19,298 | \$135,002 |
| | | \$19,298 | \$135,002 |
| 12 | Deferred Income | | |
| | <i>Grant for Lord Street premises</i> | | |
| | Cost (gross carrying amount) | \$782,500 | \$782,500 |
| | Accumulated amortisation | (\$461,997) | (\$501,122) |
| | | \$320,503 | \$281,378 |

HelpingMinds

Notes to the financial statements (continued)

For the year ended 30 June 2017

13 Operating leases

At the end of the reporting period, the future minimum lease payments (including GST) under non-cancellable operating leases are payable as follows.

Payable - minimum lease payments:

| Motor Vehicles | 2016 | 2017 |
|------------------------------------|----------|----------|
| - not later than 12 months | \$44,100 | \$37,499 |
| - between 12 months and five years | \$47,834 | \$3,734 |
| - later than five years | - | - |
| Total lease liability | \$91,934 | \$41,233 |

| Printers | 2016 | 2017 |
|------------------------------------|----------|----------|
| - not later than 12 months | \$4,990 | \$4,990 |
| - between 12 months and five years | \$14,137 | \$9,147 |
| - later than five years | - | - |
| Total lease liability | \$19,127 | \$14,137 |

The four motor vehicle leases are over a three-year term with various finish dates, with lease amounts payable monthly in advance. Leases are organised through Easifleet.

The printer leases are with Advanced Document Solutions Pty Limited and are for two Samsung Multi-Function printers and are for a term of five years ending May 2020. Lease is paid by direct debit monthly in advance.

14. Commitments

With the exception of the operating lease commitments in note 13 above and the lease commitment for rented premises (all of less than 12 months) for the delivery of services, there were no commitments made by the Association at year-end.

15. Contingencies

As disclosed at note 1(f), the Association head office building at 182 Lord Street Perth is freehold owned jointly with another charity and funded by grants in 2005 and 2007, and subject to conditions until February 2027. It is expected that these conditions will be met and repayment of the grant will not be required.

16. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

17. Subsequent events

By Special General Meeting held on 15 August 2017, the members of the Association approved a proposal that the Association apply for registration as a company limited by guarantee under the *Corporations Act 2001*, that the Association transfer its registration from the *Associations Incorporation Act 2015* to the *Corporations Act 2001*, the name of the Association be changed to HelpingMinds Ltd and that a revised constitution be adopted.

There have been no other events subsequent to balance date which would have a material effect on the Association's financial statements at 30 June 2017.

Committees' declaration

The Board of Directors has determined that Mental Health Carers Arafmi (WA) Inc is not a reporting entity and that a special purpose financial report should be prepared in accordance with Accounting Policies outlined in Note 1 to the financial statements.

In our opinion, the accompanying Special Purpose Financial Report of Mental Health Carers Arafmi (WA) Inc has been drawn up to fairly present:

- 1) The state of affairs of the Association as at 30 June 2017;
- 2) The results for the year then ended; and
- 3) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The Special Purpose Financial Statements of the Association have been prepared in accordance with the basis of preparation as described in Note 1 to the financial statements.

Signed for and on behalf of the Committee in accordance with a resolution of committee members.



Patrick Hardwick
President

Dated at Perth this 10th day of October 2017.



BUSINESS
CONSULTANTS

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
MENTAL HEALTH CARERS ARAFMI (WA) INC.
TRADING AS HELPING MINDS
AS AT 30 JUNE 2017**

Report on the Financial Report

We have audited pages 2 to 16 of the accompanying financial report, being a special purpose financial report, of Mental Health Carers Arafmi (WA) Incorporated (the Association) trading as HelpingMinds, which comprises the Statement of profit or loss and the statement of cashflows both for the year ended 30 June 2017, the statement of financial position as at 30 June 2017, a statement of significant accounting policies and the Committees' declaration.

The Responsibility of the Board of Directors for the Financial Report

The Board of Directors of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Association and are appropriate to meet the needs of the members. The Board's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting under the constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion


In our opinion, the financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1(b) to the financial report, which describes the basis of accounting.

The financial report has been prepared to assist Mental Health Carers Arafmi (WA) Incorporated to meet the requirements of the association's constitution and the *Associations Incorporation Act 2015* (WA). As a result, the financial report may not be suitable for another purpose.

2020 Global Pty Ltd



Bruce Donald

Director

11 October 2017

I always come away with a
measure of hope which I did
not have when I arrived.



Head office

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Mental Health Carers Arafmi (WA) Inc

www.helpingminds.org.au

