



**MIFWA**

MENTAL ILLNESS FELLOWSHIP OF WESTERN AUSTRALIA

**ANNUAL FINANCIAL REPORT**

for the year ended 30 June 2017

**Mental Illness Fellowship of WA Inc  
Board of Management Report  
For the year ended 30 June 2017**

The Board of Management (the Board) present their report, together with the financial statements, on the Mental Illness Fellowship of Western Australia Incorporated (the Fellowship) for the year ended 30 June 2017.

**Office bearers**

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

Ann White (President)  
Nicholas Hopkin (Treasurer)  
Ruth Webber (Vice-president) - to October 2016  
Kellie McCrum (Vice-president)  
Robyn Fitall (Vice-president) – appointed October 2016

**Board members**

In addition to the office bearers, the following persons were members of the Board during the whole of the financial year and up to the date of this report, unless otherwise stated:

Vivien Hannaford  
Glenn Pickett  
Kirri Campbell - to December 2016  
Adrian Gallo  
Kristy Bradshaw - appointed October 2016  
Ruth Webber - to January 2017

**Mission**

The mission of the Fellowship is:

- to work alongside people affected by mental health issues in a way that is meaningful to them;
- to promote acceptance and understanding of mental health in the community; and
- to be a leader in innovation and systemic reform in mental health service delivery.

Integral to achieving our mission are our values of accountability, integrity, inclusion and acceptance, collaboration and empowerment.

**Strategy for achieving our mission**

The Fellowship offers targeted individualised support services and continues to develop and grow other effective service models. The growth strategy will be based on offering reliable experienced staff promoting hope and building independence, offering flexibility through a relationship based on respect and a genuine understanding of each person. We will offer local, reliable, creative and targeted support from an experienced workforce including peers. Our workforce has a strong understanding of complex issues created by mental illness.

The Fellowship receives most of its contract funding from the Western Australian state government Mental Health Commission (MHC) and the Commonwealth Government Department of Social Services. This year we have continued to see significant growth in individualised services funded by the National Disability Insurance Scheme and the state government Disability Services Commission.

**Principal activities**

During the financial year the principal activities of the Fellowship included providing personalised support for individuals with mental illness; support for families and carers, and providing information to promote better understanding and acceptance.

On behalf of the officer bearers



Nicholas Hopkin  
Treasurer  
23 August 2017

**Mental Illness Fellowship of WA Inc**  
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**For the year ended 30 June 2017**

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**Mental Illness Fellowship of WA Inc**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	4	4,229,802	4,537,724
<b>Expenses</b>			
Personnel and related costs		(2,995,272)	(3,089,174)
Service delivery		(472,122)	(689,691)
Administration		(158,331)	(197,639)
Premises		(184,425)	(115,211)
IT and communications		(103,890)	(111,782)
Motor vehicle and travel		(187,547)	(179,901)
Depreciation and interest		<u>(103,319)</u>	<u>(97,454)</u>
<b>Surplus for the year</b>		24,896	56,872
Other comprehensive income for the year	9	<u>(72,000)</u>	<u>(70,000)</u>
<b>Total comprehensive income / (loss) for the year</b>		<u><u>(47,104)</u></u>	<u><u>(13,128)</u></u>

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

**Mental Illness Fellowship of WA Inc**  
**Statement of financial position**  
**As at 30 June 2017**

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,219,967	713,257
Trade and other receivables	7	40,972	126,788
Other	8	170,085	126,887
Total current assets		<u>1,431,024</u>	<u>966,932</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	3,071,195	3,147,170
Total non-current assets		<u>3,071,195</u>	<u>3,147,170</u>
<b>Total assets</b>		<u>4,502,219</u>	<u>4,114,102</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	252,269	162,505
Employee benefits	11	194,844	227,723
Borrowings	12	231,637	230,705
Other	13	731,740	351,628
Total current liabilities		<u>1,410,490</u>	<u>972,561</u>
<b>Non-current liabilities</b>			
Employee benefits	11	37,468	41,075
Borrowings	12	52,506	51,606
Total non-current liabilities		<u>89,974</u>	<u>92,681</u>
<b>Total liabilities</b>		<u>1,500,463</u>	<u>1,065,242</u>
<b>Net assets</b>		<u>3,001,756</u>	<u>3,048,860</u>
<b>Equity</b>			
Retained earnings	14	2,170,338	2,145,442
Reserves	15	831,418	903,418
<b>Total equity</b>		<u>3,001,756</u>	<u>3,048,860</u>

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

**Mental Illness Fellowship of WA Inc**  
**Statement of changes in equity**  
**For the year ended 30 June 2017**

	<b>Retained earnings \$</b>	<b>Bequest reserve \$</b>	<b>Revaluation reserve \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	<u>2,088,570</u>	<u>256,141</u>	<u>717,277</u>	<u>3,061,988</u>
Surplus for the year	56,872	-	-	56,872
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Total comprehensive income for the year	<u>183,563</u>	<u>-</u>	<u>(64,750)</u>	<u>118,813</u>
Balance at 1 July 2016	<u>2,145,442</u>	<u>256,141</u>	<u>647,277</u>	<u>3,048,860</u>
Surplus for the year	24,896	-	-	24,896
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(72,000)</u>	<u>(72,000)</u>
Total comprehensive income for the year	<u>24,896</u>	<u>-</u>	<u>(72,000)</u>	<u>(47,104)</u>
Balance at 30 June 2017	<u><u>2,170,338</u></u>	<u><u>256,141</u></u>	<u><u>575,277</u></u>	<u><u>3,001,756</u></u>

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

**Mental Illness Fellowship of WA Inc**  
**Statement of cash flows**  
**For the year ended 30 June 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Grants received		4,420,204	4,371,598
Grants repaid		(81,726)	
Donations received		21,083	9,355
Receipts from customers		230,679	137,222
Payments to suppliers and employees		<u>(4,078,889)</u>	<u>(4,398,071)</u>
		511,351	120,105
Interest received		16,847	16,002
Interest paid		<u>(20,075)</u>	<u>(16,757)</u>
Net cash from operating activities		<u>508,123</u>	<u>119,349</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		23,593	17,974
Payments for property, plant and equipment		<u>(16,405)</u>	<u>(125,534)</u>
Net cash from (used in) investing activities		<u>7,188</u>	<u>(107,560)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			20,000
Repayments of borrowings		<u>(8,601)</u>	<u>(11,229)</u>
Net cash from (used in) financing activities		<u>(8,601)</u>	<u>8,771</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		<u>713,257</u>	<u>692,697</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,219,967</u></u>	<u><u>713,257</u></u>

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

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**1. General information and statement of compliance**

The financial report includes the financial statements and notes of the Mental Illness Fellowship of Western Australia Incorporated (the Fellowship).

These financial statements are general purpose financial statements that have been prepared in accordance with:

- Australian Accounting Standards – Reduced Disclosure Requirements,
- Australian Charities and Not-for-profits Commission Act 2012,
- Associations Incorporation Act 1987 (Western Australia), and
- Charitable Collections Act 1946 (Western Australia).

The Fellowship is a not-for-profit entity.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board of Management of the Fellowship on 23<sup>rd</sup> August 2017.

**2. Changes in accounting policies**

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2016. None of these policies were of significance to the Fellowship.

*Early adoption of Accounting Standards*

The Fellowship has early adopted AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 10. The adoption of this Accounting Standard did not have any significant impact on the financial performance or position of the Fellowship.

The intent of this standard is to increase the relevance and understanding of the financial report. As a result significant accounting policies specific to one note are included within that note and where possible, wording has been simplified to provide clearer commentary on the financial report. Accounting policies determined not to be significant are not included in the financial statements.

**3. Significant accounting policies**

*Basis of preparation*

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

*Significant management judgement in applying accounting policies*

The preparation of the financial statements requires the Fellowship to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Fellowship continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

The Fellowship bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which they believe to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed in the relevant notes:

- Trade receivables - impairment
- Property, plant & equipment
  - Impairment and revaluation to fair value
  - Useful lives of depreciable assets
- Employee benefits – long service leave
- Contingent liability

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**Note 3. Significant accounting policies (cont.)**

*Income tax*

As the Fellowship is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997 it is exempt from paying income tax and no provision for income tax has been raised.

*Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. 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. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

*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 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 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.

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**4. Revenue**

Revenue is recognised when it is probable that the economic benefit will flow to the Fellowship, the revenue can be reliably measured and specific criteria relating to the type of revenue as noted below, has been satisfied.

*Grants and service agreements*

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Grants not fully acquitted in the course of the year may be carried forward to the next financial year.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Fellowship obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Fellowship and the amount of the grant can be measured reliably.

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

*Sales revenue*

Events and fundraising are recognised when received or receivable.

*Donations*

Donations are recognised when received.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<i>Grants and service agreements</i>		
Mental Health Commission	1,412,027	2,115,652
Department of Social Services	863,097	1,008,142
Medicare Local	362,162	373,087
Disability Services Commission	320,786	272,767
National Disability Insurance Scheme	892,941	397,401
Other	98,411	205,815
	<u>3,949,424</u>	<u>4,372,864</u>
<i>Sales revenue</i>		
Fees and charges	129,265	63,319
Meals and catering	18,956	19,293
Fundraising	89	905
	<u>148,310</u>	<u>83,517</u>
<i>Other revenue</i>		
Rent	66,000	33,550
Donations	21,083	9,355
Interest	16,847	16,002
Profit on sale of assets	11,400	3,650
Membership	2,017	1,473
Sundry	14,721	17,313
	<u>132,068</u>	<u>81,343</u>
Revenue	<u>4,229,802</u>	<u>4,537,724</u>

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**5. Expenses**

Expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

*Operating leases*

Where the Fellowship is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Personnel and related costs includes the following specific expenses:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>245,993</u>	<u>239,711</u>

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

**6. Current assets - cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Unrestricted		
Cash on hand	971	1,050
Cash at bank	887,271	388,567
Cash on deposit	<u>203,655</u>	<u>195,570</u>
	1,091,897	585,187
Restricted		
Cash on deposit	<u>128,070</u>	<u>128,070</u>
	<u>1,219,967</u>	<u>713,257</u>

The restricted cash represents the amount of money bequeathed by Tecwyn Jones to MIFWA in 2004 applicable to the Lorikeet centre.

**7. Current assets - trade and other receivables**

Trade and other receivables are recognised at amortised cost, less any provision for impairment.

*Impairment*

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. No receivables were found to be impaired at balance date.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	<u>40,972</u>	<u>126,788</u>

**8. Current assets - other**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Accrued revenue	112,171	71,277
Prepayments	45,989	45,283
Security deposits	<u>11,925</u>	<u>10,327</u>
	<u>170,085</u>	<u>126,887</u>

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**9. Non-current assets - property, plant and equipment**

*Market value of land and building*

Land and buildings are stated at fair value amounts less subsequent depreciation and impairment for buildings. Fair values are based on valuations by external professional valuers at least every 3 years. The valuations are undertaken more frequently if market factors indicate a material change in fair value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any revaluation surplus arising on revaluation of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. Any downward revaluations are initially recognised in other comprehensive income through to the revaluation reserve to the extent of any previous revaluation surplus of the same asset. Any remaining decrease is recognised in profit or loss.

Land and buildings were valued with an effective date of 30 June 2015 by independent assessments by members of the Australian Property Institute. The basis of the valuation of land and buildings is at fair market value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. An indicative assessment of market movement was undertaken on both properties by members of the Australian Property Institute as at 30 June 2016 and 30 June 2017. As a result of these assessments, the value of the West Leederville property was reduced by \$70,000 in the year ended 30 June 2016 and the value of the Midland property has been reduced by \$72,000 in the year ended 30 June 2017 through the revaluation reserve against previous revaluation surpluses.

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

*Estimation of useful lives of assets*

The Fellowship reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of each item of property, plant and equipment (excluding land). The following useful lives are applied:

Motor vehicles	8 years
Office equipment	3-5 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Fellowship. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Land and buildings – at independent valuation 30 June 2015	2,830,000	2,830,000
Less: estimated market movement	(142,000)	(70,000)
Property improvements	82,570	68,621
	<u>2,770,570</u>	<u>2,828,621</u>
Motor vehicles - at cost	298,592	321,086
Less: Accumulated depreciation	(39,254)	(71,022)
	<u>259,338</u>	<u>250,063</u>
Office equipment - at cost	148,233	148,404
Less: Accumulated depreciation	(106,946)	(79,918)
	<u>41,287</u>	<u>68,486</u>
	<u>3,071,195</u>	<u>3,147,170</u>

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**9. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

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

	Land and buildings \$	Motor vehicles \$	Office equipment \$	Total \$
Balance at 1 July 2015	2,830,000	256,547	37,338	3,123,885
Additions	68,621	242,604	56,913	368,138
Disposals	-	(206,323)	-	(206,323)
Equipment written off	-	-	(2,034)	(2,034)
Revaluations	(70,000)	-	-	(70,000)
Depreciation expense	-	(42,765)	(23,731)	(66,496)
Balance at 1 July 2016	2,828,621	250,063	68,486	3,147,170
Additions	13,949	398,363	2,456	414,768
Disposals	-	(349,602)	-	(349,602)
Equipment written off	-	-	(957)	(957)
Revaluations	(72,000)	-	-	(72,000)
Depreciation expense	-	(39,486)	(28,698)	(68,184)
Balance at 30 June 2017	<u>2,770,570</u>	<u>259,338</u>	<u>41,287</u>	<u>3,071,195</u>

**10. Current liabilities - trade and other payables**

These amounts represent liabilities for goods and services provided to the Fellowship 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

	2017 \$	2016 \$
Trade payables	78,500	30,051
Employee benefits payable	59,100	56,974
BAS payable	114,669	75,480
	<u>252,269</u>	<u>162,505</u>

**11. Employee benefits**

*Short-term employee benefits*

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

The Fellowship presents employee benefit obligations as current liabilities in the statement of financial position if the Fellowship does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

*Other long-term employee benefits*

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Post-employment benefits*

The Fellowship provides post-employment benefits through defined contribution plans and pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Fellowship has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**11. Employee benefits (cont.)**

*Employee benefit provisions*

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Current:		
Annual leave	145,563	163,075
Long Service Leave	49,281	41,075
Redundancy	-	34,643
	<u>194,844</u>	<u>227,723</u>
Non-current:		
Long Service Leave	<u>37,468</u>	<u>30,005</u>
	<u><u>232,312</u></u>	<u><u>268,798</u></u>

**12. Borrowings**

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Current:		
Interest bearing (motor vehicle finance)	<u>231,637</u>	<u>230,705</u>
Non-current:		
Non-interest bearing	32,175	29,904
Interest bearing	<u>20,331</u>	<u>21,702</u>
	<u><u>52,506</u></u>	<u><u>51,606</u></u>

*Valuation of non-interest bearing loan*

The loan is secured by a mortgage by the State of Western Australia on the Lorikeet premises.

The face value of the loan is \$410,000 but is not repayable until 2052, unless there is a default event. It has been valued at present value by discounting at the current market interest rate that is available for similar financial liabilities.

The mortgage restricts the use of the premises to furthering the use of the objectives of the Fellowship and requires the Fellowship to maintain the property in its current state. Should the Fellowship default in these conditions or become insolvent, the full value of the mortgage would become payable at that time.

**13. Current liabilities – other**

*Deferred revenue*

Conditional grants are recognised as income in advance on receipt. As and when services and conditions are met the corresponding grant income is recognised. In recognising the corresponding grant income the Fellowship estimates the proportion of service delivered or grant conditions met.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Grants unspent (deferred revenue)	540,100	196,968
Accrued expenses	173,826	137,533
Income in advance	<u>17,814</u>	<u>17,127</u>
	<u><u>731,740</u></u>	<u><u>351,628</u></u>

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**14. Equity - retained earnings**

Retained earnings include all current and prior period retained profits.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Retained earnings at the beginning of the year	2,145,442	2,088,570
Surplus / (deficit) for the year	<u>24,896</u>	<u>56,872</u>
Retained earnings at the end of the year	<u><u>2,170,338</u></u>	<u><u>2,145,442</u></u>

**15. Equity - reserves**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revaluation reserve at the beginning of the year	647,277	717,277
Other comprehensive income for the year, net of tax	<u>(72,000)</u>	<u>(70,000)</u>
	575,277	647,277
Bequest reserve	<u>256,141</u>	<u>256,141</u>
	<u><u>831,418</u></u>	<u><u>903,418</u></u>

*Bequest reserve*

The reserve represents the amount of money bequeathed by Tecwyn Jones to MIFWA in 2004. The interest is applied to the benefit of the members of the Lorikeet Centre and the Fellowship in accordance with the terms of the bequest.

*Revaluation reserve*

The reserve comprises gains and losses from the revaluation of land and buildings.

**16. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to officers and other members of key management personnel of the Fellowship is set out below:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Aggregate compensation	<u>160,322</u>	<u>153,952</u>

**17. Contingent liabilities**

The Fellowship has a contingent liability in relation to possible repairs to the strata common property of the building the Fellowship owns part of in Midland. The financial liability is dependent on a number of factors, including legal action to determine who is liable for the damage and who may be required to contribute to the expense of the repairs.

The worst case scenario would be that the Fellowship would have to pay 1/16<sup>th</sup> of the repairs. The last known estimates for repairs is for \$20,600 to make remedial repairs or \$70,000 to make full repairs. On this basis the Fellowship's maximum liability is likely to be in the vicinity of \$5,000. It is possible the Fellowship may be required to make a contribution regardless of which party is at fault due to legal costs making legal action not viable.

**Mental Illness Fellowship of WA Inc**  
**Notes to the financial statements**  
**For the year ended 30 June 2017**

**18. Operating lease commitments**

For rent of Mt Lawley premises:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
For rent of Mt Lawley premises:		
- no later than 1 year	8,635	39,497
- later than 1 year but no later than 5 years	-	6,560
	<u>8,635</u>	<u>46,057</u>

**19. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 16.

*Transactions with related parties*

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

*Receivable from and payable to related parties*

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

*Loans to/from related parties*

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

**20. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**Mental Illness Fellowship of WA Inc  
Declaration by the board of management  
For the year ended 30 June 2017**

In the opinion of the board of management of Mental Illness Fellowship of Western Australia Incorporated:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements;
- the attached financial statements and notes give a true and fair view of the Fellowship's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Fellowship will be able to pay its debts as and when they become due and payable.

On behalf of the board:



Nicholas Hopkin  
Treasurer

23 August 2017  
Midland WA

## INDEPENDENT AUDITOR'S REPORT

To the members of Mental Illness Fellowship of WA Inc.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Mental Illness Fellowship of WA Inc, which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

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

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The responsible entities of the registered entity are responsible for the other information. The other information comprises the information in the registered entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.



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

#### **Board of Management's Responsibility for the Financial Report**

The Board of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards- Reduced Disclosure Requirements, the Associations Incorporation Act (WA) 1987 and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the Board of Management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Dean Just', written over a faint, larger 'BDO' logo.

**Dean Just**

**Director**

Perth, 23 August 2017

**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE BOARD OF MANAGEMENT OF MENTAL ILLNESS FELLOWSHIP OF WA INC.**

As lead auditor of Mental Illness Fellowship of WA Inc for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of any applicable code of professional conduct in relation to the audit.



**Dean Just**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 23 August 2017