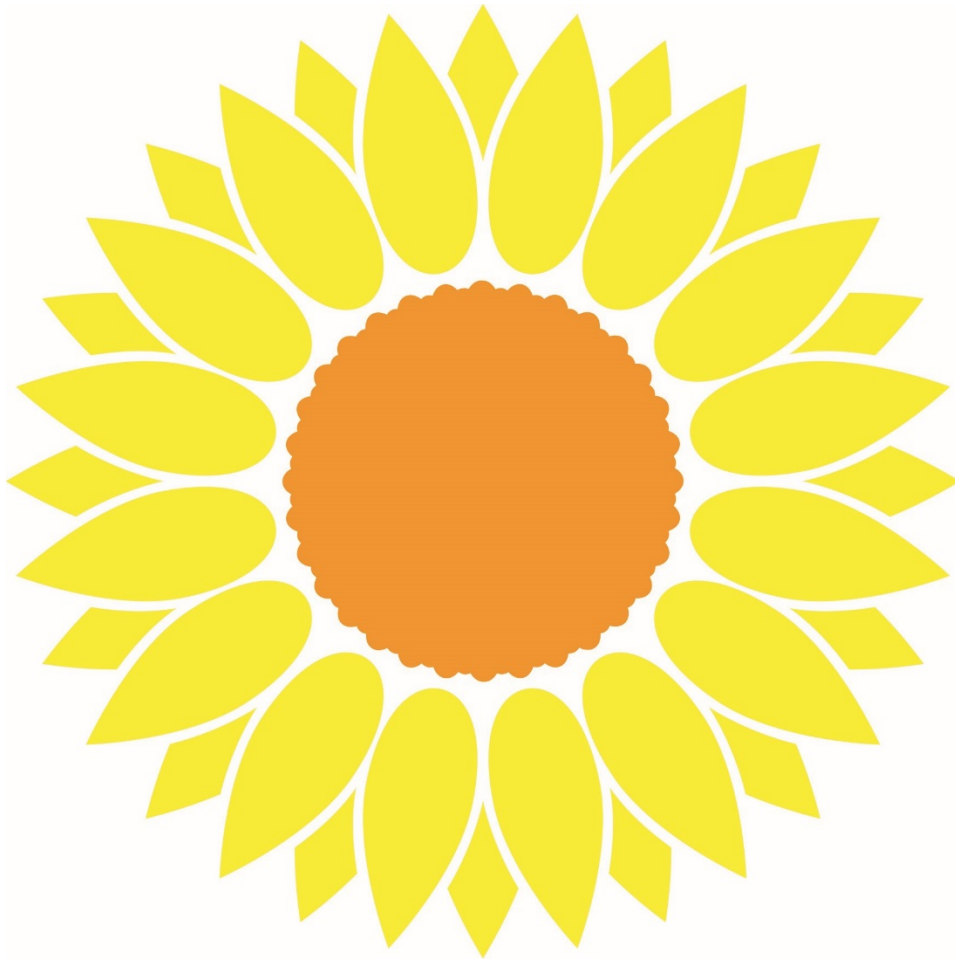


**Mental Illness Fellowship
of Western Australia Incorporated**
ABN 14 969 141 636

**Annual Financial Report
for the year ended 30 June 2023**



MIFWA

Mental Illness Fellowship of WA Inc
Contents
For the year ended 30 June 2023

Contents

Organisation information	1
Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Declaration by the board	18
Independent auditor's report to the members	19

Mental Illness Fellowship of WA Inc
Organisation information
For the year ended 30 June 2023

Business names

- Primary – Mental Illness Fellowship of Western Australia Incorporated
- MIFWA
- Lorikeet Centre

ABN: 14 969 141 636

Office Holders

The following persons were office bearers from 1 July 2022 to 22 February 2023

- Annette Watkins (Chairperson)
- Erin Bourne (Deputy Chairperson)
- Nicholas Hopkin (Treasurer)

The above changed from 22 February 2023 and are current to date.

- Erin Bourne (Chairperson)
- Anne White (Deputy Chairperson)
- Nicholas Hopkin (Treasurer)
- Kellie McCrum (Secretary)

Board members

In addition to the office bearers, the following persons were members of the Board during the period from 1 July 2022 to 22 February 2023:

- Ann White
- Kellie McCrum
- Carolyn Ngan
- Gianni Ripani
- Rebecca Fitzpatrick
- Preetie Boler (resigned from the Board on 20 December 2022)

The above changed from 22 February 2023 and the remainder are current to date.

- Annette Watkins (resigned from the Board on 13 March 2023)

Chief executive officer

Monique Williamson

Principal place of business

Unit 16 (Level 3),
Midland Professional Centre
9 The Avenue
MIDLAND WA 6056

Auditor

BDO Audit (WA) Pty Ltd
Perth
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
AUSTRALIA

Mental Illness Fellowship of WA Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue	2.1		
Grants and service agreements		14,439,040	12,563,157
Other service revenue		110,236	74,854
Donations		13,304	19,079
Interest income		17,127	2,464
Other income		6,166	5,764
Total revenue and other income		<u>14,585,873</u>	<u>12,665,318</u>
Expenditure	2.2		
Personnel and related costs	3.1	12,253,829	10,520,804
Service delivery		160,274	170,772
Administration		358,106	304,528
Premises		202,543	177,278
IT and communications		294,358	306,882
Motor vehicle and travel		1,280,123	893,908
Depreciation and interest		39,357	104,278
Total expenditure		<u>14,588,590</u>	<u>12,478,450</u>
Net Surplus/(Deficit) for the year		(2,717)	186,868
Other comprehensive income for the year		<u>-</u>	<u>175,000</u>
Total comprehensive income/(loss) for the year		<u><u>(2,717)</u></u>	<u><u>361,868</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 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4.1	2,331,654	2,325,023
Receivables	4.2	679,682	881,634
Contract assets	2.3	<u>225,348</u>	<u>322,553</u>
Total current assets		<u>3,236,684</u>	<u>3,529,210</u>
Non-current assets			
Property, plant, and equipment	5.1	2,880,681	2,912,411
Right of use assets		<u>94,116</u>	<u>94,116</u>
Total non-current assets		<u>2,974,797</u>	<u>3,006,527</u>
Total assets		<u>6,211,481</u>	<u>6,535,737</u>
Liabilities			
Current liabilities			
Contract liabilities and other revenue received in advance	2.3	738,562	1,105,245
Trade and other payables	4.3	1,048,651	1,034,727
Employee benefits	3.2	752,077	749,220
Borrowings	4.4	-	18,902
Lease liabilities		<u>50,866</u>	<u>50,866</u>
Total current liabilities		<u>2,590,156</u>	<u>2,958,960</u>
Non-current liabilities			
Employee benefits	3.2	119,838	75,557
Borrowings	4.4	49,569	46,584
Contract liabilities	2.3	-	-
Lease liabilities		<u>45,294</u>	<u>45,294</u>
Total non-current liabilities		<u>214,701</u>	<u>167,435</u>
Total liabilities		<u>2,804,857</u>	<u>3,126,395</u>
Net assets		<u>3,406,624</u>	<u>3,409,342</u>
Equity			
Retained earnings		2,644,763	2,647,479
Reserves		<u>761,863</u>	<u>761,863</u>
Total equity		<u>3,406,626</u>	<u>3,409,342</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 2023

	Retained earnings \$	Bequest reserve \$	Revaluation reserve \$	Total equity \$
Balance at 1 July 2021	<u>2,460,611</u>	<u>256,141</u>	<u>330,722</u>	<u>3,047,474</u>
Surplus the year	186,868	-	-	186,868
Other comprehensive income for the year	-	-	175,000	175,000
Balance at 1 July 2022	<u>2,647,479</u>	<u>256,141</u>	<u>505,722</u>	<u>3,409,342</u>
Loss for the year	(2,717)	-	-	(2,717)
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2023	<u>2,644,762</u>	<u>256,141</u>	<u>505,722</u>	<u>3,406,626</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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Grants received		14,342,097	11,875,931
Grants repaid		(45,729)	(15,724)
Donations received		13,304	19,079
Receipts from customers		233,924	57,798
Interest received		17,127	2,464
Payments to suppliers and employees		(14,504,165)	(12,110,793)
Variable lease payments not included in the lease liability		(13,957)	(19,163)
Net cash flows operating activities	4.1	<u>42,601</u>	<u>(190,408)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(255)	(177,752)
Net cash used in investing activities		<u>(255)</u>	<u>(177,752)</u>
Cash flows from financing activities			
Lease payments (principal & interest)		(35,656)	(61,014)
Repayments of borrowings		(59)	(1,564)
Interest paid		-	(5,541)
Net cash flows used in financing activities		<u>(35,715)</u>	<u>(68,119)</u>
Net increase/(decrease) in cash and cash equivalents		6,631	(436,279)
Cash and cash equivalents at the beginning of the financial year		<u>2,325,023</u>	<u>2,761,302</u>
Cash and cash equivalents at the end of the financial year		<u>2,331,654</u>	<u>2,325,023</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 2023

Section 1. About MIFWA

1.1 General information

Mental Illness Fellowship of Western Australia (MIFWA) is a not-for-profit incorporated association principally engaged in mental health support services, our registered office and principal place of business is located at Level 3, 9 The Avenue, Midland, WA 6056.

The principal activities of MIFWA include:

- providing personalised support for individuals with mental illness
- support for families and carers
- providing information and training to promote better understanding and acceptance.

MIFWA is a registered charity with the Australian Charities and Not-for-Profit Commission and holds deductible gift recipient status and is exempt from income tax.

The financial statements of MIFWA for the year ended 30 June 2023 were approved and authorised for issue by the Board of MIFWA on the 18 October 2023.

Economic dependency

MIFWA is dependent upon the ongoing receipt of funding from the Commonwealth and state governments to ensure the continuance of its services.

1.2 Basis of preparation

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

- Australian Accounting Standards – General Purpose, Simplified Disclosure,
- Australian Charities and Not-for-profits Commission Act 2012,
- Associations Incorporation Act 2015 (Western Australia), and
- Charitable Collections Act 1946 (Western Australia).

Where an accounting policy is specific to one note, the policy is included in the note to which it relates.

Historical cost convention

The financial report has been prepared on the basis of historical cost (which is based on the fair value of the consideration given in exchange for assets) except for land and buildings which are measured at fair value less accumulated depreciation on buildings and any impairment losses.

Currency and rounding of amounts

The financial report is presented in Australian dollars, which is MIFWA's functional and presentation currency. All values are rounded to the nearest dollar.

Details of reserves included in Statement of Changes in Funds

Revaluation reserve

The reserve comprises gains and losses from the revaluation of land and buildings (see note 5.1).

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income, and expenses. These judgements, estimates and assumptions are based on historical experience and on other various factors, including expectations of future events, which management believe to be reasonable under the circumstances. Actual results may differ from these estimates.

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

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included in other receivables or other payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

1.3 Changes in accounting policies

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Section 2. Programs, Goods and Services

2.1 Revenue

	2023	2022
Revenue from Contracts with Customers		
Sales of goods	90,694	58,106
Rendering of services	11,082,088	9,294,086
	16,557	15,383
	<u>101</u>	<u>182</u>
Revenue Recognised		
Grant income	3,353,122	3,269,061
Donations and gifts	13,304	19,079
Building appeal	-	-
Capital grants	<u>-</u>	<u>-</u>
	3,366,426	3,288,140
Other service revenue		
Training courses	90,694	58,106
Retreats & Functions	2,884	1,183
Meals and catering	16,557	15,383
Other Fees & Charges	101	182
Interest	17,127	2,464
Recovery of client personal expenses	36	322
Membership	1,218	1,000
Sundry	<u>4,912</u>	<u>4,442</u>
	133,529	83,082
Revenue from Continuing Operations	<u>14,585,873</u>	<u>12,665,318</u>

Revenue recognition policy for revenue from contracts with customers (AASB 15)

Revenue comprises revenue from the sale of goods, government grants, fundraising activities, and client contributions. AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Grants and service agreements

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

Sales revenue

Fees charged for events, training and other services provided to clients are recognised when the service is provided.

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Donations

In accordance with AASB 1058, donations that have no performance obligation, liability or contribution by owners are recognised as revenue when MIFWA gains control, economic benefits are probable, and the amount of the donation can be measured reliably.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Significant estimates and judgements relating to revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at MIFWA, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by MIFWA have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

2.2 Expenses

	2023	2022
	\$	\$
Interest expense on lease liability:	(439)	2,742
Depreciation	32,630	85,513
Auditor's remuneration and other compliance fees	<u>51,752</u>	<u>38,638</u>

Expenses accounting policy

All expenditure is accounted for on an accruals basis and has been classified under headings reflecting the relevant nature of the cost.

2.3 Contract balances

MIFWA has recognised the following contract assets and liabilities from contracts with customers:

Contract assets:

NDIS claims	<u>225,348</u>	<u>322,553</u>
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Contract liabilities:

Grant monies received in advance		
Current	733,858	1,101,203
Non-current	-	-
Income in advance	<u>4,704</u>	<u>4,042</u>
	<u>738,562</u>	<u>1,105,245</u>

Contract asset and liabilities accounting policy

Contract assets

Contract assets arise when work has been performed on a particular program and goods or services have been transferred to the customer, but the invoicing milestone has not been reached and the rights to the consideration are not unconditional. If the rights to the consideration are unconditional then a receivable is recognised.

No impairment losses were recognised in relation to these assets during the year.

Contract liabilities

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / fees.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Section 3. Governing Body, Employees and Other Related Parties

3.1 Employee benefits expense

	2023	2022
	\$	\$
Wages and salaries	10,608,223	9,087,627
Workers' compensation insurance	1,094,776	208,208
Defined contribution superannuation plan expense	247,719	894,827
Movements in employee benefits provisions	<u>(12,925)</u>	<u>112,316</u>
Total employee benefit expenses	11,937,793	10,302,978
External contract & consultants	158,694	107,617
Training & Development	68,747	44,802
Other personnel & related	<u>88,596</u>	<u>65,407</u>
	<u>12,253,830</u>	<u>10,520,804</u>

3.2 Employee provisions

	2023	2022
	\$	\$
Current:		
Time in Lieu	1,818	1,114
Annual leave	515,410	475,574
Long Service Leave	234,849	272,532
Redundancy	-	-
	<u>752,077</u>	<u>749,220</u>
Non-current:		
Long Service Leave	<u>119,838</u>	<u>75,557</u>
	<u>871,915</u>	<u>824,777</u>

A portion of long service leave and the entire annual leave balance have been classified as a current liability since MIFWA does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period.

Employee benefits accounting policy

Employee benefits comprise wages and salaries, annual leave, non-accumulating sick leave, long-service leave and contributions to superannuation plans.

Liabilities for short-term employee benefits expected to be wholly settled within 12 months of the reporting date in respect of employees' services up to the reporting date are recognised at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

MIFWA's liabilities for long-term benefits are included in other long-term benefits where they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at the 10-year Treasury Bond rate. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

MIFWA pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. MIFWA has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

3.3 Related party transactions

Board member compensation

Board members act in an honorary capacity and receive no compensation for their services other than minor amounts for travel expenses.

Key management personnel

The aggregate compensation made to key management personnel, including executives of MIFWA is set out below:

	2023	2022
	\$	\$
Aggregate compensation	<u>611,530</u>	<u>404,475</u>

Transactions with related parties

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

No amounts are payable to or receivable from related parties or their related entities at the reporting date.

3.4 Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Accounting Firm BDO Audit (WA) Pty Ltd, the auditor of the company

	2023	2022
	\$	\$
Audit of financial statements	<u>39,544</u>	<u>22,370</u>

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Section 4. Financial assets and liabilities (excluding lease liabilities)

4.1 Cash and cash equivalents

	2023	2022
	\$	\$
Unrestricted		
Cash at bank and on hand	2,075,513	2,068,882
Cash on deposit	<u>128,071</u>	<u>128,071</u>
	2,203,584	2,196,953
Restricted		
Cash on deposit	<u>128,070</u>	<u>128,070</u>
	<u>2,331,654</u>	<u>2,325,023</u>

The restricted cash represents the amount of money bequeathed by Tecwyn Jones to MIFWA in 2004 applicable to the Lorikeet Centre. Reconciliation of net surplus for the year to net cash flows from operations

	2023	2022
	\$	\$
Net surplus/(deficit) for the year	(2,717)	186,867
Net loss on disposal of property, plant and equipment	4,121	5,563
Depreciation	32,630	85,513
Interest & amortisation charges	2,605	13,202
(Increase)/decrease in assets		
Receivables	201,953	(457,616)
Contract assets	97,205	126,559
Increase/(decrease) in liabilities		
Contract liabilities	(354,919)	(398,651)
Income in advance	662	(3,508)
Trade and other payables	13,924	61,780
Employee benefit	<u>47,138</u>	<u>189,883</u>
Net cash flows used in operations	<u>42,601</u>	<u>(190,408)</u>

Cash accounting policy

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.

4.2 Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	210,400	180,449
Prepayments and other accrued income	<u>469,282</u>	<u>701,185</u>
	<u>679,682</u>	<u>881,634</u>

Trade and other receivables accounting policy

Trade receivables, which comprise amounts due from sales of merchandise and from services provided are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from 14 to 30 days.

No collateral is held in respect of these receivables. There were no impairment losses relating to receivables.

Impairment of receivables accounting policy

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. MIFWA writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

4.3 Trade creditors and other payables

	2023	2022
	\$	\$
Trade creditors	452,743	370,018
Employee benefits payable	306,387	273,396
BAS payable	13,881	151,871
Accrued wages and other expenses	<u>275,640</u>	<u>239,442</u>
	<u>1,048,651</u>	<u>1,034,727</u>

Trade creditors and other payables accounting policy

Trade creditors and other payables represent liabilities for goods and services provided to MIFWA prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually settled within 30 days.

4.4 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.

	2023	2022
	\$	\$
Current:		
Interest bearing (motor vehicle finance)	<u>-</u>	<u>18,902</u>
Non-current:		
Non-interest bearing	49,176	46,132
Interest bearing	<u>393</u>	<u>452</u>
	<u>49,569</u>	<u>46,584</u>

Valuation of non-current 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 MIFWA and requires MIFWA to maintain the property in its current state. Should MIFWA default in these conditions or become insolvent, the full value of the mortgage would become payable at that time.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Section 5. Long-term non-financial assets (excluding leases)

5.1 Property, plant, and equipment

	Land and buildings \$	Motor vehicles \$	Office equipment \$	Total \$
Cost or fair value				
Balance at 1 July 2021	2,535,000	172,146	152,600	2,859,746
Additions	-	191,165	42,496	233,661
Disposals	-	(171,363)	(40,208)	(211,571)
Revaluations	175,000	-	-	175,000
Balance at 1 July 2022	2,710,000	191,948	154,888	3,056,836
Additions	-	-	505	505
Disposals	-	(11,528)	-	(11,528)
Balance at 30 June 2023	2,710,000	180,420	155,393	3,045,813
Accumulated depreciation				
Balance at 1 July 2021	-	45,277	128,234	173,511
Disposals	-	(17,283)	(40,207)	(57,490)
Depreciation expense	-	17,167	11,237	28,404
Balance at 1 July 2022	-	45,161	99,264	144,425
Disposals	-	(11,923)	-	(11,923)
Depreciation expense	-	19,073	13,557	32,630
Balance at 30 June 2023	-	52,311	112,821	165,132
Net carrying amount				
At 30 June 2022	2,710,000	146,787	55,624	2,912,411
At 30 June 2023	2,710,000	128,109	42,572	2,880,681

Property, plant and equipment accounting policies

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Fair value of land and buildings are confirmed by independent valuations that are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date.

Land and buildings are treated as a class of assets. When the carrying amount of this class of assets is increased as a result of a revaluation, the increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the statement of profit or loss and comprehensive income, in which case it is credited to that statement.

When the carrying amount of land and buildings is decreased as a result of a revaluation, the decrease is recognised in the statement of profit or loss and other comprehensive income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Depreciation

Items of property, plant and equipment (other than freehold land) are depreciated over their useful lives to MIFWA, commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets as follows:

- Motor vehicles 8 years
- Office equipment 3-5 years

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Impairment

Impairment indicators over property, plant and equipment and right of use assets are considered at each reporting date. If indicators exist, then the recoverable amount of the relevant asset / cash-generating unit is determined.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. For plant and equipment and right of use assets, impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when the item is no longer used in the operations of MIFWA. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the result for the year when the asset is derecognised.

Fair value disclosures – freehold land and buildings

Valuation techniques

Revalued amounts are fair market values based on appraisals prepared by external professional valuers once every three (3) years or more frequently if market factors indicate a material change in fair value. The latest revaluation date was as at 30 June 2022. Any improvements and or 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.

Fair values of freehold land and buildings are determined by an independent valuer every 3 years with a market indication review by the independent valuer in the intervening years.

MIFWA engaged Valuations WA, independent accredited valuers, to determine the fair value of its land and buildings. Fair value is the amount of “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”. The highest and best use of the land and buildings are considered in determining the valuation. The effective date of the revaluation was 30 June 2022.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Section 6. Leases

MIFWA has leases over buildings and office equipment. MIFWA has chosen not to apply AASB 16 Leases to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

6.1 Terms and conditions of leases

Buildings - Commercial lease

MIFWA leases offices:

- in Rockingham for the NDIS south operations. The current lease expiry date is 31 August 2022 but agreement has been made to continue the lease until 10 August 2023.
- in Kingsley for the NDIS north and Parent Peer program operations. The current lease expiry date is 30 November 2023 per PY FS and includes a renewal option to allow MIFWA to review for a further two years.

At commencement date and each subsequent reporting date, MIFWA assesses where it is reasonably certain that the extension options will be exercised. There are \$45,000 in potential future lease payments which are not included in lease liabilities as MIFWA has assessed that the exercise of the option is not reasonably certain.

Office equipment

MIFWA leases photocopiers with a lease term of 4 years and the lease payments have a fixed component and a variable component based on the number of photocopies made during the year.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2023

Leases accounting policies

At inception of a contract, MIFWA assesses whether a lease exists – i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

- The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- MIFWA has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use
- MIFWA has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, MIFWA recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where MIFWA believes it is reasonably certain that the option will be exercised. There were no such extensions this period.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then MIFWA's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in MIFWA's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

MIFWA has no leases for low-value assets.

Significant estimates and judgements

Lease term – due to the market rent reviews and the remaining term of the non-cancellable lease term, it is not reasonably certain that MIFWA will choose to exercise the option and therefore the lease payments that would arise during the optional extension periods have not been included in the lease liability.

Mental Illness Fellowship of WA Inc
Declaration by the Board
For the year ended 30 June 2023

In the opinion of the Board of Mental Illness Fellowship of Western Australia Incorporated:

- the attached financial statements and notes comply with the Australian Accounting Standards – Simplified Disclosure
- the attached financial statements and notes give a true and fair view of MIFWA's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that MIFWA will be able to pay its debts as and when they become due and payable.

On behalf of the board:



Ann White
Deputy Chairperson
1 November 2023



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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. (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or 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 declaration by the board of management.

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 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, responsible entities are responsible for assessing the registered 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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley'. Above the signature, the letters 'BDO' are written in a similar cursive style.

Ashleigh Woodley

Director

Perth, 1 November 2023

Mental Illness Fellowship of WA Inc
Independent auditor's report to the members
For the year ended 30 June 2023



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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF MENTAL ILLNESS FELLOWSHIP OF WA INC.

As lead auditor of Mental Illness Fellowship of WA Inc. for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley'. The signature is stylized and cursive.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

1 November 2023