



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

**Annual Financial Report
for the year ended 30 June 2024**

Mental Illness Fellowship of WA Inc
Contents
For the year ended 30 June 2024

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Mental Illness Fellowship of WA Inc
Organisation information
For the year ended 30 June 2024

Business names

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

ABN: 14 969 141 636

Office Holders

<i>Office bearers</i>	<i>Period of appointment</i>
Erin Bourne (Chairperson)	Full Financial Year
Ann White (Deputy Chairperson)	Full Financial Year
Nicholas Hopkin (Treasurer)	Full Financial Year
Carolyn Ngan (Secretary)	Appointed 7 th February 2024
Kellie McCrum (Secretary)	Retired 7 th February 2024

Board members

<i>Board members</i>	<i>Period of appointment</i>
Erin Bourne (Chairperson)	Full Financial Year
Ann White (Deputy Chairperson)	Full Financial Year
Nicholas Hopkin (Treasurer)	Full Financial Year
Carolyn Ngan (Secretary)	Full Financial Year
Gianni Ripani	Full Financial Year
Leanne Pearman	Elected 6 th December 2023
Paul Fry	Elected 6 th December 2023
Marija Andacic	Co-opted 7 th February 2024
Kellie McCrum (Secretary)	Retired 7 th February 2024
Rebecca Fitzpatrick	Retired 5 th June 2024

Chief executive officer

Monique Williamson

Principal place of business

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

Auditor

Hall Chadwick Audit (WA) Pty Ltd
239 Rokeby Road
Subiaco WA 6008

Mental Illness Fellowship of WA Inc
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	2.1		
Grants and service agreements		15,070,535	14,439,040
Other service revenue		70,498	110,236
Donations		8,241	13,304
Interest income		25,972	17,127
Other income		8,504	6,166
Total revenue and other income		<u>15,183,750</u>	<u>14,585,873</u>
Expenditure	2.2		
Personnel and related costs	3.1	13,102,359	12,253,829
Service delivery		196,219	160,274
Administration		290,214	358,106
Premises		160,129	202,543
IT and communications		261,704	294,358
Motor vehicle and travel		1,349,292	1,280,123
Depreciation and interest		134,314	39,357
Total expenditure		<u>15,494,231</u>	<u>14,588,590</u>
Net deficit for the year		(310,481)	(2,717)
Other comprehensive loss for the year		<u>(159,000)</u>	<u>-</u>
Total comprehensive loss for the year		<u>(469,481)</u>	<u>(2,717)</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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	4.1	1,472,769	2,331,654
Receivables	4.2	710,730	679,682
Contract assets	2.3	221,687	225,348
Total current assets		<u>2,405,186</u>	<u>3,236,684</u>
Non-current assets			
Property, plant, and equipment	5.1	2,739,293	2,880,681
Right of use assets		44,821	94,116
Total non-current assets		<u>2,784,114</u>	<u>2,974,797</u>
Total assets		<u>5,189,300</u>	<u>6,211,481</u>
Liabilities			
Current liabilities			
Contract liabilities and other revenue received in advance	2.3	84,971	738,562
Trade and other payables	4.3	1,001,958	1,048,651
Employee benefits	3.2	908,322	752,077
Lease liabilities		35,869	50,866
Total current liabilities		<u>2,031,120</u>	<u>2,590,156</u>
Non-current liabilities			
Employee benefits	3.2	159,528	119,838
Borrowings	4.4	52,556	49,569
Lease liabilities		8,951	45,294
Total non-current liabilities		<u>221,035</u>	<u>214,701</u>
Total liabilities		<u>2,252,155</u>	<u>2,804,857</u>
Net assets		<u>2,937,145</u>	<u>3,406,624</u>
Equity			
Retained earnings		2,334,282	2,644,763
Reserves		602,863	761,863
Total equity		<u>2,937,145</u>	<u>3,406,626</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 2024

	Retained earnings \$	Bequest reserve \$	Revaluation reserve \$	Total equity \$
Balance at 1 July 2022	<u>2,647,480</u>	<u>256,141</u>	<u>505,722</u>	<u>3,409,343</u>
Loss the year	(2,717)	-	-	(2,717)
Other comprehensive income for the year	-	-	-	-
Balance at 1 July 2023	<u>2,644,763</u>	<u>256,141</u>	<u>505,722</u>	<u>3,406,626</u>
Loss for the year	(310,481)	-	-	(310,481)
Other comprehensive loss for the year	-	(4,000)	(155,000)	(159,000)
Balance at 30 June 2024	<u>2,334,282</u>	<u>252,141</u>	<u>350,722</u>	<u>2,937,145</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 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Grants received		2,657,731	14,067,097
Grants repaid		-	(45,729)
Donations received		8,241	13,304
Receipts from customers		11,739,066	508,924
Interest received		25,972	17,127
Payments to suppliers and employees		(15,151,349)	(14,504,165)
Variable lease payments not included in the lease liability		(19,198)	(13,957)
Net cash flows (used in)/from operating activities	4.1	<u>(739,537)</u>	<u>42,601</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(197,293)	(255)
Disposal of property, plant and equipment		144,824	-
Net cash used in investing activities		<u>(52,469)</u>	<u>(255)</u>
Cash flows from financing activities			
Lease payments (principal & interest)		(66,793)	(35,656)
Repayments of borrowings		(57)	(59)
Interest paid		(29)	-
Net cash flows used in financing activities		<u>(66,879)</u>	<u>(35,715)</u>
Net (decrease)/increase in cash and cash equivalents		(858,885)	6,631
Cash and cash equivalents at the beginning of the financial year		2,331,654	2,325,023
Cash and cash equivalents at the end of the financial year		<u>1,472,769</u>	<u>2,331,654</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 2024

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 2024 were approved and authorised for issue by the Board of MIFWA on the 31 October 2024.

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 2024

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 2024

Section 2. Programs, Goods and Services

2.1 Revenue

	2024	2023
Revenue from Contracts with Customers		
Rendering of services	11,539,003	11,085,919
Revenue Recognised		
Grant income	3,531,532	3,353,122
Donations and gifts	8,241	13,304
	<u>3,539,773</u>	<u>3,366,426</u>
Other service revenue		
Training courses	49,923	90,694
Retreats & Functions	2,807	2,884
Meals and catering	17,253	16,557
Other Fees & Charges	515	101
Interest	25,972	17,127
Recovery of client personal expenses	-	36
Membership	574	1,218
Sundry	7,930	4,912
	<u>104,974</u>	<u>133,529</u>
Revenue from Continuing Operations	<u>15,183,750</u>	<u>14,585,873</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 2024

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

	2024	2023
	\$	\$
Interest expense	29	(439)
Depreciation	36,528	32,631
Auditor's remuneration and other compliance fees	<u>28,952</u>	<u>51,752</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>221,687</u>	<u>225,348</u>
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Contract liabilities:

Grant monies received in advance		
Current	80,971	733,858
Income in advance	<u>4,000</u>	<u>4,704</u>
	<u>84,971</u>	<u>738,562</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 2024

Section 3. Governing Body, Employees and Other Related Parties

3.1 Employee benefits expense

	2024	2023
	\$	\$
Wages and salaries	11,229,275	10,608,223
Workers' compensation insurance	289,881	247,719
Defined contribution superannuation plan expense	1,216,183	1,094,776
Movements in employee benefits provisions	<u>106,905</u>	<u>(12,925)</u>
Total employee benefit expenses	12,842,244	11,937,793
External contract & consultants	127,620	158,694
Training & Development	61,715	68,747
Other personnel & related	<u>70,780</u>	<u>88,596</u>
	<u>13,102,359</u>	<u>12,253,829</u>

3.2 Employee provisions

	2024	2023
	\$	\$
Current:		
Time in Lieu	21	1,818
Annual leave	606,248	515,410
Long Service Leave	<u>302,053</u>	<u>234,849</u>
	908,322	752,077
Non-current:		
Long Service Leave	<u>159,528</u>	<u>119,838</u>
	<u>159,528</u>	<u>871,915</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 2024

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:

	2024	2023
	\$	\$
Aggregate compensation	<u>970,600</u>	<u>611,530</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 Hall Chadwick Audit (WA) Pty Ltd, the auditor in 2024, and BDO Audit (WA) Pty Ltd, the auditor in 2023.

	2024	2023
	\$	\$
Audit of financial statements	<u>23,500</u>	<u>39,544</u>

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2024

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

4.1 Cash and cash equivalents

	2024	2023
	\$	\$
Unrestricted		
Cash at bank and on hand	1,220,628	2,075,513
Cash on deposit	<u>126,071</u>	<u>128,071</u>
	1,346,699	2,203,584
Restricted		
Cash on deposit	<u>126,070</u>	<u>128,070</u>
	<u>1,472,769</u>	<u>2,331,654</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

	2024	2023
	\$	\$
Net deficit for the year	(310,481)	(2,717)
Net loss on disposal of property, plant and equipment	2,329	4,121
Bad and doubtful debts	21,095	-
Depreciation	101,276	32,630
Interest & amortisation charges	3,073	2,605
(Increase)/decrease in assets		
Receivables	(51,976)	201,952
Contract assets	3,496	97,205
Increase/(decrease) in liabilities		
Contract liabilities	(656,887)	(354,919)
Income in advance	(704)	662
Trade and other payables	(46,693)	13,924
Employee benefit	<u>195,935</u>	<u>47,138</u>
Net cash flows (used in)/from operations	<u>(739,537)</u>	<u>42,601</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

	2024	2023
	\$	\$
Trade receivables	286,980	210,400
Prepayments and other accrued income	<u>423,750</u>	<u>469,282</u>
	<u>710,730</u>	<u>679,682</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 2024

4.3 Trade creditors and other payables

	2024	2023
	\$	\$
Trade creditors	416,131	452,743
Employee benefits payable	333,956	306,387
BAS (receivable)/payable	(8,422)	13,881
Accrued wages and other expenses	260,293	275,640
	<u>1,001,958</u>	<u>1,048,651</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.

	2024	2023
	\$	\$
Non-current:		
Non-interest bearing	52,220	49,176
Interest bearing	336	393
	<u>52,556</u>	<u>49,569</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 2024

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 2022	2,710,000	191,948	154,889	3,056,837
Additions	-	-	505	505
Disposals	-	(11,528)	-	(11,528)
Balance at 1 July 2023	2,710,000	180,420	155,394	3,045,814
Additions	-	163,676	33,617	197,293
Disposals	-	(171,775)	-	(171,775)
Revaluations	(155,000)	-	-	(155,000)
Balance at 30 June 2024	2,555,000	172,321	189,011	2,916,332
Accumulated depreciation				
Balance at 1 July 2022	-	45,161	99,264	144,425
Disposals	-	(11,923)	-	(11,923)
Depreciation expense	-	19,074	13,557	32,631
Balance at 1 July 2023	-	52,312	112,821	165,133
Disposals	-	(24,622)	-	(24,622)
Depreciation expense	-	18,923	17,605	36,528
Balance at 30 June 2024	-	46,613	130,426	177,039
Net carrying amount				
At 30 June 2023	2,710,000	128,108	42,573	2,880,681
At 30 June 2024	2,555,000	125,708	58,585	2,739,293

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 2024

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 2024. 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 2024.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2024

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 and other block funded programs. The current lease expiry date is 1 September 2024.
- in Kingsley for the NDIS north and Parent Peer program operations. The current lease expiry date is 30 November 2023, however it includes a renewal option to allow MIFWA to review for a further two years (ending 1 December 2025).

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. The contract is due to expire in February 2025.

Mental Illness Fellowship of WA Inc
Notes to the financial statements
For the year ended 30 June 2024

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 2024

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 2024 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:



[nick Hopkin \(Oct 31, 2024 16:35 GMT+8\)](#)

Nicholas Hopkin
Treasurer
31 October 2024

Independent Auditor's Report

To the Members of Mental Illness Fellowship of Western Australia Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mental Illness Fellowship of Western Australia Incorporated ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of net surplus 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures, *Associations Incorporation Act 2015 (WA)*, and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Company in accordance with the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-Profits Commission Act 2012* 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.

Independent Auditor's Report

To the Members of Mental Illness Fellowship of Western Australia Incorporated *(Continued)*

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

To the Members of Mental Illness Fellowship of Western Australia Incorporated *(Continued)*

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HALL CHADWICK

Chartered Accountants



MICHAEL HILLGROVE FCA

Director

Dated at Perth this this 31st day of October 2024

To the Board of Directors

Auditor's Independence Declaration under *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*

As lead audit director for the audit of the financial statements of Mental Illness Fellowship of Western Australia Incorporated for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* and Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,



HALL CHADWICK
Chartered Accountants



MICHAEL HILLGROVE FCA
Director

Dated at Perth this 31st day of October 2024