

SOCIETY FOR MENTAL HEALTH RESEARCH INC
ABN 63 775 416 041

FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Society for Mental Health Research Inc

ABN 63 775 416 041

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Society for Mental Health Research Inc

ABN 63 775 416 041

REPORT OF THE COMMITTEE OF MEMBERS

The committee members submit the financial report of Society for Mental Health Research Inc (the "association") for the financial year ended 30 September 2023.

Members of the Committee

The names of each person who has been a committee member during the year and to the date of this report are:

Prof Stephen Wood
Prof Alison Calear
Dr Louise Thornton
Dr Sarah Hetrick
Prof Frances Kay-Lambkin
Dr Sally Hunt (appointed in Feb 2023)
Dr Dan Fassnacht (appointed in Feb 2023)
Scott Clark (appointed in Feb 2023)
A/Prof Amanda Neil (appointed in Feb 2023)
Dr Yael Perry (appointed in Feb 2023)
Dr Caitlin Fox-Harding (appointed in Feb 2023)
Prof Dan Siskind (appointed in Feb 2023)
Prof Rhonda Wilson (appointed in Feb 2023)
Dr Caitlin Hitchcock (appointed in Feb 2023)
Dr Lou Farrer (appointed in Dec 2023)
Dr Eleanor Brown (appointed in Dec 2023)
Prof Ian Hickie (resigned in Feb 2023)
Prof Eoin Killackey (resigned in Feb 2023)
Prof Daniel Hermans (resigned in Feb 2023)
Dr Fiona Cocker (resigned in Feb 2023)
A/Prof Ashleigh Lin (resigned in Sept 2023)
Prof Cathrine Mihalopoulos (resigned in Dec 2023)

Principal Activities

The principal activities of the association during the financial year were to prevent mental illness by supporting mental health research, and researchers; facilitating collaboration between different disciplines of mental health research; raising awareness of mental health issues and supporting the inclusion of mental health issues in the development of health policies, funding and services.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating Results

The deficit for the 2023 financial year amounted to \$29,223 (2022: surplus of \$11,391).

Society for Mental Health Research Inc

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REPORT OF THE COMMITTEE OF MEMBERS

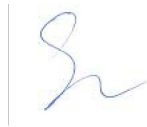
Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the association, the results of those operations or the state of affairs of the association in future financial years.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 September 2023 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Members of the Committee:



Prof Stephen Wood



Prof Alison Callear

Date this 20th day of February 2024

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE COMMITTEE MEMBERS OF SOCIETY FOR MENTAL HEALTH RESEARCH INC**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Committee Members of Society for Mental Health Research Inc.

As the lead audit partner for the review of the financial report of Society for Mental Health Research Inc for the year ended 30 September 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

one focus Audit + Assurance Pty Ltd

onefocus Audit & Assurance Pty Ltd
ACN 163 796 147



Scott Phillips
Director

Signed in Melbourne this 20th day of February 2024

Society for Mental Health Research Inc

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
Revenue		
Conference income	-	374,151
Membership income	18,352	22,335
Interest income	-	2,722
Donations / Fundraising income	1,748	378
	20,100	399,586
Expenses		
Administrative expenses	(36,609)	(27,006)
Conference and meeting expenses	(12,714)	(322,964)
Conference awards	-	(38,225)
	(49,323)	(388,195)
(Deficit) / surplus before income tax for the year	(29,223)	11,391
Income tax expense	-	-
(Deficit) / surplus for the year	(29,223)	11,391
Other comprehensive income	-	-
Total other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	(29,223)	11,391
Total comprehensive (loss) / income attributable to the members	(29,223)	11,391

The accompanying notes form part of these financial statements

Society for Mental Health Research Inc

ABN 63 775 416 041

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	2023	2022
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	2	98,647	134,992
Other assets	3	25,670	25,670
Total Current Assets		124,317	160,662
Total Assets		124,317	160,662
Liabilities			
Current Liabilities			
Trade and other payables	4	5,715	15,583
Deferred revenue	5	15,603	12,857
Other liabilities		64	64
Total Current Liabilities		21,382	28,504
Total Liabilities		21,382	28,504
Net Assets		102,935	132,158
Equity			
Retained earnings		102,935	132,158
Total Equity		102,935	132,158

The accompanying notes form part of these financial statements.

Society for Mental Health Research Inc

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Retained Earnings	Total
	\$	\$
Balance at 30 September 2021	120,767	120,767
Total comprehensive income for the year	11,391	11,391
Balance at 30 September 2022	132,158	132,158
Total comprehensive loss for the year	(29,223)	(29,223)
Balance at 30 September 2023	102,935	102,935

The accompanying notes form part of these financial statements

Society for Mental Health Research Inc

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations		19,262	398,295
Payments to suppliers		(55,607)	(405,753)
Interest received		-	2,722
Net cash used in operating activities	6	<u>(36,345)</u>	<u>(4,736)</u>
Net decrease in cash held		(36,345)	(4,736)
Cash and cash equivalents at the beginning of the financial year		134,992	139,728
Cash and cash equivalents at the end of the financial year	2	<u>98,647</u>	<u>134,992</u>

The accompanying notes form part of these financial statements.

Society for Mental Health Research Inc

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Notes to the Financial Statements For the Year Ended 30 September 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Society for Mental Health Research Inc (the “association”) as an individual entity. The Society for Mental Health Research is an association incorporated in Victoria and operating pursuant to the *Associations Incorporation Reform Act 2012*.

The financial statements were authorised for issue on the date of signing the Committee Members’ Declaration.

Basis of Preparation

The committee members have prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the committee members have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(b) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Revenue and Other Income (Cont'd)

When the association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement;
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised at it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

**Notes to the Financial statements
For the Year Ended 30 September 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

Derecognition

Derecognition relates to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A financial liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires).

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial Instruments (Cont'd)

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risks and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).
- On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.
- On derecognition of an investment in equity that the association elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained surplus.

Impairment

The association recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(d) Impairment of Assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

When it is not possible to estimate the recoverable amount of a class of asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, less bank overdrafts.

(f) 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 (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

(g) Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association. The association believes there were no significant estimates or judgments that would require disclosure in these financial statements.

(h) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

Society for Mental Health Research Inc

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**Notes to the Financial Statements
For the Year Ended 30 September 2023**

NOTE 2: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at Bank	98,647	134,992
	<u>98,647</u>	<u>134,992</u>

NOTE 3: OTHER ASSETS

Current

Seed funds	24,423	24,423
Prepayments	1,247	1,247
	<u>25,670</u>	<u>25,670</u>

NOTE 4: TRADE AND OTHER PAYABLES

Current

Accrued expenses	4,800	4,500
Trade payables	-	11,695
GST payables	915	(612)
	<u>5,715</u>	<u>15,583</u>

NOTE 5: DEFERRED REVENUE

Current

Membership revenue in advance	15,603	12,857
	<u>15,603</u>	<u>12,857</u>

NOTE 6: CASH FLOW INFORMATION

**Reconciliation of Cash Flow from Operations with
(Deficit) / Surplus for the Year**

(Deficit) / Surplus after income tax	(29,223)	11,391
Changes in assets and liabilities		
Decrease in trade and other payables	(9,868)	(18,000)
Increase in deferred revenue	2,746	1,809
Increase in other liabilities	-	64
Cashflows used in operating activities	<u>(36,345)</u>	<u>(4,736)</u>

Society for Mental Health Research Inc

ABN 63 775 416 041

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

NOTE 7: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Society for Mental Health Research Inc
35 Poplar Road
Parkville VIC 3052

NOTE 8: EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen between the end of the financial period, and the date of this report, which have directly, significantly affected or may significantly affect the operations of the business, the results of those operations or the state of affairs of the business in future financial years.

NOTE 9: CONTINGENCIES AND COMMITMENTS

At 30 September 2023 the association has no contingent assets or liabilities (2022: NIL).

At 30 September 2023 the association has no significant contractual commitments (2022: NIL).

Society for Mental Health Research Inc

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Statement by Members of Committee

In accordance with a resolution of the committee of management of Society for Mental Health Research Inc (the "association"), the committee declares that, in the committee's opinion:

1. The financial statements and notes, as set out on pages 4 to 14, are in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards applicable to the association; and
 - b. give a true and fair view of the financial position of the association as at 30 September 2023 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.



Prof Stephen Wood



Prof Alison Calear

Date this 20th day of February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE COMMITTEE MEMBERS OF SOCIETY FOR MENTAL HEALTH RESEARCH INC

Report on the financial report

Conclusion

We have reviewed the accompanying financial report of Society for Mental Health Research Inc (the "Association"), which comprises the statement of financial position as at 30 September 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Statement by Members of the Committee.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying financial report of Society for Mental Health Research Inc does not present fairly, in all material respects, the financial position of the Association as at 30 September 2023, and its financial performance and its cash flows for the year ended on that date, in accordance with accounting policies.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Association in accordance with independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act") and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee Members' financial reporting responsibilities under the ACNC Act and the *Associations Incorporation Reform Act 2012 (Vic)*. As a result, the financial report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Responsibilities of the Committee Members for the Financial Report

The Committee Members are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the *Associations Incorporation Reform Act 2012 (Vic)* and the needs of the members.

The Committee Members' responsibility also includes such internal control as the Committee Members determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee Members either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE COMMITTEE MEMBERS OF SOCIETY FOR MENTAL HEALTH RESEARCH INC (CONT'D)**

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* requires us to conclude whether anything has come to our attention that causes us to believe that the financial report does not present fairly, in all material respects, the financial position of the Association as at 30 September 2023 and of its financial performance and cash flows for the year ended on that date, in accordance with accounting policies, ACNC Act and the *Associations Incorporation Reform Act 2012 (Vic)*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

one focus Audit + Assurance Pty Ltd

onefocus Audit & Assurance Pty Ltd
ACN 163 796 147



Scott Phillips
Director

Signed in Melbourne this 20th day of February 2024