

SANE Australia Limited

ABN 92 006 533 606

Consolidated Financial Statements - 30 June 2022

SANE Australia Limited

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General information

The financial statements cover both SANE Australia Limited as an individual entity and the group consisting of SANE Australia Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is SANE Australia Limited's functional and presentation currency.

SANE Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

700 Swanston Street
Carlton, VIC, 3053

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 November 2022. The directors have the power to amend and reissue the financial statements.

SANE Australia Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of SANE Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of SANE Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Ewan Barron	
Mr Robert Gerrand	
Dr Mark Cross	
Dr Roderick Farmer	
Ms Heather Gray	Resigned 26 November 2021
Ms Lucy Myer	
Mr Cameron Solnordal	
Ms Suchitra Chari	Resigned 29 November 2021
Mr Craig Connelly	
Ms Rachel Green	
Ms Lynne Coulson-Barr	Commenced 1 September 2021
Ms Genevieve Collins	Commenced 1 September 2021

Group secretary

The following person held the position of group secretary at the end of the financial year:

Rachel Green

Information on directors

Chair	Ms Lucy Myer B.Comm Partner Success Manager, SEEK Director, Louise and Martyn Myer Foundation
Deputy Chair	Genevieve Collins BA (Hons), LLB, GAICD Chief Executive Partner (managing partner) Lander & Rogers Chief of Lander & Rogers' National Board Compensation Law Advisory Board of the Centre for Legal Innovation (Australia, New Zealand & Asia)
Honorary Treasurer:	Mr Ewan Barron BA (Hons), CA Partner, PwC
Other board members:	
Ms Suchitra Chari Accredited Mental Health Social Worker Coach and mentor at Enfold Health Trust, Bengaluru, India	Dr Mark Cross MBChB, MRCPsych (UK), FRANZCP Consultant Psychiatrist, Northside Group, Sydney
Mr Robert Gerrand, BA, FAMI, FAICD Director, Melbourne Primary Care Network Ltd Chair, Director Nexus, Australian Institute of Company Directors	Dr Roderick Farmer BA/BSc (Hons), PhD Engineering, Masters (Sociology) Digital Expert Associate Partner, McKinsey & Company

SANE Australia Limited
Directors' report
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Mr Cameron Solnordal
Peer Ambassador, SANE Australia
Champion for the rebuilding of the Mental Health and Suicide
Prevention Charter

Ms Heather Gray BA (Hons) LLB (Hons)
Lead Ombudsman - Superannuation at the Australian
Financial Complaints Authority
Director, Mother's Day Classic Foundation

Rachel Green
Chief Executive Officer, SANE Australia

Craig Connelly, FFIN and FCA
CEO, The Ian Potter Foundation, The George Alexander
Foundation and The Ian Potter Cultural Trust
Trustee, National Parks Conservation Trust
Member, Australian Water & Catchment Centre

Dr Lynne Coulson Barr OAM
QLD Health Ombudsman
Victoria's inaugural Mental Health Complaints Commissioner
Mental Health Review Board in Victoria
Complaints Commissioner - NDIS Quality and Safeguarding
Commission

Genevieve Collins BA (Hons), LLB, GAICD
Chief Executive Partner (managing partner) Lander &
Rogers
Chair of Lander & Rogers' national Board
Compensation Law
Advisory Board of the Centre for Legal Innovation (Australia,
New Zealand & Asia)

Meetings of directors

	Director's meetings		Risk management and audit committee meetings		Governance and nominations committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Mark Cross	9	7	-	-	-	-
Dr Rod Farmer	9	6	-	-	-	-
Mr Ewan Barron	9	6	4	4	-	-
Ms Heather Gray	5	5	4	3	2	2
Ms Lucy Myer	9	9	4	2	2	2
Mr Rob Gerrand	9	9	-	-	2	2
Mr Cameron Solnordal	9	9	-	-	-	-
Ms Suchitra Chari	5	2	-	-	-	-
Mr Craig Connelly	9	8	-	-	-	-
Ms Rachel Green	9	9	4	4	2	2
Ms Lynne Coulson-Barr	5	4	2	1	-	-
Ms Genevieve Collins	5	3	2	2	2	2

During the financial year, nine (9) meetings of Directors were held, in addition to four (4) meetings of the Risk Management and Audit Committee, and two (2) meetings of the Governance and Nominations Committee.

Principal activities

Purpose

SANE supports all people in Australia affected by complex mental health issues. We exist to break barriers, raise expectations, and champion the voices of people with lived experience and their families and communities; to increase peer-led, connected support and drive systemic change.

Vision

A brighter future for people affected by complex mental health issues by ending mental health inequity and social and economic exclusion.

Strategic Objectives

Bridge the gaps between systems and support

- Build the bridge
- Deliver individual outcomes
- Co-design, collaborate, research and innovate through Ann Deveson Research Collaborative.

Build connection, community, continuity, and contribution

- Co-design a Lived Experience Framework and Portfolio
- Build community, reaching those most in need including families, younger people, and those at risk of suicide
- Grow and evolve our arts activities through SANE Create and The Dax Centre
- Advocate for inclusion of the needs of people with complex mental health issues in climate policies

Break through the barriers of stigma and discrimination

- Lived experience-led action on stigma
- Improve and grow the diversity and representation of people with lived experience

Drive diversity and inclusion of people with complex mental health issues as a workplace priority

- Champion workforce diversity and inclusion
- Design and test initiatives to increase access to employment
- Contribute to peer workforce growth, development, and integration

Key performance measures

The Group measures its own performance through the use of both qualitative and quantitative evaluation. These metrics are used by the Board to assess the financial sustainability of the Group, and whether the Group's short and long-term objectives are being met.

Operating results

The consolidated deficit for the year ended 30 June 2022 amounted to \$1,795,199 (2021 surplus: \$1,908,990).

The deficit for the year includes expenditure of \$1.3 million which relates to investments in digital technology and the relaunch of the SANE visual identity.

Significant changes in state of affairs

There were no significant changes to the state of affairs for the Group during the financial year.

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Future developments

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

Environmental issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnifying officers

The Group's Constitution provides indemnity for each officer of the Group ('officer' being a Director, Secretary, Treasurer or employee and includes a former officer) out of the assets of the Group to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Group or in or arising out of the discharge of the duties of the officer unless the liability was incurred by the officer through his or her own dishonesty, negligence, lack of good faith or breach of duty.

During the period under review, the Group has paid a premium for an insurance policy for the benefit of those officers. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability and the amount of the premium.

SANE Australia Limited
Directors' report
30 June 2022

Proceedings on behalf of group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Auditor's independence declaration

This report is made in accordance with a resolution of directors, pursuant to *Australian Charities and Not-for-profit Commission Act 2012*. A copy of the auditor's independence declaration as required under the Australian Charities and Not-for-profit Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.



Ewan Barron
Honorary Treasurer

25 November 2022



Rachel Green
Chief Executive Officer

DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF SANE AUSTRALIA LIMITED

As lead auditor of SANE Australia Limited for the year ended 30 June 2022, 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.

This declaration is in respect of SANE Australia Limited and the entities it controlled during the period.



Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 25 November 2022

SANE Australia Limited
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenue					
Revenue	3	8,730,526	10,030,013	8,283,956	9,586,610
Investment income		89,911	89,841	89,911	89,841
Expenses					
Personnel costs		(6,036,468)	(4,951,484)	(5,863,368)	(4,657,939)
Community awareness and program expenses		(3,112,572)	(1,967,346)	(3,084,784)	(1,941,945)
Fundraising		(15,500)	(21,523)	(15,500)	(21,523)
Depreciation and amortisation	4	(599,859)	(365,248)	(455,702)	(208,552)
Office operational		(851,237)	(905,263)	(610,048)	(701,789)
Total expenses		<u>(10,615,636)</u>	<u>(8,210,864)</u>	<u>(10,029,402)</u>	<u>(7,531,748)</u>
(Deficit)/surplus for the year		(1,795,199)	1,908,990	(1,655,535)	2,144,703
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
(Loss)/gain on the revaluation of financial assets at fair value through other comprehensive income		<u>(177,178)</u>	<u>228,468</u>	<u>(177,178)</u>	<u>228,468</u>
Other comprehensive income for the year		<u>(177,178)</u>	<u>228,468</u>	<u>(177,178)</u>	<u>228,468</u>
Total comprehensive income for the year		<u><u>(1,972,377)</u></u>	<u><u>2,137,458</u></u>	<u><u>(1,832,713)</u></u>	<u><u>2,373,171</u></u>

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

SANE Australia Limited
Statements of financial position
As at 30 June 2022

	Note	Consolidated		Company	
		2022 \$	2021 \$	2022 \$	2021 \$
Assets					
Current assets					
Cash and cash equivalents	5	3,429,222	3,460,100	3,319,844	3,413,115
Trade and other receivables	6	33,775	189,435	6,102	185,165
Other financial assets	7	1,000,000	1,000,000	1,000,000	1,000,000
Other assets	9	88,218	23,868	80,874	23,868
Total current assets		<u>4,551,215</u>	<u>4,673,403</u>	<u>4,406,820</u>	<u>4,622,148</u>
Non-current assets					
Other financial assets	7	1,744,062	1,882,752	1,744,062	1,882,752
Property, plant and equipment	10	586,789	623,951	584,780	620,005
Right-of-use assets	8	1,535,651	1,476,787	1,535,651	1,476,787
Intangible assets	11	4,458,683	4,928,059	-	327,156
Other assets	9	314,466	174,700	314,466	174,700
Total non-current assets		<u>8,639,651</u>	<u>9,086,249</u>	<u>4,178,959</u>	<u>4,481,400</u>
Total assets		<u>13,190,866</u>	<u>13,759,652</u>	<u>8,585,779</u>	<u>9,103,548</u>
Liabilities					
Current liabilities					
Trade and other payables	12	561,347	758,187	773,359	1,105,017
Lease liabilities	13	303,302	102,460	303,302	102,460
Employee benefits	14	283,341	233,131	274,438	206,180
Funds received in advance	15	1,357,719	95,484	1,284,318	-
Total current liabilities		<u>2,505,709</u>	<u>1,189,262</u>	<u>2,635,417</u>	<u>1,413,657</u>
Non-current liabilities					
Lease liabilities	13	1,492,060	1,380,134	1,492,060	1,380,134
Employee benefits	14	2,130	26,912	2,130	20,872
Total non-current liabilities		<u>1,494,190</u>	<u>1,407,046</u>	<u>1,494,190</u>	<u>1,401,006</u>
Total liabilities		<u>3,999,899</u>	<u>2,596,308</u>	<u>4,129,607</u>	<u>2,814,663</u>
Net assets		<u>9,190,967</u>	<u>11,163,344</u>	<u>4,456,172</u>	<u>6,288,885</u>
Equity					
Endowment fund		1,750,000	1,750,000	1,750,000	1,750,000
Investment fair value reserve		(28,890)	132,358	(28,890)	132,358
Retained surpluses		7,469,857	9,280,986	2,735,062	4,406,527
Total equity		<u>9,190,967</u>	<u>11,163,344</u>	<u>4,456,172</u>	<u>6,288,885</u>

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

SANE Australia Limited
Statements of changes in equity
For the year ended 30 June 2022

Consolidated	Investment fluctuation reserve \$	Endowment fund \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	(85,072)	1,750,000	7,360,958	9,025,886
Surplus for the year	-	-	1,908,990	1,908,990
Other comprehensive income for the year	228,468	-	-	228,468
Total comprehensive income for the year	228,468	-	1,908,990	2,137,458
Transfer from reserves for realised gain on investments at FVOCI	(11,038)	-	11,038	-
Balance at 30 June 2021	<u>132,358</u>	<u>1,750,000</u>	<u>9,280,986</u>	<u>11,163,344</u>

Consolidated	Investment fluctuation reserve \$	Endowment fund \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	132,358	1,750,000	9,280,986	11,163,344
Deficit for the year	-	-	(1,795,199)	(1,795,199)
Other comprehensive income for the year	(177,178)	-	-	(177,178)
Total comprehensive income for the year	(177,178)	-	(1,795,199)	(1,972,377)
Transfer from reserves for realised loss on investments at FVOCI	15,930	-	(15,930)	-
Balance at 30 June 2022	<u>(28,890)</u>	<u>1,750,000</u>	<u>7,469,857</u>	<u>9,190,967</u>

The investment fluctuation reserve comprises the cumulative net change in the fair value of the financial assets classified as Fair Value through Other Comprehensive Income until the assets are derecognised or impaired.

SANE Australia Limited
Statements of changes in equity
For the year ended 30 June 2022

Company	Investment fluctuation reserve \$	Endowment fund \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	(85,072)	1,750,000	2,250,786	3,915,714
Surplus for the year	-	-	2,144,703	2,144,703
Other comprehensive income for the year	228,468	-	-	228,468
Total comprehensive income for the year	228,468	-	2,144,703	2,373,171
Transfer from reserves for realised gain on investments at FVOCI	(11,038)	-	11,038	-
Balance at 30 June 2021	<u>132,358</u>	<u>1,750,000</u>	<u>4,406,527</u>	<u>6,288,885</u>

Company	Investment fluctuation reserve \$	Endowment fund \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	132,358	1,750,000	4,406,527	6,288,885
Deficit for the year	-	-	(1,655,535)	(1,655,535)
Other comprehensive income for the year	(177,178)	-	-	(177,178)
Total comprehensive income for the year	(177,178)	-	(1,655,535)	(1,832,713)
Transfer from reserves for realised loss on investments at FVOCI	15,930	-	(15,930)	-
Balance at 30 June 2022	<u>(28,890)</u>	<u>1,750,000</u>	<u>2,735,062</u>	<u>4,456,172</u>

The investment fluctuation reserve comprises the cumulative net change in the fair value of the financial assets classified as Fair Value through Other Comprehensive Income until the assets are derecognised or impaired.

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

SANE Australia Limited
Statements of cash flows
For the year ended 30 June 2022

	Note	Consolidated		Company	
		2022	2021	2022	2021
		\$	\$	\$	\$
Cash flows from operating activities					
Government grants		7,853,800	3,541,169	7,522,839	3,299,922
Donations, bequests and grants		2,220,415	5,945,098	2,025,150	5,851,384
Interest and dividends		152,704	70,440	152,704	70,440
Other income		74,206	625,989	200,958	461,026
Interest and other finance costs paid		(62,793)	(4,875)	(62,793)	(4,875)
Payments to suppliers and employees		(10,201,221)	(7,906,698)	(9,724,731)	(7,473,540)
Net cash from operating activities		37,111	2,271,123	114,127	2,204,357
Cash flows from investing activities					
Payments for financial assets		(83,976)	(67,308)	(83,976)	(67,308)
Payments for property, plant and equipment	10	(84,577)	(613,410)	(84,577)	(613,410)
Payments for intangibles	11	-	(292,481)	-	(292,481)
Investment in financial assets at amortised cost		-	(1,000,000)	-	(1,000,000)
Proceeds from disposal of financial assets		55,059	37,933	55,059	37,933
Net cash used in investing activities		(113,494)	(1,935,266)	(113,494)	(1,935,266)
Cash flows from financing activities					
Payments for related party borrowings		-	-	(139,409)	55,639
Payments for right-of-use		-	(6,506)	-	(6,506)
Repayment of lease liabilities		(177,245)	-	(177,245)	-
Lease incentives received		222,750	-	222,750	-
Net cash from/(used in) financing activities		45,505	(6,506)	(93,904)	49,133
Net increase/(decrease) in cash and cash equivalents		(30,878)	329,351	(93,271)	318,224
Cash and cash equivalents at the beginning of the financial year		3,460,100	3,130,749	3,413,115	3,094,891
Cash and cash equivalents at the end of the financial year	5	<u>3,429,222</u>	<u>3,460,100</u>	<u>3,319,844</u>	<u>3,413,115</u>

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

Note 1. Significant accounting policies

The financial statements cover SANE Australia, the parent Company, and its acquired entity The Dax Centre Limited (together referred to as the 'Group'). Both entities are incorporated and domiciled in Australia. SANE Australia and its acquired entity are both companies limited by guarantee.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The group has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's and company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

As the group is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Impairment of non-financial assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible 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 cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised 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 entity 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.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 14, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 3. Revenue

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
Corporate donations	602,464	172,092	602,464	172,092
Trusts and foundations (i)	924,492	4,416,343	894,481	4,400,915
Education	975	10,226	-	599
Bequests	20,354	1,393	20,354	1,393
Individual donations	516,470	1,103,724	504,543	1,091,586
Government grants	6,591,565	2,711,169	6,238,521	2,469,922
Professional advice	22,158	26,849	22,158	26,849
Interest and dividends	-	(24,276)	-	(24,276)
Sundry income	52,048	59,298	1,435	18,630
Jobkeeper and cash flow boost	-	723,195	-	598,900
COVID Government Support	-	830,000	-	830,000
	<u>8,730,526</u>	<u>10,030,013</u>	<u>8,283,956</u>	<u>9,586,610</u>

Disaggregation of revenue

The disaggregation of revenue is as follows:

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Classification of Revenue</i>				
Revenue from contracts with customers	6,614,698	2,748,244	6,260,679	2,496,771
Income of non-for-profit entities	2,115,828	7,281,769	2,023,277	7,089,839
	<u>8,730,526</u>	<u>10,030,013</u>	<u>8,283,956</u>	<u>9,586,610</u>

Accounting policy for revenue recognition

The company recognises revenue as follows:

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations and bequests are recognised as revenue when received.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

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

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 4. Expenses

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
(Deficit)/surplus includes the following specific expenses:				
<i>Depreciation</i>				
Leasehold improvements	51,682	7,608	51,682	7,608
Plant and equipment	71,660	35,066	69,723	20,590
Buildings right-of-use assets	208,393	12,313	208,393	12,313
Total depreciation	331,735	54,987	329,798	40,511
<i>Amortisation</i>				
Software	125,904	168,041	125,904	168,041
The Dax Centre	142,220	142,220	-	-
Total amortisation	268,124	310,261	125,904	168,041
Total depreciation and amortisation	599,859	365,248	455,702	208,552
<i>Finance costs</i>				
Interest and finance charges paid/payable on lease liabilities	62,793	4,875	62,793	4,875
<i>Superannuation expense</i>				
Defined contribution superannuation expense	(512,575)	(401,195)	(494,351)	(377,387)

Defined contribution superannuation expense

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

Note 5. Cash and cash equivalents

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Cash on hand	445	697	445	497
Cash at bank	3,428,777	3,459,403	3,319,399	3,412,618
	<u>3,429,222</u>	<u>3,460,100</u>	<u>3,319,844</u>	<u>3,413,115</u>

There are no restricted cash balances as at 30 June 2022.

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 6. Trade and other receivables

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Trade and other receivables	<u>33,775</u>	<u>189,435</u>	<u>6,102</u>	<u>185,165</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 7. Other financial assets

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Term deposit	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<i>Non-current assets</i>				
Listed shares at market value	623,118	629,320	623,118	629,320
Unlisted units in managed funds at market value	<u>1,120,944</u>	<u>1,253,432</u>	<u>1,120,944</u>	<u>1,253,432</u>
	<u>1,744,062</u>	<u>1,882,752</u>	<u>1,744,062</u>	<u>1,882,752</u>

Accounting policy for financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 8. Right-of-use assets

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Land and buildings - right-of-use	1,756,363	1,489,100	1,756,363	1,489,100
Less: Accumulated depreciation	<u>(220,712)</u>	<u>(12,313)</u>	<u>(220,712)</u>	<u>(12,313)</u>
	<u>1,535,651</u>	<u>1,476,787</u>	<u>1,535,651</u>	<u>1,476,787</u>

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 8. Right-of-use assets (continued)

Additions to the right-of-use assets during the year were \$267,263.

The group leases land and buildings for its offices under agreements of between 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 9. Other assets

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Prepayments	<u>88,218</u>	<u>23,868</u>	<u>80,874</u>	<u>23,868</u>
<i>Non-current assets</i>				
Security deposits - rental	<u>314,466</u>	<u>174,700</u>	<u>314,466</u>	<u>174,700</u>

Note 10. Property, plant and equipment

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Leasehold improvements - at cost	587,411	587,411	587,411	587,411
Less: Accumulated depreciation	<u>(59,290)</u>	<u>(7,608)</u>	<u>(59,290)</u>	<u>(7,608)</u>
	<u>528,121</u>	<u>579,803</u>	<u>528,121</u>	<u>579,803</u>
Plant and equipment - at cost	514,630	430,053	167,733	83,156
Less: Accumulated depreciation	<u>(455,962)</u>	<u>(385,905)</u>	<u>(111,074)</u>	<u>(42,954)</u>
	<u>58,668</u>	<u>44,148</u>	<u>56,659</u>	<u>40,202</u>
	<u>586,789</u>	<u>623,951</u>	<u>584,780</u>	<u>620,005</u>

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 10. Property, plant and equipment (continued)

Reconciliations

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

Consolidated	Plant and equipment \$	Leasehold improve- ments \$	Total \$
Balance at 1 July 2020	53,216	-	53,216
Additions	48,363	587,411	635,774
Disposals	(22,364)	-	(22,364)
Depreciation expense	(35,067)	(7,608)	(42,675)
Balance at 30 June 2021	44,148	579,803	623,951
Additions	84,577	-	84,577
Disposals	(1,597)	-	(1,597)
Depreciation expense	(71,660)	(51,682)	(123,342)
Balance at 30 June 2022	<u>55,468</u>	<u>528,121</u>	<u>583,589</u>
	Plant and equipment \$	Leasehold improve- ments \$	Total \$
Company			
Balance at 1 July 2020	34,794	-	34,794
Additions	48,363	587,411	635,774
Disposals	(22,364)	-	(22,364)
Depreciation expense	(20,591)	(7,608)	(28,199)
Balance at 30 June 2021	40,202	579,803	620,005
Additions	84,577	-	84,577
Disposals	(1,597)	-	(1,597)
Depreciation expense	(69,723)	(51,682)	(121,405)
Balance at 30 June 2022	<u>53,459</u>	<u>528,121</u>	<u>581,580</u>

Accounting policy for property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment 10 - 25%

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 11. Intangible assets

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Software - at cost	524,471	524,471	524,471	524,471
Less: Accumulated amortisation	(524,471)	(197,315)	(524,471)	(197,315)
	-	327,156	-	327,156
The Dax Centre - at cost	5,063,143	5,063,143	-	-
Less: Accumulated amortisation	(604,460)	(462,240)	-	-
	4,458,683	4,600,903	-	-
	4,458,683	4,928,059	-	327,156

Reconciliations

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

Consolidated	Software	The Dax	Total
	\$	Centre	\$
Balance at 1 July 2020	202,716	4,743,123	4,945,839
Additions	292,481	-	292,481
Amortisation expense	(168,041)	(142,220)	(310,261)
Balance at 30 June 2021	327,156	4,600,903	4,928,059
Impairment of assets	(49,434)	-	(49,434)
Reclassification	(151,818)	-	(151,818)
Amortisation expense	(125,904)	(142,220)	(268,124)
Balance at 30 June 2022	-	4,458,683	4,458,683
		Software	Total
Company		\$	\$
Balance at 1 July 2020		202,716	202,716
Additions		292,481	292,481
Amortisation expense		(168,041)	(168,041)
Balance at 30 June 2021		327,156	327,156
Impairment of assets		(49,434)	(49,434)
Amortisation expense		(125,904)	(125,904)
Reclassification		(151,818)	(151,818)
Balance at 30 June 2022		-	-

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 11. Intangible assets (continued)

The Group has recognised an intangible asset which represents The Dax Centre's right to occupy a portion of the Melbourne Brain Centre Building. The value of this asset was originally determined through the value of the floor space allocated to The Dax Centre as a proportion of the total building construction and fit out cost. Grants and donations to The Dax Centre contributed to the construction of the building. The intangible asset is amortised on a straight line basis over a period of 42 years, being the term of the lease (21 years) and the right to extend the lease for a further period of 21 years, which is expected to be exercised. The land and building is owned by the University of Melbourne and leased to the occupants, including The Dax Centre at a peppercorn rental in recognition of its contribution to initial construction costs.

Note 12. Trade and other payables

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Other accruals and payables	561,347	758,187	545,297	737,546
Intercompany payable	-	-	228,062	367,471
	<u>561,347</u>	<u>758,187</u>	<u>773,359</u>	<u>1,105,017</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Lease liabilities

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Lease liability	<u>303,302</u>	<u>102,460</u>	<u>303,302</u>	<u>102,460</u>
<i>Non-current liabilities</i>				
Lease liability	<u>1,492,060</u>	<u>1,380,134</u>	<u>1,492,060</u>	<u>1,380,134</u>
<i>Future lease payments</i>				
Future lease payments are due as follows:				
Within one year	369,633	179,440	369,633	179,440
One to five years	841,557	782,800	841,557	782,800
More than five years	908,689	1,121,807	908,689	1,121,807
	<u>2,119,879</u>	<u>2,084,047</u>	<u>2,119,879</u>	<u>2,084,047</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 13. Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 14. Employee benefits

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Employee benefits	<u>283,341</u>	<u>233,131</u>	<u>274,438</u>	<u>206,180</u>
<i>Non-current liabilities</i>				
Employee benefits	<u>2,130</u>	<u>26,912</u>	<u>2,130</u>	<u>20,872</u>

Accounting policy for employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 15. Funds received in advance

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Grants received in advance	<u>1,357,719</u>	<u>95,484</u>	<u>1,284,318</u>	<u>-</u>

Accounting policy for funds received in advance

Funds received in advance relates to grants received that contain performance obligations which must be satisfied before the company is eligible to retain the contribution, the grant is recognised in the statement of financial position as a liability until those conditions are satisfied.

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 16. Key management personnel disclosures

Compensation

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

	Consolidated	
	2022	2021
	\$	\$
Aggregate compensation	<u>460,377</u>	<u>287,374</u>

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated		Company	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Audit services -</i>				
Audit of the financial statements	<u>37,000</u>	<u>32,500</u>	<u>31,000</u>	<u>27,000</u>
<i>Other services -</i>				
Preparation of financial statements	<u>8,000</u>	<u>4,500</u>	<u>5,600</u>	<u>3,500</u>
	<u>45,000</u>	<u>37,000</u>	<u>36,600</u>	<u>30,500</u>

Note 18. Contingent assets

The company had no contingent assets as at 30 June 2022 and 30 June 2021.

Note 19. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 20. Commitments

Leases recognised primarily relate to leases for the premises in which the Group and Company reside in.

The company had no other commitments as at 30 June 2022 and 30 June 2021.

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022	2021
		%	%
The Dax Centre Limited	Australia	100.00%	100.00%

SANE Australia Limited
Notes to the financial statements
30 June 2022

Note 22. Members' guarantee

The parent Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Group is wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the entity. As at 30 June 2022, the number of members was 10 (2021: 10).

The subsidiary entity is a company incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. As at 30 June 2022, the number of members was 1 (2021: 1).

Note 23. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 21.

Key management personnel

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

The following transactions occurred with related parties:

	Company	
	2022	2021
	\$	\$
Other income:		
Donations and grants received from The Dax Centre Pty Ltd	138,247	250,661
Other income from The Dax Centre Pty Ltd	5,200	35,023
Payment for other expenses:		
Overhead and wages paid for The Dax Centre Pty Ltd	(98,426)	(70,426)
Operating costs paid for The Dax Centre Pty Ltd	(6,201)	-

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Company	
	2022	2021
	\$	\$
Current payables:		
Payables to The Dax Centre Pty Ltd	228,062	367,471

Loans to/from related parties

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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

SANE Australia Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards - Simplified Disclosure Requirements, the *Fundraising Act 1998 (Vic)*, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's and group's financial position as at 30 June 2022 and of their performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



Ewan Barron
Honorary Treasurer



Rachel Green
Chief Executive Officer

25 November 2022

INDEPENDENT AUDITOR'S REPORT

To the members of SANE Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SANE Australia Limited (the registered entity) and its subsidiary (the Group), which comprises the statements of financial position as at 30 June 2022, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Sane Australia, 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 Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards 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 Group 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.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, 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 on the other information obtained prior to the date of this auditor's report, 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 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 Group'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 Group 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/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Elizabeth Blunt'. The signature is written in a cursive style and is positioned to the right of the printed name.

Elizabeth Blunt
Director

Melbourne, 25 November 2022