SANE AUSTRALIA

ABN 92 006 533 606

Directors' Report and Consolidated Financial Statements

For the Year Ended 30 June 2018

Directors' Report
Year Ended 30 June 2018

The Directors of SANE Australia present their report together with the consolidated Financial Statements for the financial year ended 30 June 2018. The consolidated entity consists of SANE Australia (the Company) and it's controlled entities. Throughout the report the consolidated entity is referred to as the Group.

Directors

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

Mr Ewan Barron – appointed 27.11.2017
Assoc Prof Elizabeth Dax AM – appointed 30.04.2018
Mr Robert Gerrand – appointed 30.04.2018
Dr Mark Cross
Dr Roderick Farmer
Ms Heather Gray
Ms Kylie Griffin
Mr Osher Günsberg
Mr John Heath
Ms Lucy Myer
Mr John O'Connell AO – resigned 27.11.2017
Ms Margaret O'Donnell AO

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Group Secretary

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

Principal Activities

The Group's primary objects and activities are to:

- provide information, advice, support and other services to help people seriously affected by mental illness and their carers deal with the illness and its effects;
- conduct applied research to help those affected by mental illness lead full lives in the community, and to encourage and promote appropriate research conducted by others;
- provide, develop and distribute education resources to, and for the use and benefit of, people seriously affected by mental illness and their carers;
- educate people affected by mental illness, carers, professionals and the general community about mental illness, early warning signs, effective treatments and supports for those affected; and
- work for improved services for and attitudes towards, people seriously affected by mental illness and their carers.

The activities of the Group changed during the year following the acquisition of The Dax Centre.

Purpose

Vision

An Australia where everyone affected by mental illness lives a long and fulfilling life.

Mission

Promoting the wellbeing of people affected by complex mental illness.

Strategies

SANE's three year goals are:

- *Better Support*
  - Help Centre has grown to help 40,000 people a year
  - SANE Digital Channels provide support to 2 million unique visitors per annum
  - 10,000 people are using the SANE Bipolar App
  - SANE Wellbeing Index baseline is established

- *Stronger Connections*
  - The Forums have grown to 30,000 members with 100 partner organisations
  - SANE Wellbeing Index baseline is established

- *Less Discrimination*
  - The National Stigma Index is established
  - SANE's National Stigma Reduction campaign has launched and reduced stigma towards complex mental illness
  - SANE's Lived Experience Ambassadors Program is established
  - SANE Wellbeing Index baseline is established

- *Longer Lives*
  - Comprehensive suicide prevention programs in place to secure a substantial specified reduction in the rate of suicide
  - A national commitment to reducing the life expectancy gap for people with complex mental illness by 5 years over a 10-year period
  - The SANE Wellbeing Index baseline is established for Longer Live

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 net current year profit of the Group, including donations and bequests, for the year ended 30 June 2018 amounted to $5,013,354 (2017: Company only - loss of $424,625). This included a loss of $88,346 from The Dax Centre and a discount on acquisition of $5,206,111 arising from the acquisition of The Dax Centre. During the year the Investment Fluctuation Reserve increased by $79,526 as a result of the increase in the fair value of listed investments from the prior year, offset by the sale of investments. This amount was included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income as other comprehensive income and resulted in total comprehensive profit for the year of $5,092,880 (2017: Company only – loss of $404,187).

Significant Changes in State of Affairs

On the 18th April 2018, SANE Australia acquired The Dax Centre via a merger agreement. The Principal activity of The Dax Centre is the promotion of mental health and well-being through art via the provision of learning and educational resources to increase understanding and promotion of mental health. The Dax Centre utilises the world-renowned Cunningham Dax Collection of Art. The collection consists of over 16,500 works of art created by people with experience of mental illness or psychological trauma

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the Group, the results of those operations, or the state of the affairs of the Group's 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.

Information on Directors

Chair:	Margaret O'Donnell AO, FAICD B Social Studies (B Soc Stud) Uni of QLD Director, Breast Cancer Trials Director, Board of Refugee and Immigration Legal Service
Honorary Treasurer:	Mr Ewan Barron BA (Hons), CA Partner – PwC Appointed: 27 November 2017
Honorary Treasurer:	Mr John O'Connell AO BEc, FICAA, FAICD Director, Schiavello, Rubicon Systems Australia Former Partner, KPMG Retired: 27 November 2017
Other Board Members:	
Dr Mark Cross MBChB, MRCPsych (UK), FRANZCP Consultant Psychiatrist, Northside Group, Sydney Appointed: 21 September 2016	Dr Roderick Farmer BA/BSc (Hons), PhD Engineering, Masters (Sociology) Digital Vice President, McKinsey and Company Appointed: 01 May 2017
Ms Lucy Myer B.Comm Associate Partner Manager, SEEK Member of Sidney Myer Fund, Education Committee former member the Myer Foundation, Youth Mental Health Committee	Ms Heather Gray BA (Hons) LLB (Hons) Partner, Hall & Wilcox
Mr Osher Günsberg TV and radio personality Appointed: 28 September 2016	Ms Kylie Griffin Dip Comm. Welfare Mental Health Worker
Mr John Heath BA (Hons) LLB Chief Executive Officer, SANE Australia Chair, Drogmi Health Institute	Associate Professor Elizabeth Dax, AM, MD, BS, PhD, GIACD Director, The Dax Centre Chair, CDC Pty Ltd Appointed: 30 April 2018
Mr Robert Gerrand, BA, FAMI, FAICD Director, The Dax Centre Director, CDC Pty Ltd Director, North Western Melbourne Primary Care Network Chair, Healthy Parks Healthy People Appointed: 30 April 2018	

	Directors' 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	5	4				
Dr Rod Farmer	5	4				
Mr Ewan Barron Appointed 27.11.2017	3	3	2	2		
Ms Kylie Griffin	5	4				
Ms Heather Gray	5	5	4	4	5	5
Mr Osher Günsberg	5	3			2	1
Mr John Heath	5	5	4	4	5	5
Ms Lucy Myer	5	4	4	3		
Mr John O'Connell AO Retired 27.11.2017	3	3	2	2		
Ms Margaret O'Donnell AO	5	5	4	4	5	5
Assoc Prof Elizabeth Dax AM Appointed 30.04.2018	1	1				
Mr Rob Gerrand Appointed 30.04.2018	1	1			1	1

Meetings of Directors
During the financial year, five (5) meetings of Directors were held, in addition to two (2) meetings of the Risk Management and Audit Committee, and three (3) meetings of the Governance and Nominations Committee.

Indemnifying Officers

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the entity. At 30 June 2018 the number of members was 11 (2017: 9).

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.

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

As required under section 307C of the Corporations Act 2001 The lead auditor's independence declaration for the year ended 30 June 2018 has been received and is attached.

Signed in accordance with a resolution of the Board of Directors.

Director

Ewan Barron, Honorary Treasurer

Director

John Heath, Chief Executive Officer

Dated this 02 day of November 2018

Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 30 June 2018

	Note	Group 2018 $	Company 2018 $	Company 2017 $
Revenue	2	4,607,762	4,553,065	3,736,594
Gross Profit		**4,607,762**	**4,553,065**	**3,736,594**
Net Profit / (Loss) on sale of investments		-	-	(5,489)
Personnel costs		(2,671,938)	(2,622,230)	(2,230,526)
Community awareness and program expenses		(1,290,836)	(1,290,836)	(1,187,414)
Fundraising		(111,574)	(111,574)	(126,304)
Auditor's remuneration	12	(28,000)	(22,000)	(22,282)
Depreciation and amortisation		(58,465)	(17,356)	(18,800)
Office Operational		(639,706)	(593,479)	(570,404)
Discount on acquisition of The DAX Centre		5,206,111	-	-
Profit / (Loss) Before Income Tax		**5,013,354**	**(104,410)**	**(424,625)**
Income tax expense		-	-	-
Net Profit / (Loss)		**5,013,354**	**(104,410)**	**(424,625)**
Other Comprehensive Income				
Items that may be reclassified to profit and loss		79,526	79,526	20,438
Total Other Comprehensive Income / (Loss) for the Year		**79,526**	**79,526**	**20,438**
Total Comprehensive Income / (Loss) for the Year		**5,092,880**	**(24,884)**	**(404,187)**

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position
as at 30 June 2018

	Note	Group 2018 $	Company 2018 $	Company 2017 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3	1,638,051	1,592,327	457,180
Accounts receivable and other debtors	4	202,886	200,866	238,196
Other assets	5	23,640	23,640	22,131
TOTAL CURRENT ASSETS		**1,864,577**	**1,816,833**	**717,507**
NON - CURRENT ASSETS				
Financial assets	6	1,873,538	1,873,538	1,794,011
Plant and equipment	7	170,940	114,335	119,806
Other assets	5	27,907	32,565	32,565
Intangible assets	8	5,027,563	-	-
TOTAL NON - CURRENT ASSETS		**7,099,948**	**2,020,438**	**1,946,382**
TOTAL ASSETS		**8,964,525**	**3,837,271**	**2,663,889**
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	9	391,317	385,486	181,607
Income received in advance		-	-	1,789
Provisions	10	241,634	238,673	172,852
Funds received in advance	11	1,051,592	1,051,592	115,751
TOTAL CURRENT LIABILITIES		**1,684,543**	**1,675,751**	**471,999**
NON - CURRENT LIABILITIES				
Provisions	10	23,803	23,107	28,591
TOTAL NON-CURRENT LIABILITIES		**23,803**	**23,107**	**28,591**
TOTAL LIABILITIES		**1,708,346**	**1,698,858**	**500,590**
NET ASSETS		**7,256,179**	**2,138,413**	**2,163,299**
EQUITY				
Retained earnings		5,267,500	149,734	254,146
Investment fluctuation reserve		238,679	238,679	159,153
Endowment fund		1,750,000	1,750,000	1,750,000
TOTAL EQUITY		**7,256,179**	**2,138,413**	**2,163,299**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2018

	Retained earnings	Investment fluctuation reserve (i)	Endowment fund	Total
	$	$	$	$
Balance as at 1 July 2016	678,771	138,715	1,750,000	2,567,486
Surplus / (loss) attributable to the Group	(424,625)	-	-	(424,625)
Other comprehensive income for the year	-	20,438	-	20,438
Balance at 30 June 2017	254,146	159,153	1,750,000	2,163,299
Surplus / (loss) attributable to the Group	(192,757)	-	-	(192,757)
Other comprehensive income / (loss) for the year	-	79,526	-	79,526
Acquisition of The DAX Centre	5,206,111	-	-	5,206,111
Balance at 30 June 2018	**5,267,500**	**238,679**	**1,750,000**	**7,256,179**

(i) The investment fluctuation reserve comprises the cumulative net change in the fair value of the available-for-sale financial assets until the assets are derecognised or impaired.

(ii) The amount relating to the acquisition of the DAX Centre represents the difference between the cost paid of $nil by SANE Australia and the fair value of the net assets acquired in The DAX Centre.

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	Group 2018 $	Company 2018 $	Company 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES				
Corporate donations		479,921	479,921	321,143
Trusts, foundations and bequests		595,699	595,699	416,628
Individual donations		757,895	757,895	682,851
Government grants		3,527,123	3,362,000	1,059,765
Sales of Publications		9,085	9,085	10,750
Professional advice		83,133	83,133	252,159
Interest and dividends		51,921	51,612	98,825
Sundry Income		11,715	11,715	7,982
		5,516,492	**5,351,060**	**2,850,103**
Payments to employees and suppliers		(4,503,045)	(4,204,028)	(4,269,928)
Net cash provided / (used) by operating activities		**1,013,447**	**1,147,032**	**(1,419,825)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of plant and equipment		(11,885)	(11,885)	-
Proceeds from sale of plant and equipment		0	-	-
Purchase of investments		0	0	(11,420)
Proceeds from sale of investments		0	0	5,815
Net cash provided / (used) in investing activities		**(11,885)**	**(11,885)**	**(5,605)**
Net Increase / (decrease) in cash held		**1,001,562**	**1,135,147**	**(1,425,430)**
Cash at beginning of the year		636,489	457,180	1,882,610
Cash at end of the year	3	1,638,051	1,592,327	457,180

The accompanying notes form part of these financial statements

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

The financial statements were authorised for issue on 25 October 2018 by the directors of the Group.

Note 1: Summary of Significant Accounting Policies

a) Basis of preparation

This reduced disclosure financial report that has been prepared for the sole purpose of complying with the Australian Charities and Not-For-Profits Commission ('ACNC') Act 2012 requirements to prepare and distribute an audited or reviewed financial report to the members and must not be used for any other purpose.

The Group 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 ACNC and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. These financial statements are presented in Australian dollars, which is the Group's functional currency. The amounts presented have been rounded to the nearest dollar.

b) Significant changes in the current period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- The acquisition of The DAX Centre in April 2018 (see note 15) which resulted in a Discount on acquisition being recorded in the Consolidated Statement of Profit and Loss and Comprehensive Income and and the recognition of an intangible assets (note 9) in the Consolidated Statement of Financial Position.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Group receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

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.

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

b. Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	10-25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

c. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

d. Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

i. Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is recognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts 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 costs to sell 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 on 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 a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

f. Employee Provisions

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

g. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from customers and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

i. 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.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Income Tax

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

k. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies Items In its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

m. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

n. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 the current trends and economic data, obtained both externally and within the Group.

Key estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers.

ii. Useful lives of depreciable assets

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

o. Economic Dependence

The Group is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report the Group has no reason to believe that this financial support will not continue.

p. Intangibles

The group has recognised the right for The DAX Centre to occupy the Melbourne Brain Centre building. Grants and donations to The DAX Centre and Mental Health Research Institute contributed to the construction of the building. The asset recognised is valued based on the floor space allocated to The DAX Centre as a proportion of the total building construction and fit-out cost. The land and building is owned by the University of Melbourne and leased to the occupants, including The DAX Centre at a peppercorn rental. The asset is being amortised over a 42 year period, being the lease period offered to the tenants of the building.

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised in respect of assets for the year ending 30 June 2018.

q. New Accounting Standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2018, and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments*

  AASB 9 Financial Instruments becomes mandatory for the Group's financial statements for the period beginning on or after 1 January 2018 and could change the classification and measurement of financial assets. The Group has not yet determined the potential effect of this standard.

- *AASB 15 Revenue from contracts with customers*

  AASB 15 (effective on or after 1 January 2019) introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

  Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

  AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

  The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

- *AASB 16 Leases*

  AASB 16 (effective on or after 1 January 2019) reforms are to be implemented around the change in accounting for leases whereby operating leases will be recorded on the statement of financial position, where historically the expense relating to them have only been recognised in the statement of comprehensive income. The impact of AASB 16 has not yet been quantified.

- *AASB 1058 Income for Not-for-Profit entities*

  AASB 1058 (effective on or after 1 January 2019) replaces the income recognition requirements relating to private sector not-for-profit entities, as well as the majority of income recognition requirements relating to public sector not-for-profit entities previously reflected in *AASB 1004 Contributions.*
  These changes may result in changes to the Group's financial performance or financial position. The impact has not yet been quantified.

Note 2: Revenue

The group derives the following types of revenue:

	Group 2018 $	Company 2018 $	Company 2017 $
Corporate donations	396,071	396,071	321,116
Trusts and Foundations	375,282	375,282	370,823
Education	25,491	-	-
Bequests	248,189	248,189	-
Individual Donations	789,604	782,895	713,528
Government Grants	2,597,926	2,575,601	2,000,940
Sales of Publications	9,165	9,085	10,635
Professional Advice	83,133	83,133	217,497
Interest and Dividends	71,186	71,094	93,666
Sundry Income	11,715	11,715	8,389
	4,607,762	**4,553,065**	**3,736,594**

Note 3: Cash and cash equivalents

	Group 2018 $	Company 2018 $	Company 2017 $
At bank	1,637,654	1,592,130	457,035
On hand	397	197	145
	1,638,051	**1,592,327**	**457,180**

There are no restricted cash balances as at 30 June 2018.

Note 4: Accounts receivable and other debtors

	Group 2018 $	Company 2018 $	Company 2017 $
Accounts receivable	120,907	118,887	214,870
Sundry receivables	81,979	81,979	23,326
	202,886	**200,866**	**238,196**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group's impairment and other accounting policies for accounts receivable are outlined in notes 1e. and 1h. respectively.

Note 5: Other assets

	Group 2018 $	Company 2018 $	Company 2017 $
Current			
Prepayments	**23,640**	**23,640**	**22,131**
Non-current			
Security deposits – rental	27,907	**32,565**	**32,565**

Note 6: Financial assets

	Group 2018 $	Company 2018 $	Company 2017 $
Available-for-sale financial assets comprise:			
Listed investments, at fair value:			
- shares in listed corporations at market value	742,313	742,313	708,733
Unlisted investments, at fair value			
- units in managed funds at market value	1,131,225	1,131,225	1,085,278
Total available-for-sale financial assets	**1,873,538**	**1,873,538**	**1,794,011**

Note 7: Plant and equipment

	Equipment and furniture at cost $	Leasehold improvements at cost $	Total (Group) $
Balance at 30 June 2017			
Cost	98,363	297,578	395,941
Accumulated depreciation	(62,663)	(213,475)	(276,138)
Net book amount	35,700	84,103	119,803
For the year ended 2018			
Opening net book amount	35,700	84,103	119,803
Acquisition of The DAX Centre	62,133	-	62,133
Additions	11,885		11,885
Disposals	-	-	-
Depreciation charge	(12,311)	(10,570)	(22,881)
Closing net book amount	97,407	73,533	170,940
Balance at 30 June 2018			
Cost	172,381	297,578	469,959
Accumulated depreciation	(74,974)	(224,045)	(299,019)
Net book amount	97,407	73,533	170,940

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Note 8: Intangible assets

	Right to occupy building $
For the year ended 2018	
Opening net book amount	-
Acquisition of The DAX Centre	5,063,143
Amortisation charge	(35,580)
Closing net book amount	5,027,563
At 30 June 2018	
Cost	5,063,143
Accumulated amortisation	(35,580)
Net book amount	**5,027,563**

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. Refer also Note 15.

Note 9: Trade and other payables

	Group 2018 $	Company 2018 $	Company 2017 $
Trade payables	174,287	168,456	72,387
Sundry payables	217,030	217,030	109,220
	391,317	**385,486**	**181,607**

Trade payables are unsecured and are usually paid within 30 days of recognition.

Note 10: Provisions

	Group 2018	Company 2018	Company 2017
Current	**$**	**$**	**$**
Employee benefits	200,721	197,760	148,940
Provision – Barbara Hocking Fellowship	40,913	40,913	23,912
	241,634	**238,673**	**172,852**
Non-Current			
Employee benefits	23,803	23,107	28,951

Non-current provision relate to long service leave which is calculated in accordance with the accounting policy outlined in Note 1 f. above. Leave is accrued once it becomes probable the employee will become entitled to take the leave and those expected cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Note 11: Funds received in advance

	Group 2018 $	Company 2018 $	Company 2017 $
Government funded	877,754	877,754	-
Non-government funded	173,838	173,838	115,751
	1,051,592	**1,051,592**	**115,751**

Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Note 12: Auditor's remuneration

Amounts paid or payable to the auditors for:

	Group 2018 $	Company 2018 $	Company 2017 $
Audit of financial statements and acquittal audit	28,000	22,000	22,282

Note 13: Operating lease commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements.

	Group 2018 $	Company 2018 $	Company 2017 $
Payable:			
- < 1 year	57,490	57,490	39,596
- > 1 year but < 5 years	13,206	13,206	25,594
- > 5 years	-	-	-
	70,696	**70,696**	**65,190**

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

Note 14: 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 2018, the number of members was 11 (2017: 9).

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 2018, the number of members was 11 (2017: 5).

Note 15: Business acquisition

a) Summary of acquisition

On 18 April 2018 SANE Australia, the parent Company, acquired 100% of The Dax Centre, a non-profit which offers learning programs and educational resources to increase understanding and promotion of mental health through the use of art. The Dax Centre is licenced to use the Cunningham Dax Collection of art, which consists of over 16,000 works of art created by people with lived experience of mental ill health or psychological trauma. The acquisition serves to further promote the wellbeing of people affected by complex mental illness.

The consideration paid for the acquisition was $nil, with the assets and liabilities acquired detailed below:

	Fair value
	$
Cash	68,200
Trade receivables	39,717
Property, plant and equipment	62,133
Intangible assets	5,063,143
Trade and other payables	(20,272)
Employee provisions	(6,810)
Net identifiable assets acquired:	**5,206,111**
Discount on acquisition	**5,206,111**

Note 16: Related Party Transactions

At balance date, an amount of $10,000 was due from a director related third party company. Subsequent to year end, this amount was received.

Directors' Declaration

In the opinion of the directors of SANE Australia:

(a) the Group is not publicly accountable nor a reporting entity;

(b) the financial statements and notes, set out on pages 2 to 24, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

  (i) giving a true and fair view of the financial position of the Group as at 30 June 2018 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Note 1; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1, and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Melbourne on the 02 November 2018.

Director

Ewan Barron, Honorary Treasurer

Director

John Heath, Chief Executive Officer