Oh what a year.

Financial Report 2022–23

neami national
Improving Mental Health and Wellbeing

neaminational.org.au

Financial Statements for the year ended 30 June 2023

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neami national

Improving Mental Health and Wellbeing

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Directors' Report

All the Directors of Neami Limited and Mental Health and Wellbeing Australia Limited (Me Well) hereby present their report to all members, partners, staff, funders and consumers for the financial year ended 30 June 2023.

The Me Well Board of Directors is comprised of Anthony Nippard, Ruth Faulkner and Executive Director Tom Dalton (CEO of Neami).

1. Directors

Directors were in office for the entire year unless otherwise stated. Directors have no material interests in contracts or proposed contracts with the company.

The *Australian Charities and Not-for-profits Commission Act 2012* uses the terms 'responsible person' and 'responsible entity'. Neami has determined that the directors of an entity that is limited by guarantee are the responsible persons for that responsible entity.

The names and details of the Directors who held office during or since the end of the financial year are:

Anthony (Tony) Nippard (Chair)
BCom (Hons), BA, MA, FGIA, FCIS, FCHSM, FAICD

Tony was elected to the Neami Board in 2014 and appointed Chair of the Neami Board in October 2019. Tony chairs the Nominations and Remuneration Committee. He is an experienced company director in the not for profit and public sectors and has previously occupied senior positions in the Victorian public service. Tony is a Principal at Thoughtpost Governance.

Ruth Faulkner (Vice Chair)
BSc (Hons), CA, GAICD, CA Risk Specialist

Ruth was elected to the Neami Board in March 2017 and chairs the Audit and Risk Committee. She is a Chartered Accountant and a Chartered Accountant Risk Specialist, with more than 20 years' experience working in governance, finance, audit and risk in the not-for-profit, government and commercial sectors. Ruth is a Partner of Conus Business Consultancy Services located in Far North Queensland.

Richard (Rick) Callaghan
B MGT, Postgrad Dip Gov (Fraud), Fellow – Governors Leaders Foundation, MAICD, MAIMC

Rick was elected to the Neami Board in July 2022 and is on the Finance & Performance and Strategy, Oversight & Futures Committees. He is an experienced company director in the not-for-profit and for-profit sectors and is an experienced and certified management consultant and managing director. Rick is the Chairman of the Yaran Business Group.

Leesa Chesser
MAICD

Leesa was elected to the Board of Neami in July 2022. She is an Adelaide based non-executive Director with the Australian Physiotherapy Association, Community Options Australia, and a mentor. She is an alum of the Australian Institute of Company Directors Chair's Mentoring Programme and a fellow with the Salzburg Global Seminar.

Dr Shaymaa Elkadi
Exec Master PA, PhD (Psychology)

Dr Shaymaa was elected to the Neami Board in July 2022 and chairs the Strategy Oversight and Futures Committee. Dr Shaymaa is a skilled strategist with over 15 years of expertise in leading organisational and service transformation and reform. She is Executive Manager, Strategy and Program Integration at Foundation House.

Fiona Nicholls
BA Welfare Studies, MHSS, GAICD

Fiona was elected to the Neami Board in 2016 and chairs the Finance and Performance Committee. Fiona has 31 years' Commonwealth Government experience in health and social welfare policy, project management and administration, including nine years in the Senior Executive Service focussing on quality and accountability in aged care and system reform in mental health services.

Lorraine Powell
CertIV MH (Peer Work), GAICD

Lorraine was elected to the Neami Board in 2014. She has 21 years' experience as a mental health Lived Experience (consumer) representative and consultant at local, state and national levels. She is a director and the WA Coordinator of Lived Experience Australia and a member of the National Register of Mental Health Consumer and Carer Representatives with Mental Health Australia.

Silvio Pontonio
BA (Hons), BSW, MASc, MAASW, AFCHSM.

Silvio was elected to the Neami Board in February 2019 and appointed Quality, Safety and Clinical Governance Chair in October 2020. Silvio has extensive experience as a health service program lead and Executive Director across Australia and the NHS, UK. Silvio has worked extensively in developing new and substitution programs in public, private and mental health settings. He is currently the Director of Health Nexus Consulting.

Sonia Law
BA, LLB (Hons), DipEd, PGradDipTESL

Sonia was elected to the Board in 2012. She was Chair of the Board from 2016 to 2019. Sonia retired from the Neami Board in October 2022.

Dr Tim Smyth
MBBS, LLB, MBA

Dr Tim Smyth was elected to the Neami Board in July 2022. Dr Tim Smyth resigned from the Board in December 2022.

2. CEO

Tom Dalton
BA, LLB, EMPA

Tom commenced as CEO of Neami National in June 2019 after 10 years as CEO of Forensicare, Victoria's statutory provider of forensic mental health care. Originally a lawyer, he has worked in senior government roles in the (then) Victorian Department of Human Services from 1994-1999 before moving to Forensicare. He also sits on the Boards of Mental Health Victoria and the Australian Alliance to End Homelessness. His leadership is informed by the experience of being a carer for family members with mental health issues.

3. Company secretary

Melanie Sherrin Company secretary to 5 August 2022
an Australian Legal Practitioner.

Lauren Peta King Company secretary from 6 August 2022
an Australian Legal Practitioner.

4. Our Vision

Full citizenship for all people living with mental health challenges in Australia.

5. Our Purpose

To assist people experiencing mental health challenges to achieve the outcomes they value.

6. Our Strategic Intent

To build on our strengths in evidence-based, consumer informed services. This means further enhancing consumer experiences of us and codesigning broader and deeper services.

To take a more active outward looking view. This means working more with others, being a leading voice in changing the system and becoming a more sustainable and resilient national organisation.

7. Principal activities

The principal activities of the Neami Group over the last financial year have been to provide community based mental health support, recovery-orientated clinical mental health services, specialist community supports, housing/homelessness and suicide prevention.

8. Changes in Operations

8.1 Future State

The Future State Project represents a major organisational reform of Neami's management, which will establish the future operating structure and environment for the next 5-10 years. This national Program-based model organises senior operational leadership into service streams (leading "clusters" of similar programs and services) rather than geographical locations.

The structure includes two Operations Networks - an Integrated Wellbeing network, and a Community Wellbeing network. Spanning both networks is a Service Excellence Hub supporting quality, safety and consumer experience, Lived Experience Leadership and practice.

Future state implementation will continue into FY24.

9. Strategic Themes and Priority areas

The Neami Group's strategic themes and priority areas are:

Great Consumer Experiences

- New and Enhanced Services
- Awareness and Appeal
- Impact Assessment and Evidence

Building Collective Knowledge and Partnerships

- Purposeful Partnerships Outside Our Sector
- Stronger and More Purposeful Partnerships Inside Our Sector
- Expanded and Improved Funder Partnerships

Sustainable and Resilient

- A Great Workforce, A Great Place to Work
- Fit for Purpose, Flexible Organisation
- Explore Earned Revenue

Influencing System Reform

- Data Led Service and Policy Development
- Proactive Government Engagement and Advocacy

10. Directors' meetings

The number of directors' meetings (including meetings of committees of directors) attended by each of the directors of the company during the year were:

	Neami Board Meetings		QSCG Committee Meetings		FP Committee Meetings		AR Committee Meetings		SOaF Committee Meetings		NaR Committee Meetings		Me Well Board Meetings	
Directors Attendance	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Anthony Nippard	7	8			4	5			0	1	3	5	0	0
Ruth Faulkner	8	8					5	5	1	1	5	5	0	0
Fiona Nicholls	8	8	1	1	5	5			3	3	5	5		
Lorraine Powell	7	8	4	4			5	5						
Silvio Pontonio	8	8	4	4					4	4	4	5		
Richard Callaghan	6	8			2	5			2	3				
Leesa Chesser	7	8	3	3	5	5	1	1						
Shaymaa Elkadi	8	8	1	1			4	5	3	3	3	3		
Tim Smyth	3	3	1	2			1	1						
Sonia Law	3	3					2	2	1	1	2	2		
Tom Dalton													0	0

QSCG = Quality, Safety and Clinical Governance Committee
FP = Finance and Performance Committee
AR = Audit and Risk Committee
SOaF = Strategy Oversight and Futures Committee
NaR = Nomination and Remuneration Committee
GRC = Governance Review Committee

Column A is the number of meetings the director attended.

Column B is the number of meetings the director was scheduled to attend.

11. Contribution in winding up

Neami 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 $20 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the company are liable to contribute if the company wound up is $200 (2022: $180).

12. Post reporting date events

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

13. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60 – 40 of the *Australian Charities and Not-for-profits Commission Act 2012* is included in page 11 of this financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the directors.

Anthony (Tony) Nippard
Chair

14 September 2023

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Auditor's Independence Declaration to the Directors of Neami Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as auditor for the audit of Neami Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

Melbourne, 14 September 2023

K Weldin

Kenneth Weldin

Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue	4	148,143,221	126,792,115
Other income	4	1,477,783	1,036,409
Fair value gain (loss) on financial assets at fair value through profit or loss	4,7	849,386	(3,553,980)
Employee benefits expenses	14.1	(114,985,018)	(97,176,742)
Office and occupancy expenses		(9,125,353)	(8,418,640)
Consortium expenses	21	(8,439,709)	(6,774,181)
Interest payment	12.1	(171,639)	(150,861)
Other expenses		(7,918,835)	(7,062,373)
Depreciation and amortisation expenses	9-11	(6,559,831)	(5,478,008)
Surplus/(Deficit)		**3,270,005**	**(786,261)**
Other comprehensive income			
Other comprehensive income/(loss) for the period		-	-
Total comprehensive income/(loss) for the period		**3,270,005**	**(786,261)**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	2023 $	2022 $
Assets			
Current Assets			
Cash and cash equivalent	5	39,763,490	28,435,416
Investments	7	20,498,137	33,506,038
Trade and other receivables	6	5,640,306	9,884,993
Total Current Assets		65,901,933	71,826,447
Non-Current Assets			
Investments	7	16,103,779	-
Property, plant and equipment	9	3,291,797	3,662,257
Right of Use Assets	10	6,504,858	5,399,614
Intangible Assets	11	135,018	-
Total Non-Current Assets		26,035,452	9,061,871
Total Assets		91,937,385	80,888,318
Liabilities			
Current Liabilities			
Trade and Other Payables	13	7,960,889	7,162,870
Deferred Income	16	33,222,607	31,034,981
Leasing Liabilities	12	3,593,288	3,308,752
Provisions	15	13,235,032	10,105,016
Total Current Liabilities		58,011,816	51,611,619
Non-Current Liabilities			
Leasing Liabilities	12	3,071,429	2,198,815
Provisions	15	2,389,355	1,883,104
Total Non-Current Liabilities		5,460,784	4,081,919
Total Liabilities		63,472,600	55,693,538
Net Assets		**28,464,785**	**25,194,780**
Equity			
Retained Earnings		27,604,005	24,334,000
Reserve		860,780	860,780
Total Equity		**28,464,785**	**25,194,780**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Asset Revaluation Reserves	Retained Earnings	Total Equity
	$	$	$
As at 1 July 2022	**860,780**	**24,334,000**	**25,194,780**
Surplus for the year	-	**3,270,005**	**3,270,005**
Other comprehensive income	-	-	-
As at 30 June 2023	**860,780**	**27,604,005**	**28,464,785**

	Asset Revaluation Reserves	Retained Earnings	Total Equity
	$	$	$
As at 1 July 2021	860,780	25,120,261	25,981,041
Deficit for the year	-	(786,261)	(786,261)
Other comprehensive income	-	-	-
As at 30 June 2022	**860,780**	**24,334,000**	**25,194,780**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Operating Activities			
Receipts from:			
Government grants		152,921,766	129,911,319
Other Income		1,048,412	850,773
Interest/Distribution Income		2,502,944	1,466,787
Donations		579	91,191
Interest Payment		(171,639)	(150,861)
Payments to suppliers and employees		(136,982,382)	(120,360,356)
Net cash provided by operating activities	5	**19,319,680**	**11,808,853**
Investing Activities			
Purchase of property, plant and equipment		(1,971,424)	(2,879,458)
Purchase of investments	7	(8,045,772)	(14,279,749)
Proceeds from sale of property, plant and equipment/Right of Use Assets		120,691	87,057
Proceeds from Sale of Investments		6,107,961	15,611,956
Net cash used in investing activities		**(3,788,544)**	**(1,460,194)**
Financing Activities			
Payment of Leasing Liabilities		(4,203,062)	(4,043,566)
Net cash used in financing activities		**(4,203,062)**	**(4,043,566)**
Net increase/(decrease) in cash held		11,328,074	6,305,093
Add opening cash brought forward		28,435,416	22,130,323
Closing cash carried forward	5	**39,763,490**	**28,435,416**

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1. General information and statement of compliance

The financial report includes the consolidated financial statements and notes of Neami Limited and Mental Health and Wellbeing Australia Limited (Neami Group).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards –Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

Neami Limited is a not-for-profit entity for the purpose of preparing the financial statements. Both Neami Limited and Mental Health and Wellbeing Australia Limited are endorsed as Deductible Gift Recipients.

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors on 14 September 2023.

2. New or amended Accounting Standards and Interpretations adopted

Neami Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

3. Summary of accounting policies

3.1. Overall considerations

The significant accounting policies that have been used in the preparation of the financial statements are summarised below.

The financial statements have been prepared using the measurement basis specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement basis is more fully described in the accounting policies below.

3.2. Basis of Consolidation

The financial statements consolidate those of Neami Limited (ABN 52 105 082 460) and its subsidiary, Mental Health and Wellbeing Australia Limited (ABN 72 614 001 937) (Me Well), as of 30 June 2023.

Me Well ceased operations on 30 November 2021. The Me Well entity remains part of the Neami Group as a dormant entity.

3.3. Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, Neami Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price, which considers estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue comprises revenue from government grants, client contributions, donations and investment income. Revenue from government grants is shown in Note 4.

Government grants and Deferred Income

Neami's programs are supported by grants received from Federal, state and local governments. Grants received by Primary Health Networks are considered government grants.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied. The performance obligations are varied based on the agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Deferred income consists of government grants received in advance for services to be rendered by the Neami Group. Deferred income is transferred to profit and loss when the performance obligations are satisfied.

Revenue in the scope of AASB 1058 is recognised at fair value when the asset is received, unless it relates to a capital grant which satisfies certain criteria, in this case the grant is recognised as the asset is acquired or constructed.

Consumer contributions

Fees charged for services provided to consumers are recognised when the service is provided.

Donations and Other Income

Other income and amounts arising from cash donations in the scope of AASB 1058 are recognised at fair value when received.

Interest and distribution income

Interest is recognised on an accrual basis using the effective interest method. Distribution income is recognised at the time the right to receive payment is established.

3.4. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.5. Property, plant and equipment

Land and buildings

Land and buildings held for use in administration are stated at re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers once every five years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. A downward revaluation of land and buildings is recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Depreciation is recognised on a straight-line basis to write down the cost of buildings. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

The following useful lives are applied:

- Buildings: 40 years

Plant and other equipment

Plant and other equipment (comprising furniture and fittings), motor vehicles and leasehold improvements are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by Neami Group's management.

Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. The following average useful lives are applied on a straight-line basis:

- Plant and equipment: 3-10 years
- Leasehold improvements: 2-5 years
- Motor vehicles: 4 -7 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Capital work in progress is measured at cost and will not be depreciated until it is transferred to the relevant asset category and the asset is ready for use.

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 Neami 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.

Neami has elected to apply the exemptions available under the lease standard and 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. However, there are some exceptions to this relating to property leases 12 months or less that have a possibility of an extension. In these instances a right of use asset and corresponding lease liability is recognised.

3.6. Impairment testing of intangible assets and property, plant and equipment

Assets are tested individually for impairment at least annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use.

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

3.7. Trade and other receivables

Trade and other debtors include amounts due from contracts in the ordinary course of business. Receivables that are 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-recurrent assets. Refer to Note 3.9 for discussion on the determination of impairment losses.

3.8. Trade and other payables

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

3.9. Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when Neami Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are initially measured at fair value with transaction costs expensed to profit and loss immediately. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, (except for financial assets that are irrevocably designated to be measured at fair value through profit or loss on initial recognition), on the basis of both:

i) the entity's business model for managing the financial assets; and
ii) the contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost: A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised immediately on an effective interest basis for debt instruments measured subsequently at amortised cost.

Financial assets at fair value through other comprehensive income: A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income in accordance with the AASB 9 Financial Instruments.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses. Interest is calculated using the effective interest method and distributions are recognised in profit or loss within 'revenue' (see Note 3.3).

Trade and other receivables

The Neami Group makes use of a simplified model of recognising lifetime expected credit losses for all trade and other receivables. Expected credit losses are the expected shortfalls in cashflows, considering the potential for defaults at any time during the life of the financial instrument. Neami Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Neami Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics. They have been grouped as days past due.

Classification and subsequent measurement of financial liabilities

Neami Group's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit and loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.10. 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 Neami 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.

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.

3.11. Equity and Reserves

Retained earnings include all current and prior period accumulated surpluses. Other components of equity include the revaluation reserve. The revaluation reserve comprises gains and losses from the revaluation of land and buildings.

3.12. Income tax

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

3.13. Fringe Benefits Tax and Payroll Tax

Neami Group is classified as a Public Benevolent Institution for tax purposes and as such is exempt from Fringe Benefits Tax (FBT exemption capped at $30,000, salary packaged meal entertainment and entertainment facility leasing expense benefits capped at $5,000 per employee) and Payroll Tax.

3.14. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.15. Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required by Accounting Standards.

3.16. Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Short term employee benefits are measured at the undiscounted amount that Neami Group expects to pay as a result of the unused entitlement. If this entitlement is not expected to be settled within 12 months, it is measured as a long-term benefit.

The entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Long-term employee benefits

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to employee future wage increases and the probability that the employee may not satisfy the vesting requirements. Those cash outflows are discounted using the market yields on high quality corporate bonds with terms to maturity that approximate the timing of estimated future cash flows. Long term employee benefits include a provision for the restatement of benefits for employees that return within two years of termination.

Where annual leave is expected to be settled beyond 12 months it is a long-term benefit and is measured as the present value of expected future payments, however it is still classified as a current liability due to the entitlement already having vested.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

3.17. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that Neami Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.18. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant.

3.19. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

3.20. Economic dependence

Neami Group is dependent upon the ongoing receipt of Federal, State and local government and Primary Health Network (PHN) funding to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this funding will not continue.

3.21. Significant management judgement and estimates in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management 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.

Long service leave

The liability for long service leave and liability for the estimated restatement of entitlements for employees who may return within two years of termination is recognised and measured at the present value of the estimated cash flows to be made at the reporting date. In determining the present value of the liability, estimates of attrition rates and when the leave will be settled, and pay increases through promotion and inflation have been taken into account.

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; existence of significant leasehold improvements; and funding arrangements for programs for which the lease was taken out for.

4. Revenue

	2023 $	2022 $
Revenue		
Government grants (AASB 15)		
New South Wales	43,651,820	39,534,523
Northern Territory	4,115,894	3,552,047
Queensland	19,543,272	14,221,035
South Australia	27,084,942	24,943,106
Victoria	34,916,536	25,483,499
Western Australia	16,611,135	15,534,759
Revenue from Government Grants	145,923,599	123,268,969
NDIS Revenue	-	2,223,085
Revenue from Grants and NDIS	145,923,599	125,492,054
Donations	579	91,191
Investment income		
Interest from investments held at FVTPL*	1,542,836	113,494
Distributions from investments held at FVTPL*	676,207	1,095,376
Total Investment Income	2,219,043	1,208,870
Total Grant & NDIS Revenue, Donations and Investment Income	**148,143,221**	**126,792,115**
Other Income		
Net gain on disposal of property, plant & equipment	120,691	87,056
Paid parental leave scheme	418,622	357,478
Realised Gain on sale of investments	308,680	98,580
Other revenue	629,790	493,295
Total Other Income	**1,477,783**	**1,036,409**
Financial assets at fair value through profit or loss		
Unrealised Gain/(Loss) on Movement of Investment	**849,386**	**(3,553,980)**

** FVTPL means Fair Value Through Profit or Loss*

The $22.7m increase of Revenue from Government Grants is driven by the new Head to Health services.

5. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2023 $	2022 $
Cash on hand	15,747	21,678
Cash at bank	39,747,743	28,413,738
Cash and cash equivalents	**39,763,490**	**28,435,416**

There are no credit standby arrangements. The Neami Group has access to credit card facilities at 30 June 2023 of $350,000. (2022 $270,000).

Cash at bank has increased due to FY24 funding received in advance for new services and programs which are both reflected in Deferred income (see note 16). Cash invested in Term Deposits is substantially higher due to higher interest rates resulting in high interest income in FY23 (see note 4).

The Net income to cash provided by operating activities can be reconciled as follows:

	2023 $	2022 $
Surplus/(Deficit) for the year	**3,270,005**	**(786,261)**
Depreciation	6,559,831	5,478,008
Fair value movement on investments (unrealised)	(849,386)	3,553,980
Gain on disposal of investments (realised)	(308,680)	(98,580)
Net gain on plant and equipment sold	(120,691)	(87,056)
Movements in Assets/Liabilities		
(Increase)/Decrease in Receivables	4,244,687	(3,046,134)
Increase/(Decrease) in Payables	798,019	(1,552,272)
Increase/(Decrease) in Provisions	3,538,269	497,444
Increase/(Decrease) in Deferred Income	2,187,626	7,849,724
Cash Flows from Operating Activities	**19,319,680**	**11,808,853**

6. Trade and other receivables

	2023 $	2022 $
Financial Assets		
Trade receivables	2,199,465	7,057,254
Expected credit loss	-	-
Other receivables	1,746,813	1,983,465
Bond/Lease Deposit	738,026	499,936
	4,684,304	**9,540,655**
Non-Financial Assets		
Prepayments	956,002	344,338
Trade and other receivables	**5,640,306**	**9,884,993**

The Neami Group applies a simplified model of recognising lifetime expected credit losses for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Credit losses of $0 have been recorded accordingly within other expenses in 2023 (2022: $70,997).

7. Investments

	2023 $	2022 $
Current		
Financial assets at fair value through profit or loss		
Opening Balance	33,506,038	28,373,739
Investment during the year	1,620,095	14,279,749
Disposal	(5,799,280)	(15,513,376)
Fair value movement	721,688	(2,388,292)
Reclassification	(9,550,404)	8,754,218
Closing Balance	**20,498,137**	**33,506,038**
Non-Current		
Financial assets at fair value through profit or loss		
Opening Balance	-	9,919,906
Investment during the year	6,425,677	-
Disposal	-	-
Fair value movement	127,698	(1,165,688)
Reclassification	9,550,404	(8,754,218)
Closing Balance	**16,103,779**	**-**

The Credits Investment portion of the investment portfolio has been reclassified as Non-Current Assets. Their maturity date is greater than 12 months and the intention is to keep these investments until maturity date. The Investment portfolio will continue to be monitored to ensure the classification of all investments is reflected in either current or non-current assets accordingly.

Refer to Note 3.9 for a description of the accounting policies for each category of financial instruments. Information relating to fair values is presented in Note 20.

8. Financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

		2023 $	2022 $
Financial assets			
Current			
Financial assets measured at amortised cost			
Cash and cash equivalent	5	39,763,490	28,435,416
Trade and other receivables	6	4,684,304	9,540,655
Financial assets at fair value through profit or loss			
Current Investment	7	20,498,137	33,506,038
		64,945,931	**71,482,109**
Non-Current			
Non-Current Investment	7	16,103,779	-
		16,103,779	**-**
Financial Liabilities			
Financial liabilities measured at amortised cost			
Current			
Trade and other payables	13	7,960,889	7,162,870
Lease Liabilities	12	3,593,288	3,308,752
		11,554,177	**10,471,622**
Non-Current			
Lease Liabilities	12	3,071,429	2,198,815
		3,071,429	**2,198,815**

Details of movements are included in each relevant note.

9. Property, plant and equipment

Details of Neami Group's property, plant and equipment and their carrying amounts are as follows:

	2023 $	2022 $
Plant and equipment		
Balance 1 July 2022	88,537	51,437
Additions	20,812	63,753
Disposals	-	-
Depreciation expense	(25,192)	(26,653)
Balance 30 June 2023	**84,157**	**88,537**
Motor vehicles		
Balance 1 July 2022	17,472	26,714
Additions	-	-
Disposals	-	-
Depreciation expense	(17,472)	(9,242)
Balance 30 June 2023	**-**	**17,472**
Leasehold Improvement		
Balance 1 July 2022	1,790,449	659,566
Additions	1,442,254	2,445,736
Transfers	-	-
Depreciation expense	(2,122,066)	(1,314,853)
Balance 30 June 2023	**1,110,637**	**1,790,449**
Land and buildings		
Balance 1 July 2022	1,352,007	1,369,350
Additions	-	-
Disposals	-	-
Depreciation expense	(15,353)	(17,343)
Balance 30 June 2023	**1,336,654**	**1,352,007**
Capital work in progress/IT Stock		
Balance 1 July 2022	413,792	43,822
Additions	508,357	369,970
Transfers to Intangible Assets	(161,800)	-
Balance 30 June 2023	**760,349**	**413,792**
Carrying Amount 30 June 2023	**3,291,797**	**3,662,257**

10. Right of Use Assets

	2023 $	2022 $
Right of use Assets		
Balance 1 July 2022	5,399,614	2,949,454
Additions/Variations	5,458,210	6,560,077
Depreciation expense	(4,352,966)	(4,109,917)
Balance 30 June 2023	**6,504,858**	**5,399,614**

The carrying amount of right of use assets includes the following underlying asset categories:

	2023 $	2022 $
Properties	5,860,943	5,065,442
Motor Vehicles	643,915	334,172
Total Right of Use Assets	**6,504,858**	**5,399,614**

The Right of Use Assets increased by $1.1m due to the new property leases for Head to Health centres and Vic Locals.

11. Intangible Assets

	2023 $	2022 $
Acquired software licences		
Cost	161,800	1,130
Accumulated amortisation	(26,782)	(1,130)
Balance 30 Jun 2023	**135,018**	**-**
Movement schedule – Written Down Value		
Balance 1 Jul 2022	-	-
Additions	-	-
Transfer from Capital Work in Progress	161,800	-
Disposals	-	-
Amortisation expense	(26,782)	-
Balance 30 Jun 2023	**135,018**	**-**

12. Leasing Liabilities

	2023 $	2022 $
Lease liabilities (current)	3,593,288	3,308,752
Lease liabilities (non-current)	3,071,429	2,198,815
	6,664,717	**5,507,567**

Neami Group total cash outflows for leases, inclusive of interest is $4,374,701 in 2023 ($4,194,427 in 2022).

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<1 year	1-5 years	> 5 years	Total undiscounted lease liabilities	Lease Liabilities included in the Statement of Financial Position
2023 Lease Liabilities	3,806,035	3,228,718	-	7,034,753	6,664,717
2022 Lease Liabilities	3,415,549	2,241,923	-	5,657,472	5,507,567

Extension options: A number of the building leases contain extension options which allow the company to extend the lease term by up to twice the original non-cancellable period of the lease.

The company includes options in the leases to provide flexibility and certainty to the company's operations and reduce costs of moving premises and the extension options are at the company's discretion. Options are only taken up in the lease calculations when the Group is reasonably certain the option will be exercised.

12.1. Short Term Leases / Low Value Assets

Expenses relating to leases consist of the following:

	2023 $	2022 $
Interest expense on lease liabilities	171,639	150,861
Short term lease payments	241,159	241,406
Low value assets lease payments	15,140	33,719
	427,938	**425,986**

13. Trade and other payables

Trade and other payables recognised consist of the following:

	2023 $	2022 $
Trade payables	2,514,709	3,082,315
Other creditors and accruals	5,446,180	4,080,555
Total trade and other payables	**7,960,889**	**7,162,870**

14. Employee remuneration

14.1. Employee benefit expenses

Expenses recognised for employee benefits are analysed below:

	2023 $	2022 $
Wages, salaries	95,719,615	80,271,339
Workers compensation insurance	2,934,238	2,673,552
Superannuation	9,363,071	7,505,393
Employee benefits expenses and provisions	6,968,094	6,726,458
Employee benefits expense	**114,985,018**	**97,176,742**

Employee expenses have increased by $17.8m proportionate to revenue growth.

14.2. Employee benefit liabilities

Liabilities recognised for employee benefits consist of the following amounts:

	2023 $	2022 $
Current		
Annual leave	6,321,964	5,513,871
Long service leave	3,851,270	3,051,953
Other Employee leave provisions	2,603,241	1,153,575
	12,776,475	**9,719,399**
Non-current		
Long service leave	2,117,511	1,640,233
	14,893,986	**11,359,632**

Other employee provisions include $1.2m one-off cost of living relief payment for Neami EA covered staff.

15. Provisions

Provisions recognised consist of the following:

		2023 $	2022 $
Current			
Employee benefit liabilities	14.2	12,776,475	9,719,399
Make good provision		458,557	385,617
		13,235,032	**10,105,016**
Non-current			
Employee benefit liabilities	14.2	2,117,511	1,640,233
Make good provision		271,844	242,871
		2,389,355	**1,883,104**

16. Deferred Income

Deferred Income is summarised as follows:

	2023 $	2022 $
New South Wales	13,130,139	16,990,236
Northern Territories	1,190,303	927,274
Queensland	2,776,155	3,162,390
South Australia	1,092,716	3,146,064
Victoria	13,815,580	5,560,520
Western Australia	1,217,714	1,248,497
	33,222,607	**31,034,981**

Deferred Income has increased materially due to FY23 funding received in advance for new services and programs which are reflected in the Cash and Cash Equivalents note (see note 5).

Deferred income consists of funder grants received in advance for services to be rendered by Neami. Deferred income is transferred to the profit and loss account when the performance obligations are satisfied. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant.

17. Transactions with key management personnel

Key management personnel for Neami Group are the members of the companies' Board of Directors and members of the Executive Leadership Team. Key management personnel remuneration includes short-term employee benefits, other long-term benefits and termination benefits.

	2023 $	2022 $
Total key management personnel remuneration	**2,020,970**	**1,816,146**

The 2023 reported figure includes the Board of Directors and the revised Executive Leadership team.

Other than remuneration indicated above, there are no other related party transactions which are bound by general commercial terms and no more favorable than available to other parties.

18. Contingent assets and contingent liabilities

Neami Group has given bank guarantees as at 30 June 2023 of $404,233 (2022: $404,233) to various landlords.

19. Leasehold Improvements and Property Lease commitments

	2023	2022
	$	$
Leasehold Improvement commitments	1,220,260	1,185,736
Property Lease commitments	356,918	156,239
	1,577,178	**1,341,975**

The above relate to costs that have been committed but not yet expensed.

20. Fair value measurement

20.1. Fair value measurement of financial assets

The following table shows the financial assets measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022.

	Notes	$
30 June 2023		
Assets		
Financial assets at fair value through profit or loss	8	36,601,916
Net fair value		**36,601,916**
30 June 2022		
Assets		
Financial assets at fair value through profit or loss	8	33,506,038
Net fair value		**33,506,038**

Fair value of the financial assets has been determined by reference to its quoted bid price at reporting date.

20.2. Fair value measurement of non-financial assets

The following table shows the non-financial assets measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022.

	Notes	$
30 June 2023		
Property, plant and equipment		
Land and buildings	9	1,336,654
Net fair value		**1,336,654**
30 June 2022		
Property, plant and equipment		
Land and buildings	9	1,352,007
Net fair value		**1,352,007**

Fair value of the land and buildings is estimated based on appraisals performed by independent, professionally qualified property valuers.

The land and building in Fairfield, VIC were last valued as at 9 April 2019. As per our Policy, revaluation occurs every 5 years.

21. Consortium expenses

Consortium expenses represent the consolidated outflows associated with providing funding to members and partners of the respective Consortia the Group is engaged in to achieve the objectives of contracts with the Primary Mental Healthcare Services in South Australia, East Melbourne Primary Healthcare Network, North Western Melbourne Primary Health Network, Western Victoria Primary Health Network, Department of Health (DH) and the Department of Families, Fairness and Housing (DFFH) in Victoria, Central and Eastern Sydney Primary Health Network and Department of Communities and Justice in New South Wales.

22. Auditor Remuneration

	2023 $	2022 $
Remuneration of the auditor of the Company, PKF Melbourne, Auditing the financial statements and acquittals	122,000	100,000

23. Post reporting date events

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

Directors' Declaration

In the opinion of the Directors:

a. The consolidated financial statements and notes of Neami Limited are in accordance with 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 2023 and of its financial performance for the year then ended; and

   ii. Complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*; and

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

Signed in accordance with a resolution of the Directors:

Anthony (Tony) Nippard
Chair

Ruth Faulkner
Director

Dated: 14 September 2023

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Independent Auditor's Report to the Members of Neami Limited

Report on the Audit of the Financial Report

We have audited the accompanying financial report for Neami Limited ('the Company') and its controlled entity ('the Group'), which comprises the statement of financial position as at 30 June 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in changes in equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of Neami Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year 2023 ended; and
b) complying with Australian Accounting Standards – Simplified Disclosures, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of 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 company in accordance with the auditor independence requirements of the ACNC Act, ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

The Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

PKF
Melbourne, 14 September 2023

Kenneth Weldin
Partner

neami national

Improving Mental Health and Wellbeing

Neami National

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October 2023