



Financial Statements for the year ended 30 June 2024

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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 2024.

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:

Ruth Faulkner (Chair)

BSc (Hons), CA, CA Risk Specialist, FAICD

Ruth was appointed to the Neami Board in March 2017 and elected Chair of the Neami Board in 2023. She is a Chartered Accountant (CA) and a CA Risk Specialist. Ruth has more than 20 years of experience working in governance, finance, audit and risk across the not-for-profit, government and commercial sectors. Ruth is a Principal of Conus Business Consultancy Services.

Anthony (Tony) Nippard (Vice Chair)

BCom (Hons), BA, MA, FGIA, FCIS, FCHSM, FAICD

Tony was appointed to the Neami Board in February 2014. He was Chair of the Board from 2019 to 2023. Tony is an experienced company director in the not-for-profit and public sectors. He has held senior positions in the Victorian public service. Tony is the Chair of the Audit and Risk Committee. Tony is a Principal at Thoughtpost Governance.

Leesa Chesser

MAICD

Leesa was appointed to the Board of Neami in July 2022. Leesa is a skilled senior leader. Leesa has worked across state and federal government, advocacy, public policy and governance for more than 25 years. She is the Chair of the Nominations and Remuneration Committee.

Dr Shaymaa Elkadi

EMPA, PhD (Psychology)

Dr Shaymaa was appointed to the Neami Board in July 2022. Dr Shaymaa is a skilled strategist. She has more than 15 years of experience leading transformation and reform of organisations and services. Shaymaa is the Chair of the Strategy and Futures Committee. Dr Shaymaa is Executive Manager, Strategy and Program Integration at Foundation House.

Fiona Nicholls

BA Welfare Studies, MHSS, GAICD

Fiona was appointed to the Neami Board in April 2016. Fiona has 31 years of Commonwealth Government experience across health and social welfare policy, project management and administration. This includes nine years in the Senior Executive Service. Fiona is the Chair of the Finance and Performance Committee.

Silvio Pontonio

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

Silvio was appointed to the Neami Board in February 2019. Silvio has extensive experience as a health service program lead and executive director, both in Australia and the National Health Service in the UK. Silvio is the Chair of the Quality, Safety and Clinical Governance Committee. He is currently the Director of Health Nexus Consulting.

Ryan D'Lima

BCom, MBA

Ryan was appointed to the Neami Board in January 2024. Ryan has a decade of dedicated service in the consumer and lived experience sector, across private mental health hospitals, frontline peer roles and public mental health. This experience is at both state and national levels. Ryan is currently the Lived Experience Coordinator at Southern NSW Local Health District.

Fiona Bennett

BBus, GAICD, CPA

Fiona was appointed to the Neami Board in January 2024. Fiona is a Certified Practising Accountant. She has extensive experience in financial management, governance, audit, and risk management across listed companies, NSW government and banking. Fiona is currently Chair of Australian Mutual Bank and Deputy Chair of the Western NSW Local Health District.

Jane Stanton

BEc.Acc, FCA, GAICD

Jane was appointed to the Neami Board in January 2024. Jane is a Chartered Accountant. Jane has 20 years of experience in senior risk management, internal audit and finance across the financial services sector. Jane is a Partner in Grant Thornton's risk consulting practice.

Lorraine Powell

CertIV MH (Peer Work), GAICD

Lorraine was appointed to the Neami Board in 2014. Lorraine retired from the Neami Board in October 2023.

Richard (Rick) Callaghan

B MGT, Postgrad Dip Gov (Fraud), MAICD, MAIMC

Rick was appointed to the Neami Board in 2022. Rick resigned from the Neami Board in March 2024.

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

Lauren Peta King, an Australian Legal Practitioner.

4. Our Vision

For all people in Australia living with mental health and wellbeing challenges to live a life that is meaningful to them.

5. Our Purpose

To support people to achieve mental health and wellbeing outcomes that matter to them, through access to the resources and opportunities they need.

6. 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 services.

7. Changes in Operations

7.1. Future State

The Future State Project represents a major organisational reform of Neami's management, which establishes the future operating structure 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 will be a Service Excellence Hub supporting quality, safety and consumer experience, Lived Experience leadership and practice.

Future State implementation will continue into FY25 as the Service Excellence Hub is established.

8. Strategic Themes and Priority areas

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

Great consumer experiences

- Putting people at the heart of what we do
- Listening and acting on what is important

Building collective knowledge and partnerships

- A connected service sector
- Services by and for communities
- Advocating for change

Sustainable and resilient organisation

- Improving how we support service delivery
- Respecting the environment and minimising our impact
- Strong governance and decision making

Capable and diverse workforce

- Diverse and well-supported teams
- Drawing on our collective skills and working together
- Embedding our values and practice through leadership

9. 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:

Directors Attendance	Neami Board Meetings		QSCG Committee Meetings		FP Committee Meetings		AR Committee Meetings		SaF Committee Meetings		NaR Committee Meetings		Me Well Board Meetings	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Ruth Faulkner	8	8					5	5	4	4	5	5	2	2
Anthony Nippard	8	8	2	2	3	3	3	3			2	2	2	2
Fiona Nicholls	7	8			5	5			6	6	4	5		
Silvio Pontonio	8	8	4	4					6	6	4	4		
Leesa Chesser	8	8	2	2	3	3	4	4			4	4		
Shaymaa Elkadi	7	8	4	4			5	5	6	6	2	2		
Ryan D'Lima	3	4	2	2	2	2								
Fiona Bennett	4	4	2	2	2	2								
Jane Stanton	4	4			0	2	2	2						
Richard Callaghan	4	5			1	3			1	2	0	1		
Lorraine Powell	3	3	1	1			2	2						
Tom Dalton													2	2

QSCG = Quality, Safety and Clinical Governance Committee

FP = Finance and Performance Committee

AR = Audit and Risk Committee

SaF = Strategy and Futures Committee

NaR = Nomination and Remuneration Committee

Column A is the number of meetings the director attended.

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

10. 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 2024, the total amount that members of the company are liable to contribute if the company wound up is \$220 (2023: \$200).

11. 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.

12. 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 10 of this financial report and forms part of the Directors' report.

Signed in accordance with a resolution of the directors.



Ruth Faulkner

Chair

19 September 2024

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 2024, 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.

A handwritten signature in black ink that reads 'PKF' in a stylized, cursive font.

PKF

Melbourne, 19 September 2024

A handwritten signature in black ink that reads 'K. Weldin' in a cursive font.

Kenneth Weldin

Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue	4	160,673,773	148,143,221
Other income	4	1,540,050	1,477,783
Unrealised gain on movement of investment	4,7	2,154,226	849,386
Employee benefits expenses	13	(124,009,418)	(114,985,018)
Office and occupancy expenses		(9,637,861)	(9,125,353)
Consortium expenses	20	(8,221,286)	(8,439,709)
Interest expenses	11.1	(425,466)	(171,639)
Other expenses		(7,694,035)	(7,918,835)
Depreciation and amortisation expenses	8-10	(7,114,659)	(6,559,831)
Surplus/(Deficit)		7,265,324	3,270,005
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of land and building	8,16	473,011	-
Other comprehensive income/(loss) for the period		473,011	-
Total comprehensive income/(loss) for the period		7,738,335	3,270,005

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current Assets			
Cash and cash equivalent	5	34,082,471	39,763,490
Investments	7	16,947,559	20,498,137
Trade and other receivables	6	9,884,861	5,640,306
Total Current Assets		60,914,891	65,901,933
Non-Current Assets			
Investments	7	22,569,184	16,103,779
Property, plant and equipment	8	7,162,011	3,291,797
Right of use assets	9	7,959,424	6,504,858
Intangible assets	10	94,643	135,018
Total Non-Current Assets		37,785,262	26,035,452
Total Assets		98,700,153	91,937,385
Liabilities			
Current Liabilities			
Trade and other payables	12	8,284,594	7,960,889
Deferred income	15	30,292,494	33,222,607
Leasing liabilities	11	4,580,993	3,593,288
Provisions	14	12,980,644	13,235,032
Total Current Liabilities		56,138,725	58,011,816
Non-Current Liabilities			
Leasing liabilities	11	3,743,765	3,071,429
Provisions	14	2,614,543	2,389,355
Total Non-Current Liabilities		6,358,308	5,460,784
Total Liabilities		62,497,033	63,472,600
Net Assets		36,203,120	28,464,785
Equity			
Retained earnings		34,869,329	27,604,005
Reserve	16	1,333,791	860,780
Total Equity		36,203,120	28,464,785

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 2024

		Asset Revaluation Reserves	Retained Earnings	Total Equity
		\$	\$	\$
As at 1 July 2023		860,780	27,604,005	28,464,785
Surplus for the year		-	7,265,324	7,265,324
Other comprehensive income	16	473,011	-	473,011
As at 30 June 2024		1,333,791	34,869,329	36,203,120

		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

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 2024

	Notes	2024 \$	2023 \$
Operating Activities			
Receipts from:			
Government grants		150,416,767	152,921,766
Other income		1,243,225	1,048,412
Interest/Distribution income		3,303,109	2,502,944
Donations		8,395	579
Interest payment		(425,466)	(171,639)
Payments to suppliers and employees		(149,096,098)	(136,982,382)
Net cash provided by operating activities	5	5,449,932	19,319,680
Investing Activities			
Purchase of property, plant and equipment		(5,369,325)	(1,971,424)
Purchase of investments	7	(22,492,806)	(8,045,772)
Proceeds from sale of property, plant and equipment/Right of use assets		296,825	120,691
Proceeds from sale of investments		21,292,228	6,107,961
Net cash used in investing activities		(6,273,078)	(3,788,544)
Financing Activities			
Payment of leasing liabilities		(4,857,873)	(4,203,062)
Net cash used in financing activities		(4,857,873)	(4,203,062)
Net increase/(decrease) in cash held		(5,681,019)	11,328,074
Add opening cash brought forward		39,763,490	28,435,416
Closing cash carried forward	5	34,082,471	39,763,490

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 2024 were approved and authorised for issue by the Board of Directors on 19 September 2024.

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.

Neami Group has adopted the AASB 101 *Presentation of Financial Statements* revision for 30 June 2024 year end which requires the disclosure of material accounting policy information rather than significant accounting policies. Accounting policy information is material if when considered with other information could reasonably be expected to influence the decisions of users.

Under the revised standard, accounting policy information is likely to be material if it relates to material transactions, events, or conditions, and:

- There are changes in accounting policy,
- It relates to documentation of choice within accounting policies (e.g. measuring assets at fair value vs. historical cost)
- There is an accounting policy developed in the absence of an explicit accounting standard requirement,
- There is significant judgement or estimation, or
- It is a complex transaction with the accounting policy needed to explain the treatment.

3. Summary of material accounting policies

3.1. Overall considerations

The material accounting policy information that has been used in the preparation of the financial statements is 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 2024.

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 comprises revenue from government grants, consumer 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 from primary health networks are considered government grants.

The performance obligations are varied between agreements. 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. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant.

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. Property, plant and equipment

Land and buildings

Land and buildings held for use in administration are stated at fair value. Fair values are 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.

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.

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

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. 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.

3.5. Financial instruments

Recognition, 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 with transaction costs expensed to profit and loss immediately.

Classification and subsequent measurement of financial assets

Financial assets are classified and subsequently measured at either amortised cost, or fair value through profit or loss.

Financial assets at amortised cost: Neami holds Cash and cash equivalent (cash at bank and cash on hand) and Trade and other receivables at amortised cost (please refer to note 6).

Financial assets at fair value through profit or loss: Neami holds investments at fair value through profit or loss. The investment portfolio includes shares through listed exchanges and the market value has been determined based on the published share values.

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:

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.

3.6. 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. Where the interest rate is not implicit in the lease Neami Group's incremental-borrowing rate based on the RBA's F7 business lending rate for medium businesses is utilised. Lease payments comprise of fixed payments less any lease incentives receivable expensed in the period in which they occur.

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

3.7. 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.

3.8. 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.

3.9. 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.

3.10. Employee Benefits

Short-term employee benefits

Short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. Please refer to note 12.

A provision for annual leave is recognised in the provision for employee benefits. Please refer to note 14.

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. Please refer to note 14.

3.11. Provisions, contingent liabilities and contingent assets

Neami holds make good provisions in relation to its leased properties. These provisions allow vacated properties to be restored to their original condition. Please refer to note 14.

Neami has given bank guarantees to various landlords. Neami has received one bank guarantee in relation to property fitouts. Please refer to note 18.

3.12. Economic dependence

Neami Group is dependent upon the ongoing receipt of federal, state and local government and primary health network funding to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that these funding sources will not continue.

3.13. 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 reviews properties owned and leased to ensure they are utilised.

Property Plant and Equipment may be impaired based on age and warranty status, condition and in the case of IT equipment minimum specification to run the latest software.

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.

Right of use assets include Property and Motor vehicle leases. Property Leases are initially negotiated to match the funding period (usually 2 years) with extension options where possible. Motor vehicles are generally leased for a period of 3 years.

Leasehold improvements relate to property fitouts and are depreciated over the life of the lease.

The land and building in Fairfield, VIC were last valued as at 8 April 2024. As per our Policy, revaluation occurs every 5 years by independent, professionally qualified property valuers.

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 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

	2024	2023
	\$	\$
Revenue		
Government grants (AASB 15)		
New South Wales	44,972,797	43,651,820
Northern Territory	5,538,117	4,115,894
Queensland	21,264,283	19,543,272
South Australia	25,962,143	27,084,942
Victoria	44,102,978	34,916,536
Western Australia	15,420,428	16,611,135
Revenue from Government grants	157,260,746	145,923,599
Donations	8,395	579
Investment income		
Interest from investments held at FVTPL*	2,696,169	1,542,836
Distributions from investments held at FVTPL*	708,463	676,207
Total Investment income	3,404,632	2,219,043
Total Grant, Donations and Investment income	160,673,773	148,143,221
Other income		
Net gain on disposal of property, plant & equipment	296,825	120,691
Paid parental leave scheme	278,585	418,622
Realised gain on sale of investments	-	308,680
Other revenue	964,640	629,790
Total Other income	1,540,050	1,477,783
Financial assets at fair value through profit or loss		
Unrealised gain on movement of investment	2,154,226	849,386

* FVTPL means Fair Value Through Profit or Loss

5. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2024	2023
	\$	\$
Cash on hand	1,233	15,747
Cash at bank	34,081,238	39,747,743
Cash and cash equivalents	34,082,471	39,763,490

There are no credit standby arrangements. The Neami Group has access to credit card facilities at 30 June 2024 of \$350,000. (2023 \$350,000).

Cash at bank, which includes term deposits, has decreased due to higher than expected Property Plant and Equipment purchases relating to capital establishment fitouts for Medicare Mental Health Centres and Mental Health and Wellbeing Locals and lower funding income received in advance for FY25. Cash invested in term deposits has remained high due to improved interest rates resulting in increased interest income in FY24 (see note 4).

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

	2024	2023
	\$	\$
Surplus for the year	7,265,324	3,270,005
Depreciation	7,114,659	6,559,831
Unrealised (gain) on movement of investment	(2,154,226)	(849,386)
Loss/(gain) on disposal of investments (realised)	439,976	(308,680)
Net (gain) on plant and equipment sold	(295,643)	(120,691)
Movements in Assets/Liabilities		
(Increase)/Decrease in Receivables	(4,244,555)	4,244,687
Increase/(Decrease) in Payables	323,710	798,019
Increase/(Decrease) in Provisions	(69,200)	3,538,269
Increase/(Decrease) in Deferred income	(2,930,113)	2,187,626
Cash Flows from Operating Activities	5,449,932	19,319,680

6. Trade and other receivables

	2024	2023
	\$	\$
Financial Assets		
Trade receivables	7,314,084	2,199,465
Expected credit loss	-	-
Other receivables	647,581	1,746,813
Bond/Lease Deposit	720,944	738,026
	8,682,609	4,684,304
Non-Financial Assets		
Prepayments	1,202,252	956,002
Trade and other receivables	9,884,861	5,640,306

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 2024 (2023: \$0).

Other receivables include investments distribution receivable, interest receivable and accrued income for services provided yet to be charged (programs billed as per agreed schedule).

7. Investments

	2024	2023
	\$	\$
Current		
<i>Financial assets at fair value through profit or loss</i>		
Opening Balance	20,498,137	33,506,038
Investment during the year	12,390,869	1,620,095
Disposal	(21,732,205)	(5,799,280)
Fair value movement	1,754,117	721,688
Reclassification	4,036,641	(9,550,404)
Closing Balance	16,947,559	20,498,137
Non-Current		
<i>Financial assets at fair value through profit or loss</i>		
Opening Balance	16,103,779	-
Investment during the year	10,101,937	6,425,677
Disposal	-	-
Fair value movement	400,109	127,698
Reclassification	(4,036,641)	9,550,404
Closing Balance	22,569,184	16,103,779
Total Investment	39,516,743	36,601,916

Investment Portfolio	2024	2023
	\$	\$
Current		
<i>Financial assets at fair value through profit or loss</i>		
Real Assets	1,668,137	1,506,847
Equity - Domestic	7,276,786	5,447,384
Equity - International	8,002,636	3,788,927
Bonds/Managed Funds	-	9,754,979
Closing Balance	16,947,559	20,498,137
Non-Current		
<i>Financial assets at fair value through profit or loss</i>		
Bonds/Managed Funds	22,569,184	16,103,779
Closing Balance	22,569,184	16,103,779
Total Investment Portfolio	39,516,743	36,601,916

The Bonds/Managed Funds portion of the investment portfolio has been classified as Non-Current Assets as their maturity date is greater than 12 months.

8. Property, plant and equipment

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

	2024	2023
	\$	\$
Plant and equipment		
Cost	601,801	531,217
Accumulated depreciation	(475,716)	(447,060)
Closing Balance	126,085	84,157
Motor vehicles		
Cost	-	280,628
Accumulated depreciation	-	(280,628)
Closing Balance	-	-

	2024 \$	2023 \$
Leasehold improvement		
Cost	12,724,033	7,594,759
Accumulated depreciation	(7,854,379)	(6,484,122)
Closing Balance	4,869,654	1,110,637

Land and buildings		
Fair value	1,800,000	1,427,192
Accumulated depreciation	(2,835)	(90,538)
Closing Balance	1,797,165	1,336,654

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 8 April 2024. As per our Policy, revaluation occurs every 5 years.

	2024 \$	2023 \$
Capital work in progress		
Cost	369,107	760,349
Closing Balance	369,107	760,349
Carrying Amount	7,162,011	3,291,797

a. Movements in carrying amounts of property, plant and equipment

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

	Plant and equipment \$	Leasehold improvement \$	Land and buildings \$	Capital work in progress \$	Total \$
Opening Balance	84,157	1,110,637	1,336,654	760,349	3,291,797
Additions	70,583	4,929,630	-	369,107	5,369,320
Fair value movements	-	-	473,011	-	473,011
Transfers to Assets	-	760,349	-	(760,349)	-
Depreciation	(28,655)	(1,930,962)	(12,500)	-	(1,972,117)
Closing Balance	126,085	4,869,654	1,797,165	369,107	7,162,011

9. Right of use assets

	2024	2023
	\$	\$
Right of use assets		
Cost	21,481,048	17,573,247
Accumulated depreciation	(13,521,624)	(11,068,389)
Closing Balance	7,959,424	6,504,858
Movement schedule		
Opening Balance	6,504,858	5,399,614
Additions/Variations	6,556,733	5,458,210
Depreciation expenses	(5,102,167)	(4,352,966)
Closing Balance	7,959,424	6,504,858

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

	2024	2023
	\$	\$
Properties	6,985,781	5,860,943
Motor Vehicles	973,643	643,915
Total Right of use assets	7,959,424	6,504,858

The Right of use assets increased by \$1.5m mainly due to the extension of some property leases.

10. Intangible assets

	2024	2023
	\$	\$
Acquired software licences		
Cost	161,800	161,800
Accumulated amortisation	(67,157)	(26,782)
Closing Balance	94,643	135,018
Movement schedule - Written Down Value		
Opening Balance	135,018	-
Transfer from Capital work in progress	-	161,800
Amortisation expenses	(40,375)	(26,782)
Closing Balance	94,643	135,018

11. Leasing liabilities

	2024	2023
	\$	\$
Lease liabilities (current)	4,580,993	3,593,288
Lease liabilities (non-current)	3,743,765	3,071,429
	8,324,758	6,664,717

Neami Group total cash outflows for leases, inclusive of interest is \$5,283,339 in 2024 (\$4,374,701 in 2023).

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
2024					
Lease liabilities	4,915,437	3,987,237	-	8,902,674	8,324,758
2023					
Lease liabilities	3,806,035	3,228,718	-	7,034,753	6,664,717

Neami's Lease liabilities consist of Property leases and Motor vehicle leases.

Property Leases are negotiated to match the funding period for the relevant program. Motor vehicles are generally leased for a period of 3 years.

11.1. Short Term Leases / Low Value Assets

Expenses relating to leases consist of the following:

	2024	2023
	\$	\$
Interest expenses on lease liabilities	425,466	171,639
Short term lease payments	118,210	241,159
Low value assets lease payments	4,974	15,140
	548,650	427,938

12. Trade and other payables

Trade and other payables recognised consist of the following:

	2024	2023
	\$	\$
Trade payables	1,387,822	2,514,709
Other creditors and accruals	6,896,772	5,446,180
Total trade and other payables	8,284,594	7,960,889

Other creditors and accruals include mainly employee related month-end accruals (not including leave provisions), accruals relating to superannuation, PAYG withholding, GST clearing, and accrued expenses in relation to various programs.

13. Employee benefits expenses

Expenses recognised for employee benefits are analysed below:

	2024	2023
	\$	\$
Wages, salaries	104,150,262	95,719,615
Workers compensation insurance	3,135,268	2,934,238
Superannuation	10,641,073	9,363,071
Employee benefits expenses and provisions	6,082,815	6,968,094
Employee benefits expenses	124,009,418	114,985,018

Employee expenses have increased by \$9.0m proportionate to revenue growth.

14. Provisions

Provisions recognised consist of the following:

	2024	2023
	\$	\$
Current		
Annual leave	6,943,285	6,321,964
Long service leave	4,107,160	3,851,270
Other employee leave provisions	1,528,835	2,603,241
Make good provision	401,364	458,557
	12,980,644	13,235,032
Non-current		
Long service leave	2,275,091	2,117,511
Make good provision	339,452	271,844
	2,614,543	2,389,355

15. Deferred income

Deferred income is summarised as follows:

	2024	2023
	\$	\$
New South Wales	9,958,549	13,130,139
Northern Territory	402,907	1,190,303
Queensland	2,830,858	2,776,155
South Australia	2,753,837	1,092,716
Victoria	12,929,527	13,815,580
Western Australia	1,416,816	1,217,714
	30,292,494	33,222,607

Deferred income has decreased due to lower FY25 funding received in advance for new services and programs also 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.

16. Reserves

	2024	2023
	\$	\$
Opening Balance	860,780	860,780
Revaluation of Land and Building	473,011	-
Closing Balance	1,333,791	860,780

The revaluation of Land and Building relates to Fairfield, VIC which were last valued as at 8 April 2024. As per our Policy, revaluation occurs every 5 years.

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.

	2024	2023
	\$	\$
Total key management personnel remuneration	2,198,655	2,020,970

Other than remuneration indicated above, there are no other related party transactions.

18. Contingent assets and contingent liabilities

Neami Group has given bank guarantees as at 30 June 2024 of \$442,216 (2023: \$404,233) to various landlords.

Neami Group received a bank guarantee for \$51,314 in FY24 in relation to the fitouts at Morwell and South Morang for Mental Health and Wellbeing Locals.

19. Leasehold improvements and Property lease commitments

	2024	2023
	\$	\$
Leasehold improvement commitments	-	1,220,260
Property lease commitments	-	356,918
	-	1,577,178

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

20. 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 Adelaide 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, Department of Communities and Justice in New South Wales, Northern Queensland Primary Health Network, Northern Territory Primary Health Network and Western Australia Mental Health Commission.

21. Auditor Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor of the Company, PKF Melbourne, Auditing the financial statements and acquittals	133,600	122,000

22. 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 2024 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:



Ruth Faulkner
Chair



Anthony (Tony) Nippard
Director

Dated: 19 September 2024

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 2024, 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 2024 and of its financial performance for the year 2024 ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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, 19 September 2024



Kenneth Weldin
Partner