

8.1 SuperFriend Financial Accounts 2018-2019

Document prepared by: Terry Coleing, Head of Finance

FOR DECISION BY BOARD OF DIRECTORS

Decision required	Actual Financial Accounts 2018-2019 For period ending 30 June 2019
Date Submitted to Board	29 August 2019

SuperFriend - Industry Funds' Mental Health Initiative
ABN: 75 123 196 663

Special Purpose Financial Report
For the year ended 30 June 2019.

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This financial report covers SuperFriend - Industry Funds' Mental Health Initiative as an individual entity.

SuperFriend - Industry Funds' Mental Health Initiative is a company limited by guarantee and domiciled in Australia.

The registered office and principal place of business is:

SuperFriend - Industry Funds' Mental Health Initiative
Level 2, 157 Spring Street
Melbourne VIC 3000

A description of the nature of the organisation's operations and its principal activities is included in the directors' report.

SuperFriend - Industry Funds' Mental Health Initiative Directors' Report

The directors present their report on SuperFriend - Industry Funds' Mental Health Initiative for the year ended 30 June 2019.

Directors

The following persons were directors of the Company during the financial year from 1 July 2018 to 30 June 2019:

Mr David Atkin	
Mrs Teifi Whatley	
Mr Paul Schroder	
Ms Megan Bonny	
Ms Vicki Doyle	
Mr Craig Stevens	
Ms Sarah Guthleben	(w.e.f 27/03/19)
Professor Niki Ellis	(w.e.f 11/04/19)
Mitch Wallis	(w.e.f 11/04/19)

Meetings of Directors

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number of meetings attended	Number of meetings eligible to attend
Mr David Atkin	6	6
Mrs Teifi Whatley	5	6
Mr Paul Schroder	6	6
Ms Vicki Doyle	6	6
Ms Megan Bonny	5	6
Mr Craig Stevens	4	6
Ms Sarah Guthleben	0	1
Professor Niki Ellis	1	1
Mitch Wallis	1	1

Purpose

The Company is established solely for charitable purposes, namely the provision of Health Promotion activities and initiatives that:

- promote improved mental health and wellbeing
- reduce the risks of ill-health
- decrease stigma associated with mental illness and
- prevent suicide across the community

Objectives

The core strategic objectives for SuperFriend for 2017-2018 are:

In 2018/19 SuperFriend will continue to focus on achieving positive outcomes for Partners and their members through employers. All work will be aligned to our Activity Areas and build on our core business by:

- (Re)defining the Partner Value Proposition (different for Funds and Insurers)
- Marketing & Communications to focus on Partners, financial services and customer segmentation
- Achieving improved operating performance (financial results, efficiencies, customer experience)
- Reporting impact to our Partners
- Continuing to innovate and improve current operations

Our three horizons

To sustain growth, there must be a continuous pipeline of new business-building initiatives



Results

The net deficit reported for the Year Ended 30 June 2019 is \$335,526 (2018 deficit \$336,991). This result has been expected and has been closely monitored throughout the year by the management and reported to the Board.

The financial results are analysed as:

Net overall deficit for year	\$335,526
Less: Strategy 2021 Transition costs (Agreed by the Board in November 2018)	<u>\$326,146</u>
Net Operational Deficit	(9,380)


Significant events after balance date

The Directors are not aware of any matter or circumstance not otherwise dealt with in this report that has or may significantly affect the operation of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

Directors' benefits

Since the end of the previous financial year no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which they are a member, or with a company in which they have a substantial interest.

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



Paul Schroder
Director



David Atkin
Director

Melbourne, Victoria



SuperFriend - Industry Funds' Mental Health Initiative
Statement of Comprehensive Income
For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue from ordinary activities	2	4,403,442	4,051,731
Expenses from ordinary activities	3	(4,738,968)	(4,388,722)
(Loss)/Profit from ordinary activities before income tax expense		(335,526)	(336,991)
Income Tax Expense		-	-
Net (Loss)/Profit		(335,526)	(336,991)
Other Comprehensive income		-	-
Total Comprehensive Income (Loss)/Profit for the year		(335,526)	(336,991)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

SuperFriend - Industry Funds' Mental Health Initiative

Balance Sheet

As at 30 June 2019

	Notes	2019	2018
Current assets			
Cash assets	4	4,458,299	4,979,083
Prepayments		32,681	29,214
Receivables	5	<u>909,435</u>	716,437
Total Current assets		<u>5,400,415</u>	5,724,734
Non Current assets			
	6		
Lease Hold Improvement		4,632	8,402
Furniture & Fixtures		41,275	8,416
Computers		64,756	63,694
Rental Security Deposit		<u>99,325</u>	80,190
Total Non current assets		<u>209,988</u>	160,702
Total Assets		<u>5,610,403</u>	5,885,436
Current liabilities			
Creditors/Accruals	7	400,020	365,014
GST Clearing		37,636	46,085
PAYG Tax Payable		38,720	28,610
Parental Leave owing		-	-
Provision for Annual Leave	8	<u>94,265</u>	54,031
Total Current liabilities		<u>570,641</u>	493,740
Non Current liabilities			
Provision for Long Service Leave	8	51,418	61,457
Provision for Make Good Premises	9	11,532	17,900
Provision for Rent & Outgoings	9	<u>-</u>	-
Total Non current liabilities		<u>62,950</u>	79,357
Net assets		<u>4,976,813</u>	5,312,339
Equity			
Retained profits	10	4,976,813	5,312,339
Total Equity		<u>4,976,813</u>	5,312,339

The above balance sheet should be read in conjunction with the accompanying notes.

SuperFriend - Industry Funds' Mental Health Initiative
Statement of Changes in Equity
 For the Year Ended 30 June 2019

	Notes	2019	2018
Total equity at the beginning of the reporting year		5,312,339	5,649,330
Net income/(expense) recognised directly in equity			
Equity transfer from funding entities			
(Loss)/Profit for the reporting year		(335,526)	(336,991)
Total recognised income and expense for the reporting year		<u>4,976,813</u>	<u>5,312,339</u>
Transactions with equity holders in their capacity as equity holders		-	-
Total equity at the end of the reporting year		<u>4,976,813</u>	<u>5,312,339</u>

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



**SuperFriend - Industry Funds' Mental Health Initiative
Statement of Cash Flows**

For the Year Ended 30 June 2018

	Notes	2019	2018
Cash flows from operating activities			
Inflow from Operating activities			
Receipts from Insurance Companies		3,715,883	3,748,603
Fee for Service		175,905	136,841
Membership Joining Fee		-	20,000
Reimbursable Income		210,516	16,419
Outflow from Operating Expenses		<u>4,631,097</u>	<u>4,152,930</u>
Bank Interest		(528,793)	(231,067)
		108,140	109,503
Net Cash flow from operating activities	11	<u>(420,653)</u>	<u>(121,564)</u>
Net cash flow from financing activities		-	-
Cash flows from investing activities			
Rental Security Deposit		(19,135)	(1,733)
Purchase of Property Plant & Equipment		<u>(80,996)</u>	<u>(76,345)</u>
Net cash flow from investing activities		<u>(100,131)</u>	<u>(78,078)</u>
Net increase/(decrease) in cash held		(520,784)	(199,643)
Cash at the beginning of the reporting year		<u>4,979,083</u>	<u>5,178,726</u>
Cash at the end of the reporting year	4	<u>4,458,299</u>	<u>4,979,083</u>

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

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
For the Year Ended 30 June 2019

Note 1. Summary of significant accounting policies

(a) Basis of Accounting

SuperFriend is a company limited by guarantee. In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. It contains the disclosures that are mandatory under the Accounting Standards and those considered necessary by the directors to meet the needs of the members. The company is a not-for-profit entity for the purpose of preparing the financial statements.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss.

Figures have been rounded to the nearest whole dollar.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. These accounting policies have been consistently applied by the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revisions effects only that Year, or in the Year of the revision and future Years if the revision effects both current and future Years.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and that it can be reliably measured. Revenue is recognised for the major operating activities as follows:

Receipts from Insurers

Receipts from Insurer contributions is recognised as revenue when the right to receive the revenue has been established.

Interest

Interest revenue is recognised as interest accrues, taking into account the yield on the financial assets.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

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

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
For the Year Ended 30 June 2019

(c) Income tax

The economic entity is a tax-exempt body in accordance with Sub Division 50B of the Income Tax Assessment Act and hence is not required to pay income tax.

(d) New standards and interpretations not yet adopted

AASB15 Revenue from contracts of customers became effective for annual periods beginning on or after 1 January 2018. The adoption of this standard did not have a material impact on the organisation's accounting policies nor the amounts recognised in the financial statements.

AASB16 Leases was passed in February 2016. It will result in most of all cases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases. The standard is mandatory for annual providers beginning on or after 1 January 2019.

The Directors do not expect the standard to have a material impact on the organisation's financial assets and liabilities.

Note 2. Revenue from Ordinary Activities

	2019	2018
Revenue from operating activities		
Insurer Contributions	3,908,881	3,768,969
Fee for Service	175,905	136,841
Sundry Income	210,516	16,419
Joining Membership Fees	-	20,000
Interest Income	<u>108,140</u>	<u>109,502</u>
	<u>4,403,442</u>	<u>4,051,731</u>

Note 3. Expenses from Ordinary Activities

	2019	2018
Cost Centre Expenses from operating activities		
Administration & Operational		
- Operations	816,971	571,544
Mental Health and Wellbeing Programs and Initiatives		
- Partnership Relations	545,938	557,624
- Marketing & Communications	776,616	842,465
- Insights and Impact	329,665	381,230
- Strategic Collaborations	220,462	318,577
- Programs & Initiatives	<u>2,049,317</u>	<u>1,717,283</u>
	<u>4,738,969</u>	<u>4,388,723</u>

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
For the Year Ended 30 June 2019

Note 4. Reconciliation of cash

	2019	2018
Cash on hand	858,299	1,179,083
Term Deposit	<u>3,600,000</u>	<u>3,800,000</u>
	<u>4,458,299</u>	<u>4,979,083</u>

For the purposes of the Statement of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet.

Note 5. Receivables

	2019	2018
Trade Debtors	49,660	(9,682)
Sundry Debtors	<u>859,775</u>	<u>726,119</u>
	<u>909,435</u>	<u>716,437</u>

Note 6. Non Current Assets

	2019	2018
Lease Hold Improvements	50,321	50,321
Less accumulated depreciation	<u>(45,689)</u>	<u>(41,919)</u>
	<u>4,632</u>	<u>8,402</u>
Furniture & Fixtures	88,639	48,881
Less accumulated depreciation	<u>(47,364)</u>	<u>(40,466)</u>
	<u>41,274</u>	<u>8,415</u>
Computer IT Equipment	130,411	89,172
Less accumulated depreciation	<u>(65,654)</u>	<u>(25,478)</u>
	<u>64,756</u>	<u>63,694</u>
Rental Security Deposit	99,325	80,190
Total Non Current Assets	<u>209,986</u>	<u>160,699</u>

Note 7. Trade Creditors & Accruals

	2019	2018
Trade Creditors	143,739	138,459
Other Creditors	92,683	-
Accrued Expense	<u>163,598</u>	<u>206,354</u>
	<u>400,020</u>	<u>344,813</u>

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
 For the Year Ended 30 June 2019

Note 8. Provision Employee Entitlements

Wages and salaries and annual leave

In line with AASB 119 liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of reporting are recognised in current liabilities in respect of employees' services up to the reporting date. Settlement of liabilities outside this timeframe are recognised as a non-current liability. All items are measured at the amounts expected to be paid upon settlement.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Note 9. Provision for Make Good and Gross Rent

Premises Make Good - Lvl 2, 157 Spring Street Melbourne

In accordance with lease conditions prior to vacating the premises SuperFriend is required to reinstate the premises to that of pre-lease conditions and allow for repaint and replacement of carpet tiles if damaged beyond fair wear and tear.

The value allowed is \$20,000 and is provided for quarterly over 60 months.

Gross Rent Incentive - Lvl 2, 157 Spring Street Melbourne

As an incentive to the lessee for the above-mentioned address, SuperFriend will not be required to pay gross rent to the Lessor from the commencement date until the 3rd November 2018 which allows for a 12-month rent free incentive.

The total rent incentive for 60 months is \$548,558, the provision is monthly over the full 60 months.

Note 10. Retained Profits	2019	2018
Retained profits at the beginning of the financial year/ cumulative contributions	5,312,339	5,649,331
Net (Loss)/Profit	<u>(335,526)</u>	<u>(336,991)</u>
Retained profits at the end of the financial year	<u>4,976,813</u>	<u>5,312,339</u>

Note 11. Reconciliation of net profit/(loss) to net cash inflow from operating activities

	2019	2018
Net (Loss)/Profit	(335,526)	(336,991)
Non cash flows in operating surplus		
Depreciation	50,884	39,762

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
 For the Year Ended 30 June 2019

Changes in Assets & Liabilities

(Increase)/decrease in Debtors	(192,998)	(35,751)
Increase/(decrease) in Creditors	31,539	228,984
Increase/(decrease) in Provision for employee entitlements	30,195	(12,858)
Increase/(decrease) Provisions	10,110	5,380
Increase(decrease) GST Liabilities	(8,448)	19,481
Increase/(decrease) provision rental premises	(6,368)	(29,572)
Net cash inflow/(outflow) from operating activities	(420,653)	(121,565)

Note 12. Committed Significant Expenditure

There are no new significant expenditures approved in 2018/2019 financial except for a new 3 year lease on 157 Spring Street, Melbourne at \$151,500 per annum rental which commenced on 4 November 2018.

Note 13. Contingent Liabilities

There are no contingent Liabilities as of 30 June 2019

Note 14. Remuneration of auditors

	2019	2018
Remuneration for audit of the financial reports of the company	-	-
Auditor of the company	-	-

Note 15. Related parties

Directors

The following people held the position of Director of the company from 1 July 2018 to 30 June 2019.

Mr David Atkin
 Mrs Teifi Whatley
 Mr Paul Schroder
 Ms Megan Bonny
 Ms Vicki Doyle
 Mr Craig Stevens
 Ms Sarah Guthleben (w.e.f. 27/03/19)
 Professor Niki Ellis (w.e.f. 11/04/19)
 Mitch Wallis (w.e.f. 11/04/19)

During the year, no Director's fees were paid.

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
For the Year Ended 30 June 2019

Changes in Assets & Liabilities

(Increase)/decrease in Debtors	(192,998)	(35,751)
Increase/(decrease) in Creditors	31,539	228,984
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	2019	2018
Remuneration for audit of the financial reports of the company	-	-
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Directors

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Mr David Atkin
Mrs Teifi Whatley
Mr Paul Schroder
Ms Megan Bonny
Ms Vicki Doyle
Mr Craig Stevens
Ms Sarah Guthleben (w.e.f. 27/03/19)
Professor Niki Ellis (w.e.f. 11/04/19)
Mitch Wallis (w.e.f. 11/04/19)

During the year, no Director's fees were paid.

SuperFriend - Industry Funds' Mental Health Initiative
Notes to the Financial Statements
 For the Year Ended 30 June 2019

Note 16. Key Management Personnel

The organisation operates under the direction and guidance of a Board of Directors, supported by a Program Committee comprising of members from the mental health sector, lived experience persons, Superannuation Fund Executives, Supporting Partner Group Insurers and SuperFriend executive management.

The following persons held the positions of Key Management Personnel since 1 July 2018:

Mr David Atkin	Director		Cbus Super
Mrs Teifi Whatley	Director		Sunsuper
Mr Paul Schroder	Director		AustralianSuper
Ms Megan Bonny	Independent Director		Independent
Ms Vicki Doyle	Independent Director & Director		Independent
Mr Craig Stevens	Director		AustSafe Super
Ms Sarah Guthleben	Director	(w.e.f. 27/03/19)	Equisuper
Professor Niki Ellis	Independent Director	(w.e.f. 11/04/19)	Independent
Mr Mitch Wallis	Independent Director	(w.e.f. 11/04/19)	Independent
Ms Margo Lydon	Company Secretary		SuperFriend – Industry Funds' Mental Health Initiative

During the year, no Director's fees were paid. The Company Secretary is reimbursed for expenses incurred as part of the Chief Executive role.

**SuperFriend - Industry Funds' Mental Health Initiative
Directors' declaration**

As stated in Note 1 of the financial statements, in the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet Corporations Act 2001 requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the directors' opinion:

- a) the financial statements and notes set out on pages 4 to 14 are in accordance with the Corporations Act 2001, including:
 - i) the Corporations Regulations 2001; and
 - ii) giving a true and fair view of the entity's financial position as at 30 June 2019 and of its performance for
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A large, stylized handwritten signature in black ink, appearing to be "Paul Schroder".

Paul Schroder
Director

A handwritten signature in black ink, appearing to be "David Atkin".

David Atkin
Director

Melbourne, Victoria