



helping young people face life's challenges

headspace annual report
2021-2022

acknowledgement of Country

headspace would like to acknowledge First Nations people as this continent's First People and Traditional Custodians. We value their cultures, identities, and continuing connection to country, waters, kin and community. We pay our respects to Elders past, present and emerging and are committed to making a positive contribution to the wellbeing of Aboriginal and Torres Strait Islander young people, by providing services that are welcoming, safe, culturally appropriate and inclusive.

The mind body spirit culture country artwork was created by Aboriginal and Torres Strait Islander artist Riki Salam of We Are 27 Creative after consultation with key members of the headspace network and cultural advisors.



welcome to the 2021–2022 annual report



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a message from the CEO



Jason Trethowan
Chief Executive Officer
headspace

As another year draws to a close, I want to start by acknowledging the headspace network for managing the many challenges presented by the pandemic, climate events, and other disruptions to service provision. I know the impacts of these events have been profound for young people and the communities in which they live. I also recognise that it has been challenging personally for so many working across the network. Thank you for your resilience and dedication.

I also thank my Executive and our teams at headspace National for leading new work with Governments, providing frontline services, delivering quality improvement initiatives within the network, and supporting the expansion of headspace across the country. Increasing service access, managing wait times, integrating online supports such as Work and Study with centres, expanding our help to school communities, assessing centre compliance with the headspace model, and increasing participation with young people and families have been just some of the many areas of focus.

Throughout the year we have stepped up our commitment to and engagement with Aboriginal and Torres Strait Islander young people and First Nations communities. This learning has been at the forefront of our work at headspace this year. I am pleased to see progress with how we support young people from refugee and migrant communities as well.



In September, we welcomed to the organisation Gumbaynggirr woman Dr Lilly Brown as our inaugural Executive Director Aboriginal and Torres Strait Islander Wellbeing and Engagement, and in November we received the Embedding Cultural Practice and Safety Project Report - an independently conducted Cultural Safety Review of headspace and its services. Building on the great work of our existing First Nations workforce at headspace National and across the centre network, Dr Brown established a core First Nations Wellbeing and Engagement team to lead the work of implementing the recommendations that emerged from the report.

With the guidance of our First Nations Wellbeing and Engagement team, headspace is committed to implementing the recommendations of this report and in doing so, improving access to and the quality of mental health and wellbeing services for Aboriginal and Torres Strait Islander young people.

The past financial year has continued to present unprecedented challenges for young Australians and their mental health.

Not only did COVID-19 and enforced lockdowns continue to impact the lives of young people around the country, so too did devastating floods in the eastern states. It has been a priority of mine to advocate to government for these communities and the support young people will need over the long road to recovery.

Much of the headspace National response to climate events was coordinated by the headspace Schools and Communities team, re-named this year to reflect this important work supporting whole communities to bounce back from natural disasters.

It is perhaps unsurprising that, in this climate, headspace has continued to experience increasing need for our services, both in centres and via our digital mental health programs such as eheadspace and Telepsychiatry.

In recognition of the pressures facing headspace and the broader mental health system, headspace welcomed extra investment for the network from States, Territories and the Australian Government. Throughout the year we secured additional funding agreements with the NSW Government to strengthen service provision by adding more GPs, psychiatrists and student placements into centres.



As in previous years, we've worked hard to maintain strong relationships with the Primary Health Networks across Australia that commission headspace services. The centre network reached a milestone 150 centres before June 30, 2022, a significant increase from the same time the previous year – and a remarkable achievement just 16 years since headspace was established.

One of the reasons headspace services are in such high demand is because we have done an extraordinary job to improve mental health literacy in the community. Not only do young people now identify the signs of mental ill-health, they also know when and where to seek support. Every year on headspace Day our network of headspace centres open their doors, talking to their communities about the importance of help-seeking. These conversations are key to reducing the stigma we know continues to surround mental health. As the headspace Day 2021 theme made clear: "Small steps start big things".

This year we've continued to build further awareness about mental health in groups of young people headspace identifies as a priority. In August 2021, we launched the Take A Step campaign to strengthen the social and emotional wellbeing of Aboriginal and Torres Strait Islander young people. Designed in collaboration with our Wominjeka Reference Group of First Nations young people, this campaign sought to empower young people to spot the signs of mental ill-health. Similar pieces of work targeted Migrant and Refugee young people, and young people who identify as LGBTIQ+. Meanwhile, our Australian Youth Advocates for Mental Health continue to work on the second round of the Visible mental health promotion campaign – an initiative aimed at increasing awareness of and tearing down the stigma associated with mental ill-health.

 **150**
sites operating
across Australia

I want to thank all the young people involved in guiding these projects; they selflessly share with headspace and the community their culture and their lived experience with a view to making sure other young people get the support they need in tough times.

Young people's voices are indeed central to all our work at headspace. Our current headspace Youth National Reference Group (hY NRG) entered their second year of service in 2021 and I want to thank them for how they've continued to shape the future direction of headspace. Together they represent a broad cross-section of Australian young people – from every state and territory, from metropolitan and regional locations, from diverse cultural backgrounds, including First Nations and culturally and linguistically diverse young people. It's via their contributions we know our work remains relevant, appropriate and approachable.

We are also fortunate to work with a Family and Friends Reference Group whose experiences of supporting young people through mental ill-health is of vital significance as we continue to become a family-inclusive service that supports not just young people but their networks of loved ones.

I give high praise to our Board, including Ben Shields, who commenced as Chair during the past year. The Board and their Youth Advisors provide insight and experience that contribute greatly to headspace's strategy and growth.

headspace is also supported in its work by a group of valued corporate and community partners, that make it possible for us to grow our services even further. I appreciate them choosing to support headspace – it makes a real difference.

I am proud to be part of a sector that works together to support the needs of Australians who are experiencing mental ill-health, and my thanks go to other organisations who have stood alongside us in this quest.

Thank you to the Department of Health and Aged Care for their support of headspace, and to the recently appointed Minister for Health and Aged Care, the Hon Mark Butler MP, and Assistant Minister for Mental Health and Suicide Prevention, the Hon Emma McBride MP. I also wish to acknowledge the outgoing former Minister for Health, Mr Greg Hunt, for his support of headspace over the course of his time in that position.

There is much more for headspace to do at this critical time in our nation's history. Young people are amazing and inspirational. Let's keep supporting them to reach their life goals.

Jason Trethowan
Chief Executive Officer
headspace



Young people's voices are indeed central to all our work at headspace.



a message from the board chair



Ben Shields

Board Chair, headspace

It is a great privilege to write to you in my capacity as Board Chair of headspace, the National Youth Mental Health Foundation. I want to thank everyone at the organisation and across the sector for warmly welcoming me to the role. I also want to offer a special thanks to my predecessor, Lisa Paul, AO PSM. Lisa drew on her rich expertise to provide strong and clear guidance in governing headspace in the role of Chair for the previous three years. Her time as Chair was a period of significant reform in the mental health industry, made even more complex by challenges such as natural disasters, the outbreak of COVID-19 and a mental health workforce shortage felt across the globe.

As a nation, we continue to face challenges and uncertainty as our society learns to live with COVID-19, the rising energy prices and cost of living, and as our environment is wrought, once again, by devastating floods.

The social and emotional impacts of these events continue to present young Australians with significant obstacles, especially Aboriginal and Torres Strait Islander young people, who we know experience worse mental health outcomes compared to their peers. Many young people are reaching out to headspace for support with their mental health at this time. This ongoing growth in demand for support is occurring at a time when, globally, we continue to experience a significant skilled mental health workforce shortage.



Putting new graduates and student clinicians into headspace centres across four states and territories is a significant step towards building a sustainable youth mental health workforce.

While our context remains challenging, headspace has continued to provide outstanding support to the young people who reach out to us, which was made clear in the recent headspace experience survey. Pleasingly, the survey found young people reported an overall positive experience (an average score of 7.6 out of 10), they felt listened to (8.4 out of 10), and they felt more hopeful about their future as a result of their visit (7.3 out of 10). The Board and I thank the headspace centre and national staff who create these often life-changing experiences and the young people who courageously come forward for help.

By growing the headspace network, we seek to provide even more young Australians with these help-seeking opportunities. Over the past year, 15 new headspace sites opened their doors to their communities: eight new centres and seven satellite services.

The introduction of the Early Career Program this year, putting new graduates and student clinicians into headspace centres across four states and territories, is a significant step towards building a sustainable youth mental health workforce. This is especially important for regional and remote parts of Australia, where we know our centres have greater difficulty attracting and retaining skilled staff. We thank the Federal Government for its commitment to the program until the end of 2024, and we look forward to exploring with them our hope the program be made permanent.

In October 2021, we were fortunate to welcome a \$20 million commitment from the NSW Government that set plans in place for us to grow the number of mental health professionals in NSW headspace centres via a student placement program as well as increase opportunities for additional medical services via a GP capacity boost and the introduction of sessional psychiatrists. We are incredibly grateful to the NSW Government, including Premier Dominic Perrottet and Mental Health Minister Bronnie Taylor, for helping headspace provide more support to young people across NSW.

The past year has also seen significant progress with respect to bi-partisan agreements between state and federal governments about the future of mental health care across Australia. These agreements are essential for shoring up the future funding pipeline for mental health organisations like headspace. We look forward to working with governments to unlock resources earmarked for headspace.



headspace is fortunate to receive tremendous support from the Australian community, many of whom donate to or fundraise for headspace throughout the year. The patronage of our organisation is incredibly valued, and we thank donors for their dedication to youth mental health, which is often rooted in their own lived experiences or their young people's lived experiences.

My gratitude also extends to headspace staff across the network at both a centre and national level who work so hard each day to improve the mental health and wellbeing of Australia's young people. That includes the headspace National Executive team, who do a great job of leading their respective divisions under the guidance of CEO Jason Trethowan. I want to thank Jason for his commitment to headspace and the youth mental health sector; I know he is respected throughout the network and the community more generally.

One of the great pleasures of joining the headspace Board has been getting to know our two Board Youth Advisors, Naraja Clay and Niharika Hiremath. They bring to the table their lived experiences, professional expertise and a deep understanding of the headspace organisation, and we are indebted to them for their service.

Thank you also to the members of the headspace Board, whose individual experience, expertise and varied perspectives enrich the Board's collective decision-making and strengthen the organisation's governance.

On behalf of the headspace Board, I also want to offer the sincerest thanks to Ms Katina Law, who is stepping down from her role as Non-Executive Director on the headspace Board in 2022. Commencing her tenure in 2016, Katina has offered immeasurable insight and a huge breadth of knowledge to her position, and we are incredibly grateful for her contribution and dedication to the cause.

It is my pleasure to be in this role, and I look forward to serving alongside my fellow Board Members over the coming year, which I know will present many opportunities for headspace.

Ben Shields
Board Chair, headspace



headspace in the community

In FY 2021-2022 headspace centres provided

407,908
occasions of service

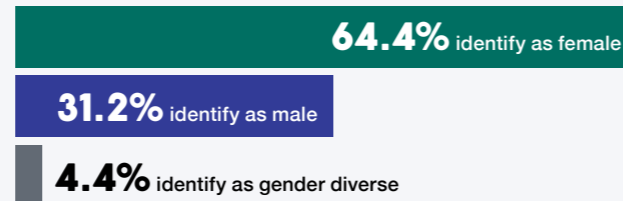
150
sites operating across Australia

86%
of young people report being satisfied with headspace

Priority groups



Gender



early career program

54
graduates commenced with headspace across WA, QLD, VIC and TAS

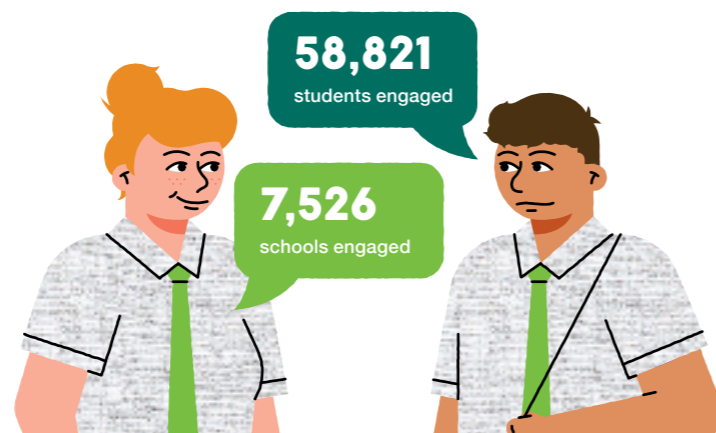
118
student clinicians placed across WA, QLD, VIC and TAS

51
clinical educators employed

Be You

27,843
educators supported in the Be You program

headspace schools



headspace digital services

website

7.9 million
visits to the headspace website

83%
of young people reported being satisfied with headspace

Priority groups



headspace work and study

1,740
young people

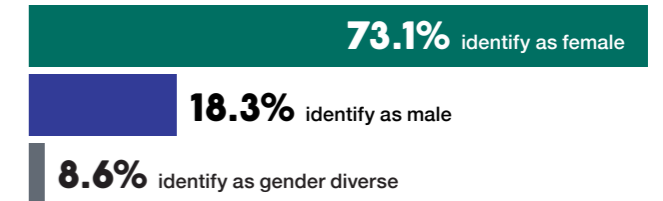
93%
of young people who used the service report being satisfied

eheadspace

Online and phone counselling service eheadspace provided 54,961 services to

20,925
young people

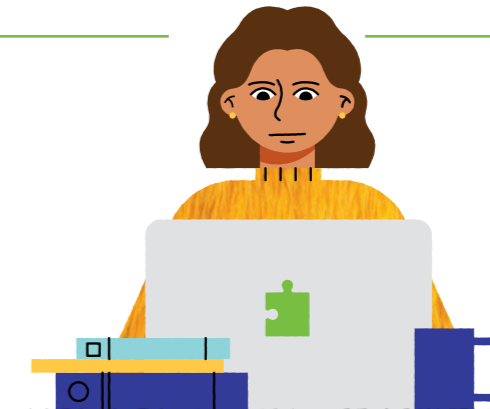
Gender



headspace career mentoring

142
young people worked with a career mentor

776
career mentoring sessions



online community events

52
online group chat sessions were led by professionals (including mental health professionals)

156
online peer support chat sessions were led by peer moderators

Online Community Events were attended **7,525** times

our vision is that all young people are supported to be mentally healthy and engaged in their communities



Each year, headspace provides early intervention mental health services to young people aged 12-25, their families and their friends. Since establishment in 2006, headspace has supported more than 770,000 young Australians, providing 4.5 million services to strengthen their wellbeing, manage mental health, get through challenging times and get back on track.

In 2021-22, headspace centres supported young people on 407,908 occasions.

The headspace model understands that adolescence and early adulthood are critical times in a young person's life, with research highlighting that more than 75% of mental health disorders begin before the age of 25.

We provide a holistic approach to supporting young people through four core areas: mental health, physical and sexual health, work and study support, and alcohol and other drugs.

headspace centres

As at 30 June 2022, a national network of 150 headspace sites operates across metropolitan, regional and rural areas of Australia. This includes a range of satellites and outreach services, each tailored to the needs of the local community in which they operate.

407,908

occasions of service via our headspace centres



headspace online services

eheadspace is our national online and phone counselling service available for young people seven days a week, every day of the year. eheadspace supports young people who might not be able to access a headspace centre or prefer to get help online. Providing a secure and anonymous place to talk to a professional or peer means many young people who wouldn't ordinarily seek help in person are getting support and access to tools to manage their mental health when they need it.

headspace Telepsychiatry

headspace Telepsychiatry provides young people aged 12 – 25, in eligible regional and rural areas, access to highly skilled psychiatrists via video consultations. These psychiatrists are experts in youth mental health and have experience working with young people from various backgrounds.

headspace Work and Study

headspace Work and Study offers support to young people aged 15 to 25 to plan a career, find employment or work towards further education. This is done in a highly accessible, confidential and youth friendly environment. headspace Work and Study includes one-on-one support with a career specialist. Programs on offer include Career Mentoring, Work and Study online and Work and Study support delivered through 50 headspace centres based on the Individual Placement Support model.

headspace Schools and Communities

headspace Schools and Communities supports, engages and partners with education and health sectors across Australia, to build the mental health literacy and capacity of workforces, children, young people, their families and wider school communities. Their programs and initiatives include their role as the service delivery partner for Be You for all primary and secondary schools nationally, the delivery of Mental Health Education Programs, which support school staff and principals in mental health and wellbeing, Community Collaboratives, providing a community-based coordinated approach and support to vulnerable communities experiencing current and emerging suicide risk, and various other programs supporting training and professional development for those working in schools.

headspace Early Psychosis

The headspace Early Psychosis program supports young people experiencing, or at risk of developing, psychosis. Based on evidence developed by Orygen. The program is delivered at 14 headspace centres and focuses on early intervention and providing young people and their families with timely access to specialist support.



Jed's story

VIC, he/him

Jed is a member of headspace Bendigo's Youth Ambassadors Group, where he shares his lived experience of mental ill-health to support other young people in regional areas who are going through tough times.

He is also a prodigious fundraiser for headspace, having collected more than \$3,000 for his local centre via The Push Up Challenge.

Jed's contribution to headspace Bendigo and his community was recognised with the title of Bendigo Young Citizen of the Year in the local council's 2022 Australia Day honours.

He's also the creator of his own podcast, The Health Project, which shares tips and tricks he's learned for improving mental health and wellbeing.

Jed's advice to other young people is to always seek help.

"There is always light at the end of the tunnel. Nothing lasts forever, and things will get easier," he says.



Gerard's story

NSW, he/him

Western Sydney school student Gerard began volunteering for his local headspace centre at 12 years of age. Since then, he's gone on to become a long-serving member of the centre's Youth Advisory Committee - and a valued part of the headspace Youth National Reference Group!

Gerard is passionate about intersectionality in the mental health system and wants to see services that are safe and inclusive for all people to access, regardless of their backgrounds and identities.

His message to young people is to persevere through challenging times because things will get better.

In 2022, he's been a role model for other year 12 students living with mental ill-health, sharing his advice for how to manage study stress.

"Focus on running your own race and looking after yourself," Gerard says.

"Also know you can turn to a trusted teacher, family member or friend - or even visit headspace - when you need more support."



Sarah's story

QLD, she/her

Sarah joined the headspace National Family Reference Group having supported a sibling and partner through their experiences of mental ill-health.

Sarah is passionate about advocating for family-inclusive service delivery and amplifying the voices of family members supporting young people through tough times.

Through the headspace National Family Reference Group, Sarah uses her story to build awareness for the important role families play in supporting young people towards better mental health.

"Working in the mental health space while caring for my sibling and partner granted me a greater awareness of and understanding about what they were experiencing. But at times I was not well-supported by mental health services to care for them, and I was overwhelmed and under-resourced to provide them the support they needed," Sarah says.

"My experiences have taught me that it is okay to not know how, or be able, to do it all. It is normal to have a tough time when caring for someone in need.

"My work in the headspace National Family Reference Group enables me to give a voice to that experience, so that others don't feel so alone."



Christian's story

NSW, he/him

Christian, a young marketing graduate, found himself in need of guidance and direction as he navigated the evolving employment landscape and challenges of entering the workforce during the pandemic.

"I wasn't sure where to even begin because beyond just finding work, I needed someone to help me boost my confidence, as it suffered due to job shortages during Covid," Christian says.

He decided to register for the headspace Career Mentoring Program, which connects young people with a professional to help them find, maintain and enjoy employment in their field of work.

Christian said this appealed to him and he felt he needed someone with experience in marketing to provide the support he needed.

After registering for the mentoring service, Christian was paired with Justine.

"My mentor, Justine, has been nothing short of amazing! We have a fantastic relationship. I feel comfortable being open and honest about anything career related. She is very open-minded, adaptable, and knowledgeable.

"Finding employment might seem like a daunting process but with a headspace [career] mentor you can receive guidance and feedback to improve your skills and achieve the goals you set."



Larry's story

VIC, they/them

Larry joins headspace Collingwood as one of the inaugural Early Career Program graduates.

The role marks a new beginning for the Master of Social Work graduate, who previously worked in the finance sector before deciding their passion was working with young people.

"I loved the idea of working at the intersection of youth and mental health, as I think the years 12 to 25 are such critical ages for young people. Having access to mental health support in such transitional years of a young person's development can be transformative," Larry says.

Larry was attracted to the program because of the support and education graduates at headspace receive, saying it sets them up for long-term success in the field.

"I am also excited to be a part of a team of people who are inspired by, and care about this field of practice, and about young people," Larry says.



Jamilla's story

ACT, she/her

Wominjeka Reference Group member Jamilla is a proud Gamilaroi woman and Koori educator.

She shared her lived experience and Aboriginal culture to help develop headspace's 'Take a Step' social and emotional wellbeing campaign that launched in August 2021.

Jamilla says 'Take a Step' was special because it encouraged Aboriginal and Torres Strait Islander young people to view their wellbeing holistically, emphasising their connection to community, culture and Country.

"I want Mob to understand that even the smallest of steps towards better health are really significant achievements," Jamilla says.

"In times of uncertainty, like the one we're living through at the moment, I find great strength, peace, belonging and power in knowing I will always have my culture. It is reassuring to have that constant in my life, something I can always carry with pride."



Jacob's story

QLD, he/him

Australian Youth Ambassador for Mental Health Jacob Woodford first connected with headspace as a teenager, having experienced mental health challenges throughout his adolescence.

He says staff at his local centre were instrumental in his mental health journey, helping him understand his sexuality and gender identity, and to balance the pressures that came with being a carer for his mother.

He has lent his lived experience to the design and implementation of the second iteration of Visible – an initiative aiming to break the stigma associated with mental ill-health. His contribution involved creating opportunities for young carers and for Western Sydney's migrant and refugee young people.

He's also collaborated on an expression with visual artist Samuel Luke Beatty, which explores the notion of chosen family.

"It is really exciting being surrounded by other passionate young people with a variety of lived experiences with the common goal of breaking down stigma and sharing lived experiences of other young people," Jacob says.

He is a staunch advocate for the work of headspace, saying there is a "wonderful energy" at the organisation.

"I know young people are at the heart of this service and that headspace is taking on board the voices of young people."

Brock's story

SA, he/him

Brock sought support from the headspace Work and Study program after a period of unemployment that left him having a difficult time with his mental health.

With support from his headspace Vocational Specialist, Brock was able to refine his resume and set out a plan for his future aspirations, as well as undertake practice interviews and develop skills for cold calling potential employers.

During his time with the service, the 25-year-old not only booked several interviews but went on to secure a role that he credits with relieving financial stress and offering him the routine he needed for better mental health and wellbeing.

In coming to headspace, Brock also accessed education about and support for his Autism Spectrum Disorder diagnosis.

Reflecting on his experience, Brock said: "Before joining headspace [Work and Study Service], I was feeling depressed and had low self-worth.

"headspace Work and Study helped me be healthy enough and be motivated to apply for jobs and attend interviews."



89%
of young people would recommend headspace



778,321
young people have received services since inception

87%
of families would recommend headspace



150
headspace sites operating across Australia



#1
headspace is the most recalled youth mental health organisation



79%
of young Australians consider headspace suitable for young people

governance statement

headspace National Youth Mental Health Foundation Ltd (headspace) is a company limited by guarantee established for the purpose of promoting the improved health and mental health outcomes for young people in Australia, including through the funding of early intervention and prevention programs.

headspace is classified as a health promotion charity and is endorsed as a deductible gift recipient and tax concession charity.

The Commonwealth of Australia through the Department of Health and Aged Care is the principal source of funding for headspace operations.

The headspace Governance Charter and the following three documents form the foundations for the internal governance of headspace:

- a. The headspace Constitution
- b. The Members Agreement
- c. The Commonwealth Grant Agreement "Youth Mental Health: headspace National Office" and variations thereto.

The Board will regularly review the Governance Charter to ensure that it remains appropriate to the needs of headspace as it matures as a company and to the community that it serves.

The Governance Charter will be publicly available and posted on the headspace website.

Role of the Board

The role of directors is to collectively ensure the delivery of the organisation's objectives, to set strategic direction, and to uphold its values. Directors should collectively be responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and is complying with all its legal, financial and ethical obligations. The role of the Board includes:

- Determine strategic direction of organisation.
- Appointment/dismissal of CEO.
- Monitor organisational performance.
- Manage risk.
- Liaise and engage with stakeholders.
- Demonstrate the value of headspace and monitor the culture of the organisation.

Role of the Chair

The Chair:

- Provides leadership to the Board.
- Sets the agenda for Board meetings in consultation with the CEO.
- Chairs Board meetings.
- Is the major point of contact between the Board and the CEO.
- Is the primary representative of the Board in dealings between government and headspace.
- Oversees the CEO performance review together with the Board.
- Oversees and guides the participation of Board Youth Advisors.

Role of Individual Directors

Directors have a duty to question, request information, raise any issue which is of concern to them, fully canvass all aspects of any issue confronting the company and cast their vote on any resolution according to their own judgement. Directors will keep confidential Board discussions, deliberations, and decisions.

Confidential information received by a director in the course of the exercise of their duties remains the property of the company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.

Role of Board Youth Advisors

For a term of three years, up to two young people who have served as members of the headspace Youth National Reference Group, or equivalent, will be invited to attend and participate in meetings of the Board. Board Youth Advisors participate in meetings of the Board but are not directors of the Board.

Role of the Chief Executive Officer

Accountable to the Board, the CEO is responsible for managing the operations of headspace to address key management and operational issues within the direction and the policies laid down by the Board. Responsibilities include:

- Acting as the primary spokesperson for the organisation.
- Developing and implementing organisational strategies and making recommendations to the Board on significant strategic initiatives.
- Setting and demonstrating the values and culture that underpin achievement of the headspace vision and impact.
- Making the appointment of key management personnel in consultation with the Board, appointment and removal of other employees, determining terms of appointment, evaluation of performance, and developing and maintaining succession plans for employees.
- Providing leadership for the development of professional excellence and high standards of conduct for headspace employees.
- Developing the annual budget and managing day to day operations within the budget.
- Maintaining an effective risk management framework.
- Keeping the Board and funding agencies informed about any developments with a material impact on headspace's performance.
- Managing day to day operations of headspace in accordance with agreed standards for social, ethical, and environmental practices.

Board Primary Functions and Responsibilities

- Ensure compliance with the objects, purposes and values of headspace, and with its Constitution.
- Set or approve policies, plans and budgets to achieve objectives, and monitor performance against them.
- Ensure that the organisation complies with all relevant laws, regulations and regulatory requirements.
- Review the organisation's budget, monitor management and financial performance to ensure the solvency, financial strength and good performance of the organisation.
- Consider and approve annual financial statements and required reports to government.

- Set and maintain a framework of delegation and internal control.
- Planning for Board, CEO and executive succession.
- Determine CEO and senior management remuneration, as appropriate.
- Set key accountabilities and performance measures for the CEO and undertake, at least annually, a formal review of the CEO's performance against agreed performance measures.
- Review and monitor the effectiveness of risk management and compliance in headspace and agree or ratify all policies and decisions on matters which might create significant risk, financial or otherwise.
- Consider the social, ethical and environmental impact of all activities and operations and ensure that these are acceptable.
- Continue to evaluate and improve the performance of the headspace Board.

Board Meetings

- The Board will hold not less than six meetings a year and such additional meetings as the directors agree in order to perform its functions.
- A quorum consists of more than half the number of directors.
- Wherever possible, 10 working days' notice shall be given of the date, time and place of Board meetings. Where urgent matters arise, shorter notice may be given.
- Notice shall be given of meetings of any Board committees as laid out in the Terms of Reference, or (where this has not been specified in the Terms of Reference) at the discretion of the Chairs of those committees.
- Notice shall be given of General Meetings according to the provisions specified in the headspace constitution.

Board Committees

The Board may establish and terminate Board committees under clause 13.19 of the Constitution and advisory committees under clause 17 of the Constitution and set the terms of reference and appoint the members of such committees.

The Board will establish committees to assist the Board in exercising its authority.

The Board has established the following standing committees:

- Finance and Audit Committee (Board committee)
- Quality and Clinical Governance Committee (Board committee)

Board Evaluation

The Chair will, on an annual basis, facilitate a discussion and evaluation of the Board's performance. This will include discussion both collectively and individually about:

- The Board's role, processes and performance;
- The Board's group dynamics and skills set; and
- Other relevant issues.

The Chair will consider the commissioning of an independent evaluation of the Board's performance at least every two years.

Conflicts of Interest

Directors have duties under section 425.25 ACNC Regulation (governance standard 5 – duties of responsible entities), general law and the Constitution in relation to conflicts of interest. In applying these provisions, directors must also have regard to the conflict of interest requirements in any funding agreement with the Commonwealth of Australia and State and Territory funding agreements.

A director's interest in a matter involves a personal interest of some real substance (Interest).

Whether an Interest real or perceived exists depends on the context. It may be a direct or indirect interest, a pecuniary interest or a non-pecuniary interest such as reputation, the opportunity to gain non-pecuniary rewards such as expertise, knowledge or the opportunity to influence policy decisions that may subsequently provide a pecuniary or non-pecuniary benefit.

financial report

for the year ended 30 June 2022

headspace National Youth Mental
Health Foundation Limited
ABN: 26 137 533 843



directors' report

for the year ended 30 June 2022

The directors of headspace National Youth Mental Health Foundation Ltd ("the Company") present their report on the Company for the year ended 30 June 2022.

Directors

The names of each person who has been a director of the Company during the whole of the financial year and up to the date of this report are:

- Annette Carruthers AM
- John Harvey
- Katina Law
- Patrick McGorry AO
- Anne Murphy Cruise
- Lisa Paul AO PSM (resigned 23 November 2021)
- Robbie Sefton
- Ben Shields (appointed 23 November 2021)

Company Secretary

The following people held the position of Company Secretary during the financial year:

- Kerry Costanzo

Principal Activities, Objectives and Measures of Performance

During the financial year ended 30 June 2022, the principal activities of the company consisted of delivering mental health and vocational services to young people, including online and telephone counselling, support to schools, health promotion, mental health awareness and suicide prevention activities to support young people, parents, carers and the community. We continued our national role which included licencing, accreditation, and support role for the headspace centres, enhancing workforce development, translating the evidence base through the headspace network, providing advice to government, undertaking stigma reduction awareness campaigns, and improving health and mental health outcomes for young people in Australia.

Operating Results

The operations of the Company for the financial year resulted in a deficit of \$67,405 (2021: surplus of \$2,013,729). The deficit was mainly due to the timing around the recognition of income versus expenses for the non-government funded activities of the Company.

Contributions on Winding Up

The Company is a not-for-profit organisation incorporated as a company limited by guarantee. If the Company is wound up, the liability of each member is limited to a maximum of \$100 towards meeting any outstanding obligations of the Company. The Company is precluded by its constitution from recommending payment of any dividend

Review of Operations

During the financial year, the Company conducted its activities in accordance with its funding agreement with the Commonwealth of Australia through the Department of Health and Aged Care. In addition, the company conducted a number of other programs, funded by both the Commonwealth of Australia and other fund providers such as the Victorian, New South Wales and Queensland State Governments and Beyond Blue.

The Company experienced a growth in funding in the 2022 financial year as a result of the following new activities having commenced during the year including:

- NSW Parent, Carer and Community Support Sessions
- NSW Community Collaboratives Program
- NSW COVID Support for Greater Sydney
- Individual Placement Support (IPS) Program Management
- Early Career Program

The primary operating activities for the company included national support to the headspace network, including support to local operators establishing new headspace services; licencing, accreditation, and general day to day support to headspace centres; enhancing workforce development; translating the evidence base through the headspace network; providing advice to government; undertaking stigma reduction awareness campaigns. The organisation continued delivery of the Youth Online and Telephone Counselling Program (ehespace) and other digital mental health services, headspace Work and Study service delivery and headspace School and Communities support programs. headspace continued its role as a service delivery partner for Beyond Blue's Be You initiative. In the financial year the company administered and dispersed funding on behalf of governments to support activities including COVID-19 related activities in headspace centres.

The safety and wellbeing of our national workforce is our highest priority. The 2022 financial year continued to be impacted by the COVID-19 pandemic, which has required the Company's workforce to operate under a hybrid model of working from home and the office. During lockdown periods, the entire workforce successfully worked from home.

Significant Changes in the State of Affairs

During the financial year the Company has secured contract extensions, amendments and commitments for the following contracts:

- ehespace contract has been extended to 30 June 2025.
- Demand Management and Enhancement Program and headspace Early Psychosis Program Data contracts both extended to 30 June 2025.
- IPS Program Management contract extended to 30 June 2024.
- Schools Suicide Prevention Activities contract extended to 31 October 2022.
- Digital Work and Study (DoHAC) contract extended to 30 June 2023 and Digital Work and Study (DSS) contract extended to 30 June 2024.

Contract amendments were also executed that increased the funding for the National Office and ehespace programs for the 2022 financial year.

In addition, funding agreements were secured for the following new activities:

- NSW COVID Recovery contract of \$20m to support headspace centre activities through to 30 June 2022.
- Early Career program contract of \$22.6m to support activities through to 31 December 2023.
- NSW 2022 Flood Recovery contract of \$3.5m to support activities through to 30 June 2024.
- NSW Counselling Services contract of \$0.3m to support activities through to 31 January 2023.

No other significant changes in the Company's state of affairs occurred during the financial year.

Matters Subsequent to the end of the Financial Year

headspace was awarded additional funding of \$3.0m to provide suicide prevention training, planning and support for all Australian universities through to 30 June 2025.

There were no other matters or circumstances which have arisen since the end of the financial year which have 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.

Likely Developments and Expected Results of Operations

There are no likely developments in the operations of the Company which have not been disclosed within this report.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

The following information is current as at the date of this report:

Name and special responsibilities	Qualifications and Experience
Ben Shields Board Chair (appointed 23 November 2021)	<p>headspace Board Member and Chair since 23 November 2021.</p> <p>Ben is a senior-level professional with twenty years of corporate strategy, strategy execution and transformation experience.</p> <p>In his corporate career and as a consultant, Ben has worked throughout Asia (China, Singapore, Hong Kong, Indonesia, Korea, Japan), the US and UK, primarily in areas of growth strategy, mergers and acquisitions strategy, commercial and operational due diligence and strategy execution and organisational transformation.</p> <p>In his community, Ben is a passionate believer in the importance of empowering young people to reach their potential and is a Board member of the PCYC NSW and an active coach of youth athletics, cricket and AFL for more than a decade.</p> <p>He is a highly analytical decision-maker with extensive experience in building, turning around, and operating companies, along with proven history of commercialising new ideas and leading in dynamic and diverse circumstances.</p> <p>Ben has a Master of Business Administration from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors.</p>

Name and special responsibilities	Qualifications and Experience
Patrick McGorry AO Member of the Quality and Clinical Governance Committee	<p>headspace Board member since 5 June 2009.</p> <p>AO, MD, BS, PhD, FRCP, FRANZCP, FAA, FASSA FAHMS Australian of the Year 2010.</p> <p>Patrick is the Executive Director of Orygen, Professor of Youth Mental Health at The University of Melbourne, and a Founding Director of the headspace National Youth Mental Health Foundation (headspace). He is a world-leading researcher in the area of early psychosis and youth mental health. He has also worked with asylum seekers and refugees and other marginalised populations.</p> <p>In 2013 he received the Annual Research Award from the National Alliance for the Mentally Ill in Washington DC.</p> <p>In 2015 he was awarded the Lieber Prize for Schizophrenia Research by the US-based Brain and Behaviour Foundation.</p> <p>In 2016 he became the first psychiatrist to be elected as a Fellow of the Australian Academy of Science.</p> <p>In 2018 he received the Schizophrenia International Research Society Lifetime Achievement Award.</p> <p>In 2019 he received the Humanitarian Award of the Society of Biological Psychiatry and the NHMRC Research Excellence Award.</p> <p>From 2019 to 2021 he was Chair of the Expert Advisory Committee, Royal Commission into Victoria's Mental Health.</p> <p>Patrick's work has played a critical role in the development of safe, effective treatments for, and innovative research into, the needs of young people with emerging mental disorders, notably psychotic and severe mood disorders. He has also played a major part in the transformational reform of mental health services to better serve the needs of young people with mental ill health.</p> <p>Patrick was a key architect of the headspace model and has been successful in advocating for its national expansion. He has also led the design of, and successfully advocated for, the establishment of a national early psychosis program based on the Early Psychosis Prevention and Intervention Centre model. He is frequently asked to advise on early intervention and youth mental health policy both nationally and internationally.</p> <p>Patrick has published over 800 scientific papers and nine books and serves as Editor-in-Chief of the international journal Early Intervention in Psychiatry. He is a Fellow of the Australian Academy of Science, the Academy of the Social Sciences in Australia, and the Australian Academy of Health and Medical Science. He is the current President of the International Association of Youth Mental Health, and past President of the Society for Mental Health Research (2013-2017), and the Schizophrenia International Research Society (2016-2018).</p>

Name and special responsibilities	Qualifications and Experience
Annette Carruthers AM Chair of the Quality and Clinical Governance Committee	<p>headspace Board member since 30 August 2016.</p> <p>MBBS (Honours), FRACGP, FAICD, GradDipAppFin.</p> <p>Annette is an experienced non-executive director in health, financial services, infrastructure, and aged care. Current appointments include Director of Little Company of Mary Healthcare Ltd, and Director of Catercare Pty Ltd. She is a panel member with the Australian Financial Complaints Authority.</p> <p>Annette has qualifications in finance, superannuation and corporate governance and has a special interest in risk management.</p> <p>Medically trained, Annette continues to work part-time as a General Practitioner. In her career she has focused on clinical risk management and quality improvement in a wide range of health services.</p> <p>Previous directorships include ASX listed nib Holdings, AMP Capital's Aged Care Investment Trust, Hunter Infrastructure and Investment Advisory Board, Multiple Sclerosis Australia, National Heart Foundation (NSW Division), Hunter Medicare Local, Hunter Area Health Service and the NSW Board of the Medical Board of Australia.</p> <p>In 2021, Annette was awarded an AM in the Queen's Birthday honours in recognition of her efforts to improve the quality of healthcare, including the establishment of the GP Access After Hours service in the Hunter.</p>
Anne Murphy Cruise Member of the Finance and Audit Committee	<p>headspace Board member since 30 August 2016.</p> <p>LLB (Honours), MA (Honours), Dip. Ed (Honours), BA (Honours), admitted as a Barrister and Solicitor of the Supreme Court of Victoria.</p> <p>Anne is a senior lawyer at Macquarie Capital, specialising in equity capital markets' transactions. Prior to this, Anne was in private practice and has extensive experience in corporate governance, legal compliance and general corporate matters.</p> <p>Anne is Deputy Chair of the Business Law Section of the Law Council of Australia and is Co-Chair of the ECM Legal Committee of the Australian Financial Markets Association.</p> <p>Anne is also on the Melbourne Advisory Committee of Enterprise Ireland, the Irish government's innovation and trade agency, which fosters promotion of Irish enterprises in Australia. Anne was elected to the Committee of Management of the Melbourne Celtic Club in 2021.</p> <p>Anne is a member of the Macquarie Group PRIDE Executive and is also a member of the National Executive of LGBTQ Allies Forum. She actively promotes LGBTIQ+ rights and diversity in the workforce and is involved in sector mentoring at Macquarie.</p> <p>Before commencing her career in the law, Anne was a senior foreign language teacher in Victorian schools, teaching French and German.</p>

Name and special responsibilities	Qualifications and Experience
Katina Law Chair of the Finance and Audit Committee	<p>headspace Board member since 30 August 2016.</p> <p>B Com, FCPA, MBA, GAICD.</p> <p>Raised in the Kimberley region of Western Australia, Katina is a finance and general management executive and has worked extensively in roles across the mining sector in Australia, Asia, Africa, the United Kingdom and the United States.</p> <p>Katina has wide-ranging Board experience working extensively with both large and small companies. Katina currently serves as a Non Executive Director on the Boards of ASX listed Yandal Resources Ltd.</p> <p>Katina is also an entrepreneur who has co-founded several award winning Indigenous businesses including IPS Management Consultants and Dutjahn Sandalwood Oils. She is an active advocate with government and corporates on behalf of Indigenous businesses.</p> <p>Katina also mentors Indigenous business people to increase participation in the mainstream economy and is passionate about improving the lives of Indigenous people.</p>
John Harvey Member of the Finance and Audit Committee Member of the Quality and Clinical Governance Committee	<p>headspace Board member since 7 May 2018 when he was appointed to a casual vacancy. John was formally appointed as a headspace Director at the Annual General Meeting on 28 November 2018 and reappointed for a second 3-year term in November 2021.</p> <p>MBA, PhD, BSc (Hons) Genetics, BSc, FAICD.</p> <p>John has had an extensive career as a Board Director and brings a broad range of generalist skills and experiences to the headspace boardroom.</p> <p>A scientist by trade, John worked as a researcher in the health and agriculture sectors prior to managing the Australian wine industry's national research and development corporation as Executive Director.</p> <p>John is currently Chair of the Studio Nine Group of Architects, Rural Business Support, which manages the Australian Government's rural financial counselling program in South Australia and the Northern Territory, and the Australian Wine Research Institute's nominations committee. He is a Non-Executive Director of Helping Hand Aged Care, Can:Do Group and Revenir Winemaking, as well as a Trustee for the Winston Churchill Memorial Trust (SA) and the South Australian Grains Industry Trust.</p>

Name and special responsibilities	Qualifications and Experience
Robbie Sefton Member of the Finance and Audit Committee	<p>headspace Board member since 26 November 2019</p> <p>Robbie has lived, worked and travelled throughout regional, rural and remote Australia as a leader and advocate, respected both within and outside these communities.</p> <p>Robbie's achievements include being named a Westpac Australian Financial Review Woman of Influence; Agrifutures Australia NSW Rural Woman of the Year; and is a graduate of the Australian Rural Leadership Program which she was also a board member of the Foundation for six years. She has also been a panel member for the Reserve Bank of Australia's panel for finance for small business.</p> <p>Following the Australian Government's request for an independent panel to assess social and economic conditions affecting over 2 million people across the Murray-Darling Basin, Robbie was appointed Chair of the panel. The panel was tasked to report on how the Basin Plan is affecting local communities, including Indigenous communities, and strategies to support them adapt to change and build resilience. The report will support longer term efforts to monitor the social and economic conditions in the Basin and will be used by governments and leaders to help evaluate the outcomes of the Basin Plan.</p> <p>Other current leadership roles held by Robbie include:</p> <ul style="list-style-type: none"> • Board Member, Great Barrier Reef Marine Park Authority • Independent, Non-executive Director, Smarter Regions CRC • Independent Non-executive Director, CRC for High Performing Soils. <p>Recent leadership roles include:</p> <ul style="list-style-type: none"> • Deputy Chair, National Australia Day Council <p>Chair, Independent panel for the assessment of social and economic conditions in the Murray-Darling Basin.</p>
Lisa Paul AO PSM Board Chair and Member of the Quality and Clinical Governance Committee (resigned 23 November 2021)	<p>headspace Board and Chair from 8 October 2018 to 23 November 2021.</p> <p>Coordinator of BizRebuild, the Business Council of Australia's bush fire recovery initiative (January-December 2020).</p> <p>Lisa was a Secretary of Federal Government departments between 2004 and 2016. She was appointed, or reappointed, by Prime Ministers Howard, Rudd, Gillard, Abbott, and Turnbull.</p> <p>Since leaving government Lisa has served on the Boards of two listed companies, one private company and the Federal Government's Naval Shipbuilding Advisory Board. She held an Enterprise Professorship at the University of Melbourne, is a Counsellor of Bond University, chairs the Australian Academy of Science's Audit Committee and sits on Boards for the Future Battery Industries Cooperative Research Centre and the American Australian Leadership Dialogue. She advises companies, mentors and coaches and has a consulting practice.</p> <p>Lisa is a National Fellow of the Institute of Public Administration Australia, an Australian National University Policy Fellow, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Council for Educational Leaders, a Fellow of the Australian Institute of Management, a member of Chief Executive Women, and a Fellow of the Australian and New Zealand School of Government.</p> <p>In 2011, Lisa was made an Officer of the Order of Australia (AO). In 2003, Lisa was awarded a Public Service Medal (PSM) for coordinating the Federal Government's domestic response to the Bali bombings. In 2011, Lisa was awarded Federal Government leader of the year by the Institute of Chartered Accountants.</p>

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

Director	Board meetings		Finance and Audit Committee meetings		Quality and Clinical Governance Committee meetings	
	A	B	A	B	A	B
Lisa Paul AO PSM	4	4			3	4
Patrick McGorry AO	8	9			4	6
Annette Carruthers AM	9	9			6	6
Anne Murphy Cruise	9	9	5	5	5	6
Katina Law	8	9	5	5		
John Harvey	9	9	5	5	6	6
Robbie Sefton	7	9	4	5		
Ben Shields	5	5	3	3	1	2

Attendance at only the in camera section of a meeting is considered to be attendance by that Director.

A – Number of meetings attended

B – Number of meetings held during the time the Director held office during the year.

Non-Audit Services

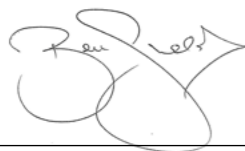
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Company are important.

There were non-audit services including accounting advice relating to the applicability of new accounting standards to the Company. Details of the amounts paid or payable to the auditor (RSM Australia Partners) for audit services provided during the year are also set out in Note 16 to the financial report.

Auditor's Independence Declaration


The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after the Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2) (a) of the Corporations Act 2001.



Ben Shields

Chair on behalf of the directors



Katina Law

Chair Finance and Audit Committee

Dated this 18th day of October 2022



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of **headspace** National Youth Mental Health Foundation Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Professional Accounting Bodies in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



K J DUNDON
Partner

Melbourne, VIC
Dated: 18 October 2022

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RSM Australia Partners ABN 36 965 185 036

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Registered office

Level 2, 485 La Trobe Street
MELBOURNE VIC 3000

Principal place of business

Level 2, 485 La Trobe Street
MELBOURNE VIC 3000

These financial statements cover headspace National Youth Mental Health Foundation Ltd as an individual entity. The financial statements are presented in the Australian currency, which is the Company's functional and presentational currency.

The Company is a not-for-profit unlisted public entity limited by guarantee, incorporated and domiciled in Australia. A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue by the directors on 18 October 2022. The directors have the power to amend and reissue the financial statements.

statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Continuing operations			
Revenue			
Revenue from services and Government grants		59,937,807	49,942,615
Interest		83,891	104,753
Fundraising		3,766,129	5,632,409
Other revenues from operating activities		3,920,611	2,740,192
Revenue from operating activities	2	67,708,438	58,419,969
Operating expenses			
Employment		42,109,594	35,476,229
Occupancy		809,565	621,058
Grant payments		10,225,425	4,215,879
Consultancy		1,999,373	3,140,855
Sub-contracts with member organisations		179,741	179,742
Governance		327,269	275,835
Travel		641,892	541,458
Information and technology		4,096,027	4,944,436
Communications and marketing		3,876,881	2,704,162
Depreciation and amortisation	3	1,482,213	1,968,474
Finance costs		111,075	58,168
(Gain) / loss on disposal of assets		(212)	-
Other operating and administration expenses		1,917,000	2,279,944
Expenses from operating activities	3	67,775,843	56,406,240
(Deficit) / surplus before income tax		(67,405)	2,013,729
Income tax expense	1e	-	-
(Deficit) / surplus after income tax expense from continuing operations		(67,405)	2,013,729
Other comprehensive income			
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		(67,405)	2,013,729

The accompanying notes form part of these financial statements.

financial position

for the year ended 30 June 2022

	Note	2022	2021
		\$	\$
ASSETS			
Current assets			
Cash assets		49,429,471	38,856,015
Trade and other receivables	4	2,996,791	3,258,472
Total current assets		52,426,262	42,114,487
Non-current assets			
Leasehold improvements, office equipment and motor vehicle	5	326,393	277,300
ROU assets	6	4,806,264	136,163
Total non-current assets		5,132,657	413,463
Total assets		57,558,919	42,527,950
LIABILITIES			
Current liabilities			
Trade and other payables	7	3,762,516	1,947,870
Lease liabilities	8	1,317,784	142,135
Provisions	9	7,195,859	7,904,085
Contract liabilities	10	22,250,083	13,276,786
Total current liabilities		34,526,242	23,270,876
Non-current liabilities			
Lease liabilities	8	3,612,699	-
Provisions	9	922,781	692,472
Total non-current liabilities		4,535,480	692,472
Total liabilities		39,061,722	23,963,348
Net assets		18,497,197	18,564,602
Members' funds			
Accumulated surplus	11	18,497,197	18,564,602
Total members' funds		18,497,197	18,564,602

The accompanying notes form part of these financial statements.

statement of changes in equity

for the year ended 30 June 2022

	Note	Accumulated surplus	Total
		\$	\$
Balance at 30 June 2020		16,550,873	16,550,873
Total comprehensive income for the year	11	2,013,729	2,013,729
Balance at 30 June 2021		18,564,602	18,564,602
Total comprehensive income for the year	11	(67,405)	(67,405)
Balance at 30 June 2022	11	18,497,197	18,497,197

The accompanying notes form part of these financial statements.

statement of cash flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from Government grants and other operations (incl GST)		80,782,216	58,819,249
Payments to employees and suppliers (incl GST)		(68,767,548)	(51,734,603)
Interest received		83,891	104,753
Interest expense on lease liabilities and other finance costs paid		(111,075)	(58,168)
Net cash inflow from operating activities		11,987,484	7,131,231
Cash flows from investing activities			
Payments for leasehold improvements and office equipment		(325,728)	(347,340)
Net cash outflow from investing activities		(325,728)	(347,340)
Cash flows from financing activities			
Repayments of lease liabilities		(1,088,300)	(1,727,329)
Net cash inflow / (outflow) from financing activities		(1,088,300)	(1,727,329)
Net increase / (decrease) in cash and cash equivalents		10,573,456	5,056,562
Cash and cash equivalents at the beginning of the financial year		38,856,015	33,799,453
Cash and cash equivalents at the end of the financial year		49,429,471	38,856,015

The accompanying notes form part of these financial statements.

notes to the financial statements

for the year ended 30 June 2022

Note 1: Summary of significant accounting policies

The following is a summary of the material accounting policies adopted by the Company in preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

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

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for lease maturity disclosure.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board. headspace is a not-for-profit entity for the purpose of preparing the financial report. These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*. The Company is a not-for-profit entity for the purpose of preparing the financial statements. The financial statements of the Company comply with Australian Accounting Standards – Simplified Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Historical cost convention

The financial report has been prepared on an accruals basis, is based on historical costs and does not take into account changing money values. Cost is based on the fair value of the consideration given in exchange for assets.

Early adoption of standards

The Company has not elected to early adopt any accounting standards for this reporting period (2021: None).

Critical accounting estimates and judgements

The preparation of the financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report is disclosed in Note 18.

a. Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian Dollars, which is the Company's functional and presentation currency.

b. New, revised or amending Accounting Standards and Interpretations adopted by the Company

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board 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 the company.

c. Revenue recognition

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, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account 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.

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

Note 1: Summary of significant accounting policies (continued)

Revenue from services and Government grants

Revenue from services and Government grants are recognised over time, as and when the Company delivers the performance obligations stated within the funding agreements.

Grant monies received but not yet expended – that is, when services have not yet been performed, or performance obligations have not been fulfilled – are shown in the ‘statement of financial position’ as contract liabilities.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Fundraising

Donations received from fundraising events are recognised as revenue on receipt when there are no sufficiently specific performance obligations attached to the donations.

d. Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

e. Income tax

The Company is exempt from income tax in accordance with endorsement by the Australian Taxation Office under Subdivision 50-B of the *Income Tax Assessment Act 1997*. Accordingly, no provision/expense for income tax has been made.

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits at call with banks or financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets include term deposits with fixed maturities of three months or greater that management has a positive intention and ability to hold to maturity.

g. Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days (2021: 30 days). They are presented as current assets unless the collection is not expected for more than 12 months after the reporting date.

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

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

h. Leasehold improvements, office equipment and right-of-use assets

Leasehold improvements and office equipment are measured at cost or deemed cost on the acquisition and are carried at cost less accumulated depreciation and any accumulated impairment. In the event that the carrying amount of leasehold improvements and office equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised as an expense (note 1(n)).

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, or any initial direct costs incurred.

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 re-measurement of lease liabilities.

The depreciable amount of all leasehold improvements and office equipment is calculated on a straight line basis over their estimated useful lives to the Company commencing from the time the asset is held ready for use, or, in the case of leasehold improvements, the shorter lease term. The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rate
Office equipment	25% - 100%
Leasehold improvements	33.3% - 100%
ROU assets	33.3% - 66.6%

Note 1: Summary of significant accounting policies (continued)

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

Gains and losses on disposals are determined by comparing proceeds from the sale with the carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income as gain / (loss) on sale.

i. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the financial year for goods and services received by the Company which remain unpaid benefits. Due to their short-term nature, they are measured at amortised cost and are not discounted. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability (2021: 30 days).

j. Employee entitlements

Short-term obligations

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to the end of the financial year. Employee benefits that are expected to be wholly settled within one year have been measured at the undiscounted amounts expected to be paid when the liability is settled.

The liability for annual leave is recognised in the provision for employee entitlements. All other short-term employee benefit obligations are presented as other payables.

Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be wholly settled within twelve months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period based on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Defined contribution superannuation expense

Contributions made by the Company to employee superannuation funds are charged as expenses when incurred.

k. Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Contract liabilities also include the Company's unspent grant funds on hand which have been repurposed for new initiatives. The unwinding of this contract liabilities balance will be recognised as Other Income in the period the draw down occurs.

l. Lease liabilities

The Company leases various offices. Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in lease term, future lease payments arising from a change in the index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of the lease liabilities and right-of-use assets recognised.

Note 1: Summary of significant accounting policies (continued)**m. Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are shown inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables.

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

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

n. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

o. Lease make good provision

An assessment has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision if recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in the profit or loss statement.

p. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2: Revenues from continuing operations

	2022	2021
	\$	\$
Operating activities from continuing operations		
Grant income	59,937,807	49,942,615
Interest	83,891	104,753
Fundraising	3,766,129	5,632,409
Other revenues from operations	3,920,611	2,740,192
Total revenues from continuing operations	67,708,438	58,419,969
	2022	2021
	\$	\$
Revenue from contracts with customers by timing of revenue recognition under AASB 15:		
Revenue recognised over time	60,036,507	50,028,865
Revenue recognised at a point in time	7,671,931	8,391,104
Total operating revenue	67,708,438	58,419,969

Revenue for the financial year includes funding under agreements with the Commonwealth of Australia primarily as represented by the Department of Health, Federal and State Government bodies and grant funding from subcontractor agreements. The Company has deferred Government grant revenue of \$22.3m as disclosed in Note 10.

Other revenues from operations includes the recognition of any repurposed funds within the Statement of Profit or Loss and Other Comprehensive Income that were previously recorded as part of the provision for underspend grants. This other revenue is brought to account as expenditure is incurred for the various programs that are utilising these repurposed funds.

Note 3: Expenses from operating activities

	2022	2021
	\$	\$
Expenses from operating activities have been determined after:		
<i>Depreciation and amortisation</i>		
Leasehold improvements	-	88,185
Office equipment	275,666	205,467
ROU assets	1,206,547	1,674,822
Total depreciation and amortisation	1,482,213	1,968,474
Short-term lease payments	809,565	621,058
Superannuation expense	3,538,508	2,793,913

Note 4: Trade and other receivables

	2022	2021
Current	\$	\$
Trade and other receivables	1,923,291	2,189,204
Prepayments	1,073,500	1,069,268
Total trade and other receivables	2,996,791	3,258,472

Note 5: Leasehold improvements and office equipment**Note 5(a): Leasehold improvements**

	2022	2021
	\$	\$
Leasehold improvements at cost	1,596,572	1,596,572
Less accumulated depreciation	(1,596,572)	(1,596,572)
Total leasehold improvements	-	-

Note 5(b): Office equipment

	2022	2021
	\$	\$
Office equipment at cost	2,271,349	2,149,076
Less accumulated depreciation	(1,944,956)	(1,871,776)
Total office equipment	326,393	277,300
Net book amount	326,393	277,300

Note 5: Leasehold improvements and office equipment (continued)**Note 5(c): Movements in carrying amounts**

	Leasehold improvements	Office equipment	Total
	(\$)	(\$)	(\$)
Carrying amount as at 30 June 2020	88,185	135,427	223,612
Additions	-	347,340	347,340
Disposals	-	-	-
Depreciation	(88,185)	(205,467)	(293,652)
Carrying amount as at 30 June 2021	-	277,300	227,300
Additions	-	325,728	325,728
Disposals	-	(969)	(969)
Depreciation	-	(275,666)	(275,666)
Carrying amount as at 30 June 2022	-	326,393	326,393

Note 6: Right-of-Use assets**Note 6(a): Right-of-Use assets**

	2022	2021
	\$	\$
Properties - right-of-use	5,944,729	3,267,572
Less accumulated depreciation	(1,138,465)	(3,131,409)
Total right-of-use assets	4,806,264	136,163

Additions to the right-of-use assets during the year were \$5,871,203 and depreciation charged to Profit or Loss was \$1,206,547.

The Company leases buildings for its offices under agreements of between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are negotiated.

Note 7: Trade and other payables

	2022	2021
Current	\$	\$
Trade payables	72	1,708
GST payable	1,398,742	300,360
Other payables	2,363,703	1,645,802
Total trade and other payables	3,762,517	1,947,870

Refer to Note 17 for further information on financial instruments.

Note 8: Lease liabilities

	2022	2021
Current	\$	\$
Lease liability	1,317,784	142,135
	1,317,784	142,135
Non-current		
Lease liability	3,612,699	-
Total lease liabilities	4,930,483	142,135

Future lease payments

Future lease payments are as follows

Within one year	1,454,039	74,261
One to five years	3,806,851	74,261
More than five years	-	-
	5,260,890	148,522

Note 9: Provisions

	2022	2021
Current	\$	\$
Employee entitlements – annual leave	2,959,570	2,425,007
Employee entitlements – long service leave	1,419,819	1,201,586
Provision for underspent grants	2,816,470	4,277,492
	7,195,859	7,904,085
Non-current		
Employee entitlements – long service leave	922,781	692,472
Total provisions	8,118,640	8,596,557

Note 10: Contract liabilities

	2022	2021
Current	\$	\$
Contract liabilities	22,250,083	13,276,786
Total contract liabilities	22,250,083	13,276,786

Contract liabilities consists of deferred income carried forward for future periods of \$22.3m which includes \$0.7m of repurposed cash previously part of the provision for underspent grants.

Note 11: Accumulated surplus

Movements in accumulated surplus were as follows:

	2022	2021
	\$	\$
Balance as at 1 July	18,564,602	16,550,873
Surplus / (deficit) after income tax expense for the year	(67,405)	2,013,729
Balance as at 30 June	18,497,197	18,564,602

Note 12: Members' guarantee

The Company is limited by guarantee. If the Company is wound up the liability of each member is limited to a maximum of \$100 towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 5 (2021: 5).

Note 13: Economic dependence

The continuing operation of the Company is dependent upon periodic renewal of funding agreements with the Commonwealth of Australia as represented by the Department of Health. The Company operates under a three-year grant agreement expiring 30 June 2023 to operate the headspace National Office.

Note 14: Contingencies*Contingent assets*

The Company does not have any contingent assets of a material nature which have not already been dealt with in these financial statements (2021: Nil).

Contingent liabilities

The Company has given bank guarantees as at 30 June 2022 of \$1,479,267 (2021: \$546,032) to various landlords for commercial leases.

Note 15: Related party disclosures**Note 15 (a): Key management personnel compensation**

The aggregate compensation made to directors, officers and other key management personnel of the Company is as follows:

	2022	2021
Key management personnel benefits:	\$	\$
Compensation to key management	2,686,842	2,465,075
	2,686,842	2,465,075

Note 15 (b): Directors' remuneration

The names of the Company directors who have held office during the financial year are reported in the Directors' Report.

Directors do not receive any additional fees for membership of Board sub-committees.

Note 15: Related party disclosures (continued)**Note 15 (c): Transactions by Directors with headspace centres**

Patrick McGorry AO is a Director of Orygen. During the financial year, \$19,992 has been paid by the Company to Orygen for consulting and the distribution of the fundraising donation funds.

During the financial year, \$233,500 (2021: \$744,250) have been paid by the Company to Orygen in the form of grants.

Note 15 (d): Transactions with Centre of Excellence

The Company maintains a Centre of Excellence to provide research services. Orygen is the subcontractor for the Centre of Excellence. Patrick McGorry AO is a Director of Orygen. During the financial year, payments were made by the Company or were payable to Orygen for the Centre of Excellence totalling \$224,677 (2021: \$269,613). \$44,936 (2021: \$44,936) remained outstanding at year end.

Note 16: Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2022	2021
Audit and other services	\$	\$
Audit services		
Audit of the financial statements	76,700	64,106
	76,700	64,106
Other services		
Accounting advice	4,500	2,100
	4,500	2,100
Total audit and other services	81,200	66,206

Note 17: Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall treasury risk management policy focuses on minimising credit risk. The Company uses different methods to measure different types of risk to which it is exposed during the year. These methods include sensitivity analysis in the case of interest rate risk and aging analysis (external debtors) and credit rating agency data (term deposits) for credit risk.

Risk management is carried out by senior management under policies approved by the Finance and Audit Committee. The Finance and Audit Committee has been delegated the responsibility for oversight of treasury activities by the Board of Directors. The Committee approves written policies for overall treasury risk management, as well as policies and procedures covering specific areas such as credit risk and investment of excess funds.

The Company holds the following financial instruments at the end of the financial year.

	Note	2022	2021
Financial assets		\$	\$
Cash assets		49,429,471	38,856,015
Trade and other receivables (excl prepayments)	4	1,923,291	2,189,204
Total financial assets		51,352,762	41,045,219
Financial liabilities			
Trade and other payables (excl GST payable)	7	2,363,775	1,647,510
Provision for underspent grants	9	2,816,470	4,277,492
Lease liabilities		4,930,483	142,135
Total financial liabilities		10,110,728	6,067,137

(a) Market risk*(i) Interest rate risk*

Exposure to interest rate risk arises on financial assets recognised at the end of the financial year whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate instruments.

(ii) Price risk / foreign currency

The Company is not exposed to any significant foreign currency/price risk.

(ii) Sensitivity analysis

The Directors consider that there is minimal interest rate risk, since there are no long term borrowings or interest bearing credit held by the Company. Interest rate risk is incurred on cash and cash equivalents earning interest in bank accounts and term deposits.

If these movements were to occur, the impact on the Statement of Profit and Loss and Other Comprehensive Income for each category of financial instrument held at the end of the financial year is presented below. This assumes that all other assumptions are held constant.

Note 17: Financial risk management (continued)

2022	Carrying Amount	Interest Rate Risk	
		+150bps	-150bps
Financial assets	(\$)	(\$)	(\$)
Cash assets	49,429,471	678,706	(678,706)
Trade and other receivables (excl. prepayments)	1,923,291		
Financial liabilities			
Trade and other payables (excl. GST payable)	2,363,775		
Provision for underspent grants	2,816,470		
Lease liabilities	4,930,483		
Total increase / decrease		678,706	(678,706)

2021	Carrying Amount	Interest Rate Risk	
		+25bps	-25bps
Financial assets	(\$)	(\$)	(\$)
Cash assets	38,856,015	84,724	(84,724)
Trade and other receivables (excl. prepayments)	2,189,204		
Financial liabilities			
Trade and other payables (excl. GST payable)	1,647,510	-	-
Provision for underspent grants	4,277,492	-	-
Lease liabilities	142,135	-	-
Total increase / decrease		84,724	(84,724)

(b) Credit risk

Credit risk arises from credit exposures to outstanding receivables.

The Directors consider that the credit risk associated with Government funding receivable is low, since all revenue is under contract subject to the Company meeting certain criteria as laid out in the Government funding agreements. The Company is required to report its quarterly financial status to Government, within a detailed reporting framework. This allows the Government to review the application of all funding against the approved key milestones.

The outstanding debtors balance in the Company primarily consists of amounts owing from Beyond Blue or where contracts are in place for the provision of service. As such there is a high level of certainty regarding the collection of the receivable as at the end of the financial year.

(continued) for the year ended 30 June 2022

Note 17: Financial risk management (continued)**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash for both short-term commitments and longer-term commitments through contracts. The Company manages liquidity risk by regularly monitoring the forecast and actual cash flows and matching cash availability to these requirements. Surplus cash at bank is invested only in cancellable term deposits, the amount based on cash flows incorporating working capital requirements. The Company has no borrowing facilities.

The Company is predominantly funded by The Departments of Health, current funding agreement has an expiry date of 30 June 2023. The Company pursues other sources of revenue, including third-party grants.

Maturities of financial liabilities

The table below discloses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for non-derivative financial liabilities. The Company does not deal in derivative financial instruments.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

2022	Less than 6 months (\$)	6 – 12 months (\$)	Total contractual cash flows (\$)	Carrying amount of liabilities (\$)
Contractual maturities of financial liabilities				
Trade and other payables	2,363,775			2,363,775
Provision for underspent grants	2,816,470			2,816,470

The contractual maturities for lease liabilities at 30 June 2022 are detailed in Note 8 Lease Liabilities.

2021	Less than 6 months (\$)	6 – 12 months (\$)	Total contractual cash flows (\$)	Carrying amount of liabilities (\$)
Contractual maturities of financial liabilities				
Trade and other payables	1,647,510	-	1,647,510	1,647,510
Provision for underspent grants	4,277,492	-	4,277,492	4,277,492
Lease liabilities	34,410	107,725	142,135	142,135

(d) Fair value estimation

Given the nature of the Company's financial instruments, no fair value estimations are necessary. The carrying values (less any impairment provision) of financial assets and financial liabilities approximate their fair values due to their short-term nature.

The contractual maturities for lease liabilities at 30 June 2022 are detailed in Note 8 Lease Liabilities.

Note 18: Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for underspent grants

The provision for underspent grants requires a degree of estimation and judgement. The level of provision is assessed by taking into account actual unspent balances on hand at 30 June 2022, as well as latest discussions and agreements with the grant funders.

(ii) Leasehold improvements and office equipment useful lives

Leasehold improvements, office equipment and motor vehicle are measured at cost or deemed cost on acquisition. Management believes that the assigned useful lives, as well as the underlying assumptions, are reasonable, though different assumptions and assigned lives could have a significant impact on the carrying amounts.

(iii) Incremental borrowing rate

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

(iv) Lease term

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

(v) Long service leave

As discussed in Note 1, the liability for long service leave expected to be settled more than 12 months from reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases have been taken in to account.

(continued) for the year ended 30 June 2022

Note 18: Critical accounting estimates and assumptions (continued)**(b) Critical judgements in applying the Company's accounting policies***(vi) Revenue recognition*

When recognising services or grant revenue over time, judgement and estimates are exercised in ascertaining the percentage of completion of performance obligation at reporting date.

Note 19: Events after the reporting period

headspace was awarded additional funding of \$3.0m to provide suicide prevention training, planning and support for all Australian universities through to 30 June 2025.

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

Note 20: Company details

The Company is Company limited by guarantee, incorporated and domiciled in Australia.

The registered office and principal place of business of the Company is:

Level 2, 485 La Trobe Street, Melbourne, Victoria 3000

directors' declaration

The directors of the Company declare that in the opinion of the directors:

- a. the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and:
 - i. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year then ended of the Company; and
 - ii. comply with Australian Accounting Standards – Simplified Disclosures, including the Interpretations; and
- b. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

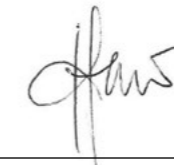
Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-For-Profit Commission Regulation 2013.

On behalf of the Directors



Ben Shields

Chair on behalf of the directors



Katina Law

Chair Finance and Audit Committee

Dated this 18th day of October 2022



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INDEPENDENT AUDITOR'S REPORT

To The Members of Headspace National Youth Mental Health Foundation Ltd

Opinion

We have audited the accompanying financial report of **headspace** National Youth Mental Health Foundation Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2022 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards— *Simplified Disclosures under AASB1060 General Purpose Financial Statements- Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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Other Information (continued)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 Australian Accounting Standards – *Simplified Disclosures under AASB1060 General Purpose Financial Statements- Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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 Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Rsm

RSM AUSTRALIA PARTNERS

K J DUNDON
Partner

Melbourne, VIC
Dated: 25 October 2022





headspace centres and services operate across Australia, in metro, regional and rural areas, supporting young Australians and their families to be mentally healthy and engaged in their communities.



headspace would like to acknowledge Aboriginal and Torres Strait Islander peoples as Australia's First People and Traditional Custodians. We value their cultures, identities, and continuing connection to country, waters, kin and community. We pay our respects to Elders past and present and emerging and are committed to making a positive contribution to the wellbeing of Aboriginal and Torres Strait Islander young people, by providing services that are welcoming, safe, culturally appropriate and inclusive.



headspace is committed to embracing diversity and eliminating all forms of discrimination in the provision of health services. headspace welcomes all people irrespective of ethnicity, lifestyle choice, faith, sexual orientation and gender identity.

headspace National Youth Mental Health Foundation is funded by the Australian Government Department of Health and Aged Care