



headspace annual report



headspace

National Youth Mental Health Foundation

2023-2024



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.





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a message from the board chair



Ben Shields
Board Chair, headspace

As we reflect on another year at headspace, I wish to begin by acknowledging the Traditional Owners of the many different lands upon which headspace operates, and pay respect to their Elders, past, present and emerging.

After a challenging year dominated by the Voice to Parliament campaign, it is more important than ever that headspace stands in solidarity with First Nations young people and their communities. While there's still a way to go at headspace, I am proud of the steps we're taking to ensure the needs and perspectives of First Nations people are included at all levels of the organisation. This year, we established the Board's First Nations Cultural Governance Committee headed up by Board Director Donna Burns – a significant milestone that strengthens First Nations representation and decision-making on the Board. This initiative aligns with our broader First Nations Strategy, which continues to guide headspace in becoming a more culturally safe and responsive organisation. I'm grateful to our First Nations Wellbeing and Engagement division led by Daniel Knapp and our First Nations Youth Advisory Council for their invaluable work in the interests of First Nations communities this year.



The work we do together is making a profound impact, and I look forward to the year ahead as we continue to support the mental health and wellbeing of Australia's young people.

There continues to be increased need in the community for mental health services and I want to extend my sincere thanks to everyone across the headspace network who is responding to that need from young people. From our centres to the national team, the headspace staff makes a tangible difference to the lives of young people and their families every day. This year, we ushered in a new enterprise agreement for national staff, which enshrined improved workplace conditions for our most valuable asset – our people. I also want to thank CEO Jason Trethowan and the headspace National Executive team for their leadership and for continuing to steward headspace through new challenges and opportunities.



As needs for mental health services continues to grow, so too does the importance of equitable access. A key area of focus this year has been expanding our online services to ensure young people can access the support they need, when they need it. Our review of digital mental health programs has provided us with clear directions for future growth, allowing us to refine and innovate how we deliver these services to continue growing our reach and accessibility. We also were pleased to launch our first multicultural practice strategy setting the direction in which we collaborate across headspace with multicultural communities. The implementation of the strategy has been resourced by our fundraising efforts and the wonderful support we receive from our corporate partners.

Critical gaps in the mental health workforce, particularly in rural and remote areas, is an ongoing concern. Our Early Career Program is one way we are addressing this issue, placing allied health graduates and student clinicians into headspace centres across the country to build a pipeline of new professionals while also getting support to young people sooner. We are very pleased that the program received a \$27 million boost in this year's Federal Budget, which will allow us to expand to 85 participating centres and bring more than 40 new graduates on board. We thank the Department of Health and Aged Care for their continued support of this program and headspace more broadly.

We also welcome the government's \$3.5 million investment to undertake a review of headspace's funding model and governance. I extend my sincere thanks to Minister for Health and Aged Care, the Hon Mark Butler MP, for his commitment to strengthening the sustainability and effectiveness of our organisation.

Finally, thank you to my fellow Board members – our Directors and Youth Advisors – for guiding and governing the organisation through another year. It's a privilege to serve as Board Chair alongside such a talented and experienced group of people who each bring invaluable expertise to our collective decision-making. A special thanks to headspace co-founder Professor Patrick McGorry AO for his strategic insights and counsel this year as our inaugural Patron.

I'm incredibly proud of all that headspace has achieved this year and feel optimistic for what the future holds. The work we do together is making a profound impact, and I look forward to the year ahead as we continue to support the mental health and wellbeing of Australia's young people.

Ben Shields
Board Chair, headspace



a message from the CEO



Jason Trethowan
Chief Executive Officer
headspace

As Australia's flagship national youth mental health initiative, I am incredibly thankful to the federal government, young people and the broader community for their commitment to the mental health and wellbeing of young people. Young people in larger numbers continue to choose headspace as a safe place to come for a yarn and talk through issues when experiencing a difficult time. In response, our teams across headspace National and our growing network of centres continue to provide impactful and cost-effective care and supports.

If the past few years have shown us anything, it's the importance of agility in addressing the evolving needs of young people, their families and communities. I'm immensely proud of the way headspace has risen to this challenge and continued to adapt in response to a changing environment. This occurs despite the many systemic, structural, workforce and funding challenges the headspace network experiences.

In the face of these challenges, we've maintained our focus on delivering quality care and our commitment to meeting young people where they're at. Thank you to the staff at headspace National and everyone working at headspace locations around the country for your unwavering passion and dedication. Your commitment ensures young people continue to receive vital support when they need it most.

While I reflect on headspace's achievements with pride, I also acknowledge the heaviness of this moment in time. While still emerging from the pandemic, young people are now navigating new stressors such as climate change, cost of living pressures, and rising rate of school refusal. Many communities are responding to the sudden loss of young people who've died by suicide or in other traumatic circumstances. Devastating conflicts are taking place around the world that are causing deep distress for many of the young people, families, and communities we work with, as well as the colleagues we work alongside.

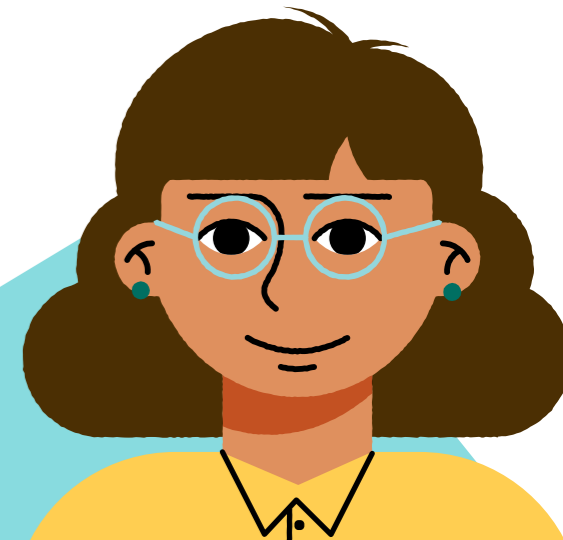
Against this backdrop, increasing needs for headspace services, programs and resources continues to grow. This year we supported more than 96,000 young people, including 23,000 who accessed online services like eheadspace, peer group chats, Telepsychiatry, and work and study support. We are privileged that so many young Australians trusted headspace to help them through a tough time this year.

To reach more young people in need, we established new centres and relocated others to improve accessibility. A highlight was celebrating the upgrade of our Lake Haven site from a satellite to a centre, alongside Assistant Minister for Mental Health and Suicide Prevention, the Hon Emma McBride MP. I thank Assistant Minister McBride for her continued support of our work and her commitment to the wellbeing of young people, particularly those in rural and regional communities.

Another key achievement this year was establishing outreach services with a First Nations focus in the remote communities of Yulara and Mutitjulu in the Northern Territory. This initiative reflects our ongoing commitment to providing culturally safe and accessible support for all young people, no matter where they live.

As always, we are indebted to the young people and families who inform our work. I thank the headspace Youth National Reference Group (hY NRG), First Nations Youth Advisory Council, and the National Family Reference Group for generously sharing their expertise and experiences to ensure headspace remains responsive to the needs of young people and their families. This year, we were pleased to introduce specialised 'streams' with hY NRG, such as governance and multicultural practice, to strengthen the group's connection with the organisation and enhance the professional development of members.

hY NRG members and other young people have also featured in community awareness campaigns and media opportunities this year, highlighting issues important to young Australians, such as the Voice to Parliament Referendum, anxiety about climate change, and online safety. These initiatives are just some of the ways we're amplifying the voices and needs of young people on a national scale.





163
sites operating
across Australia

Through headspace Schools and Communities, we're helping to lower the risk and impact of suicide across Australia. Our major focus is on supporting school communities, through which we reach almost three-quarters of Australian schools. We thank Beyond Blue for continuing to contract headspace to deliver this vital service.

Our organisation exists within a broader mental health system that is stretched to its limits. I'm incredibly proud of the work we're doing to make this system better, whether that's through advocacy and policy submissions, initiatives to create a more sustainable mental health workforce, or research to build the evidence base for best practice in youth mental health.

We are also doing critical work internally to ensure headspace continues to improve the support it offers. This year we were pleased to launch the Multicultural Practice Strategy, a key step to enhance our services for multicultural young people. In partnership with the InsideOut Institute, we also developed new resources to help clinicians better support young people with disordered eating. Ongoing evaluation and monitoring of our programs and services is key to our quality improvement, allowing us to keep evolving and adapting our practice.

The 2024 headspace Forum was an opportunity for our 1200-strong network to come together over three days, learn from each other and celebrate what we're achieving together. After a challenging few years, there was a renewed optimism for the work we do and the difference we're making, and I was reminded what a privilege it is to work at headspace.



This year we were pleased to launch the Multicultural Practice Strategy, a key step to enhance our services for multicultural young people.

Through our state forums, we continued to solidify the relationship between headspace National and our state and territory stakeholders to deliver best practice care to young people. The robust discussions that arise in these meetings are invaluable to our service improvement, with key themes emerging around the need for integrated care and enhanced access, as well as cultural capability and safety. We also thank state and territory governments for their support of headspace through various state-funded initiatives. Collaboration with states and territories remains a key focus. Our partnerships with QLD Health are a noteworthy example from this year.

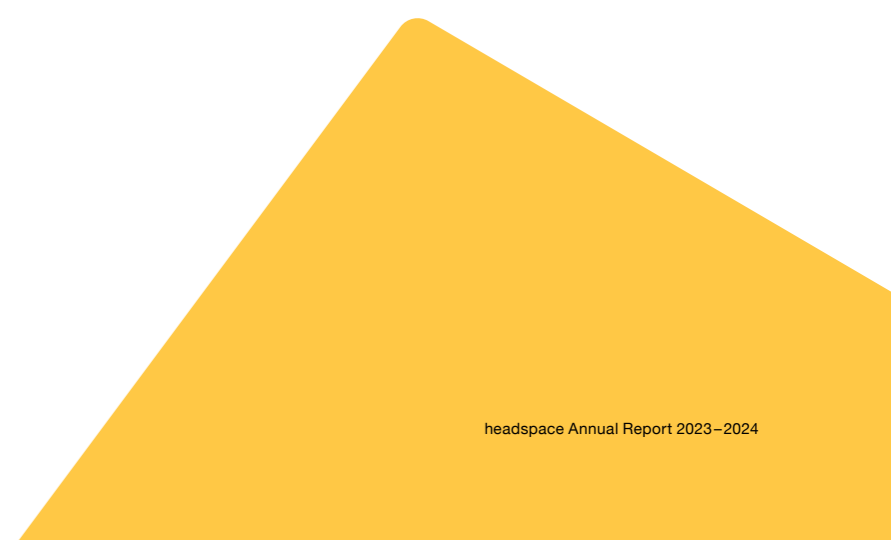
Of course, our achievements aren't ours alone. Our work is made possible through collaboration with countless stakeholders including our lead agencies, Primary Health Partnerships (PHNs), sector partners, governments, universities and international collaborators like Jigsaw and Foundry. In particular, our relationship with eSafety Commissioner Julie Inman Grant has been invaluable in helping us address rising concerns about the online safety of young people. I'm grateful for all these partnerships and our work together to improve the mental health and wellbeing of young Australians.

While the cost of living crisis dominated the national conversation this year, we recognise that the cost of doing business has also significantly increased. Our organisation is not immune to these impacts and this year we've needed to service a greater need with tighter resources. I wish to thank the Department of Health and Aged Care, as well as our many corporate partners and philanthropic donors, for enabling us to continue to grow our reach and impact in a challenging economic climate.

My deep thanks goes to the executive of headspace National for their leadership and oversight of a rapidly changing environment within headspace. Thank you also to Board Chair Ben Shields, Board Directors, Youth Advisors to the Board, and Patron Professor Patrick McGorry AO for their guidance and stewardship.

This year marks 18 years since headspace was created and we've seen incredible progress in that time. We look forward to celebrating the anniversary of the first headspace centre next year with our network, supporters and community.

Together, we will continue to adapt and evolve to meet the challenges that lie ahead, with one clear goal: ensuring every young Australian is supported to be mentally healthy and engaged in their communities. Thank you to everyone who is joining us on this journey.



headspace centres support their communities

Network expansion and new initiatives

The financial year 2023–2024 marked a significant period of growth for headspace, with the establishment of three new centres and the upgrading of two satellite services to full centre status. The newly opened centres are located in Box Hill (VIC), Shellharbour (NSW), and Hawkesbury (NSW), enhancing access to vital mental health services for young people in these regions.

In a notable achievement, the satellites in Esperance (WA) and Armidale (NSW) have transitioned into fully operational headspace centres, broadening their service capabilities and community impact. Additionally, 10 services have relocated, enabling expanded service delivery and allowing headspace to reach more young people in need.

New initiatives in First Nations services

A key initiative this year was the expansion of culturally appropriate mental health services to remote First Nations communities. headspace established outreach services in Alice Springs, serving Yulara and Mutitjulu. These services offer a physical, branded presence, focusing on culturally relevant support. headspace Mutitjulu operates from a dedicated space behind the local clinic, providing social and emotional wellbeing (SEWB) support through group activities and community awareness initiatives. Meanwhile, headspace Yulara, based at the Yulara clinic, focuses on one-on-one interactions, primarily for Aboriginal trainees living in the area.

These initiatives align with the national commitment to Closing the Gap and the Embedding Cultural Practice and Safety Model Review Report, emphasising the importance of promoting mental health in culturally appropriate ways, connecting with Country and culture, and integrating care with local clinics for a holistic approach. The Central Australian Aboriginal Congress, as the lead agency, plays a crucial role in ensuring culturally safe and effective service delivery in these communities.

Community awareness and engagement

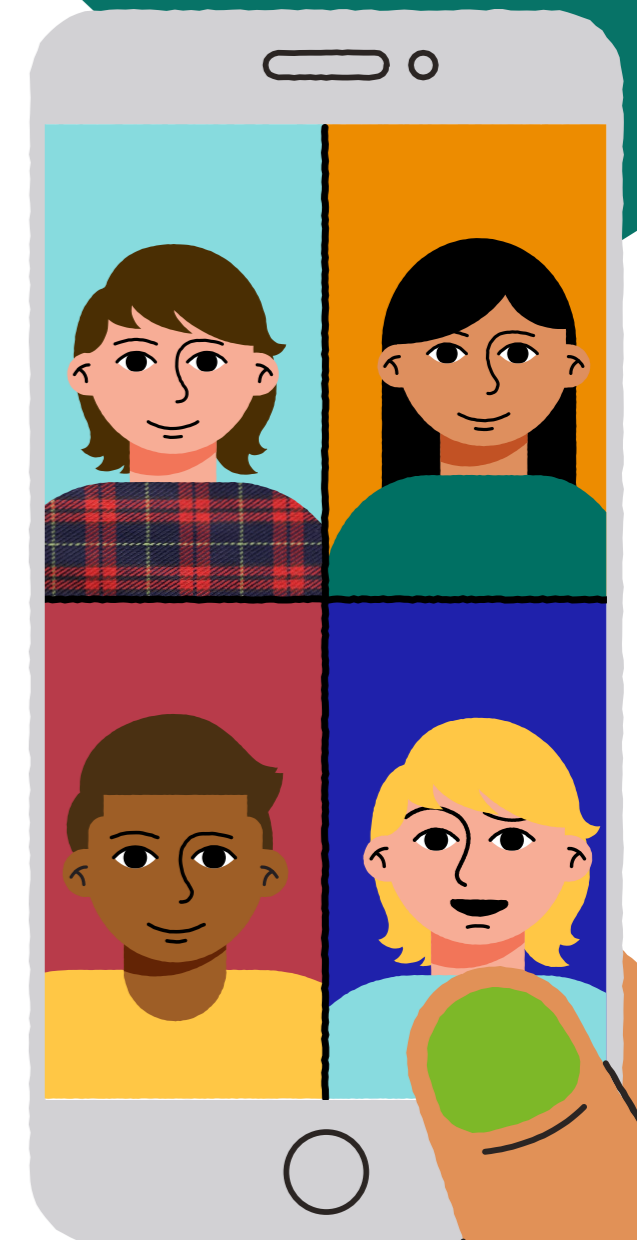
Community awareness and engagement continues to be a key enabler in the role of early intervention and stigma reduction of mental health in the community, including hard-to-reach priority groups. We continued to work with our Community Engagement Advisory Group to enhance this function in headspace centres, including launching a new crowd-sourced resource library to address the gaps in existing headspace National resources.

State meetings

headspace National facilitated meetings with PHNs, lead agencies, Centre Managers and Clinical Leads around Australia. The meetings provided an opportunity for the network to connect with each other and with headspace National. Each meeting focused on supporting multicultural communities and the integration between headspace and state-funded services.

Bilateral implementation

headspace National continues to support National Partnership commitments to increase integration between headspace and state-funded services. As the named delivery partner for youth mental health, we have partnered with the Commonwealth Department of Health and Aged Care and state and territory governments to develop models of care that will enable young people accessing headspace services to get the level of support they need, when they need it. We appreciate the young person-centred collaboration with health departments, tertiary services and lead agencies to implement clinical in-reach initiatives and we look forward to work in other jurisdictions over the term of the agreements. Ultimately, this complex and important work has the potential to create more seamless and timely care for young people across Australia.



our holistic approach

Recognising that there are many factors that affect health and wellbeing, we support young people across four core areas: mental health, physical and sexual health, alcohol and other drugs, and work and study. We provide a range of support pathways so that young people can get the help they need, when they need it, and in the way that works best for them.

Two in five

young people have experienced mental ill-health in the past 12 months



headspace centres

Young people can access a range of in-person support options through a national network of 160 headspace sites across metropolitan, regional and rural Australia. This includes satellites and outreach services, each tailored to the needs of the local community.

headspace online services

eheadspace is our national online and phone counselling service available 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 access to support and tools to manage their mental health when they need it.

headspace Telepsychiatry

headspace Telepsychiatry provides people aged 12-25, in eligible regional and rural areas, with 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 supports people aged 15-25 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 and programs include Career Mentoring, Work and Study online and Work and Study support delivered through 50 headspace centres based on the international, evidence-based Individual Placement Support model.

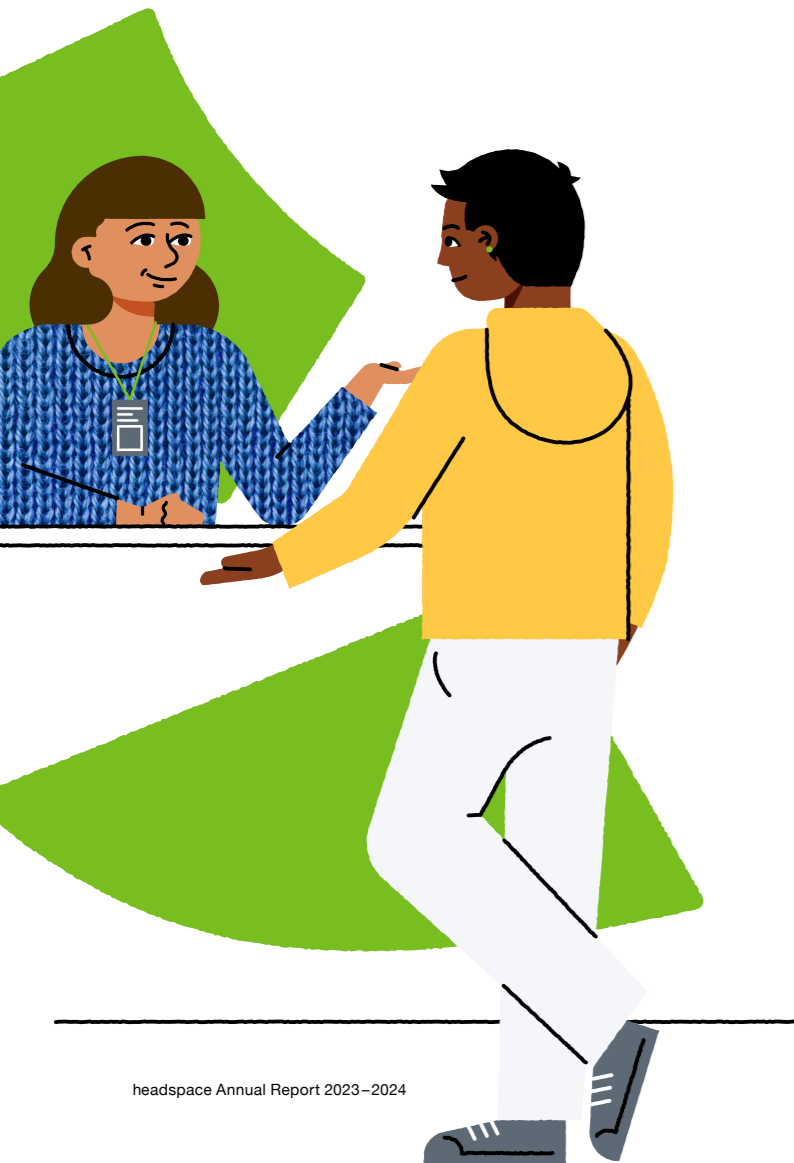
headspace Schools and Communities

headspace Schools and Communities supports and partners with Australian schools, communities, government agencies, universities, sports clubs and other organisations to build the mental health literacy and capacity of professionals working with children, young people and families. headspace Schools and Communities also responds when Australian communities experience disasters or crises. headspace Schools and Communities is the service delivery partner for Be You for all primary and secondary schools nationally.

headspace Early Psychosis

The headspace Early Psychosis program supports young people experiencing, or at risk of developing, psychosis. 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.

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



Research shows that vulnerability to mental ill-health peaks in adolescence and early adulthood. More than one-third of young people experience a mental health disorder before the age of 14, and by age 25, 65% of people have experienced mental ill-health.

headspace provides early intervention mental health services to support people aged 12–25, and their family, through this critical time in their lives.

Our work also focuses on supporting young people to maintain good mental health through connection and purpose. We strive to reduce stigma and provide a safe space for all young people to seek help and access the right supports.

Over the past 18 years, headspace has provided 7.5 million services to more than 939,000 young Australians, helping them to strengthen their wellbeing, navigate life's challenges and maintain their mental health.

In 2023–24, our work continued to make a difference by reaching 96,240 young people and providing 513,742 services through our headspace centres.



headspace governance statement

Work & Study services at headspace have continued to experience a significant increase in demand across both online and in person services. Cost of living pressures and the ongoing effects of school and employment disruption due to the pandemic have highlighted headspace's crucial role in providing employment and educational support to young people. The success of headspace's integrated service model lies in combining 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 the Individual Directors

Directors have a duty to question, request information, raise any issue which is of concern to them, fully canvas 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 headspace participation groups, 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.

The Board Youth Advisors are intended to represent the voice and experience of young people and therefore will ideally be under the age of 25 at the time of appointment.



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.
- Developing and maintaining key strategic relationships.
- Responsible for the 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 and approve the organisation's budget, monitor management and financial performance to ensure the solvency, financial strength and good performance of the organisation.
- Consider and approve audited annual financial statements and directors' report.
- Set and maintain a framework of delegation and internal control.
- Planning for Board and CEO 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 cultural, 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 and Advisory Committees

The Board will establish committees to assist the Board in exercising its authority. The Board has established the following committees:-

- Finance and Audit Committee (Board committee)
- Quality and Clinical Governance Committee (Board committee)
- First Nations Cultural Governance Committee (Advisory 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 2024

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



directors' report

for the year ended 30 June 2023

The directors of headspace National Youth Mental Health Foundation Ltd ("the Company") present their report on the Company for the year ended 30 June 2024.

Directors

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

- Donna Burns
- Annette Carruthers AM
- Andrew Chanen (appointed 16 October 2023)
- John Harvey
- Patrick McGorry AO (retired 7 December 2023)
- Anne Murphy Cruise
- Robbie Sefton AM
- Ben Shields
- Jason Trethowan (appointed 27 March 2024)

Company Secretary

The following person 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 2024, the principal activities of the company consisted of delivering mental health and vocational services including online and telephone counselling, support to schools and universities, training, 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 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 \$153,121 (2023: deficit of \$6,629,188). The deficit was mainly due to the timing of recognition of income against incurred expenditure for the non-government funded activities of the Company including fundraising.

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 primary 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 Australian Government and other fund providers such as the Victorian, New South Wales and Queensland State Governments and Beyond Blue.

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 continuation of natural disaster flood recovery related activities and support for placement of student and graduate allied health professionals in headspace centres.



Significant Changes in the State of Affairs

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

- National Leadership in Mental Health
- Digital Work and Study and IPS Program Management (DSS)
- Beyond Blue's Be You initiative
- Early Career Program
- Victorian Education Enhancing Mental Health Support in School

Contract amendments were also provided for a small number of Commonwealth agreements providing a small increase for indexation on some agreements including the National Leadership in Mental Health, ehespace, headspace University Support, headspace Digital Work and Study, headspace Mental Health in Education, headspace Early Career Program and the headspace Early Psychosis program.

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

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

headspace's 'ehespace' online and telephone counselling service may be required to apply for ongoing funding through a competitive grant process the Australian government is introducing as part of its latest digital mental health reforms. ehespace is currently available free to young people and their families via the headspace website and telephone on 1800 650 890. The ehespace service is a cornerstone program linking the network of headspace centres with an integrated online and telephone service for young people who are unable to access a headspace centre, require additional adjunct or afterhours support when the physical services are unavailable.

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 | <p>headspace Board Member and Chair since 23 November 2021.</p> <p>Ben is a senior-level professional with twenty-five 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 Member of the Finance and Audit Committee from 6 December 2022 | <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 a Director on the Board of the Australian Brandenburg Orchestra.</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.</p> <p>Anne is the Chair 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 to 6 December 2022 | <p>headspace Board member from 30 August 2016 to 6 December 2022.</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 Chair of the Finance and Audit Committee from 6 December 2022. 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, Lighthouse Disability Services, the Australian Wine Research Institute's nominations committee and Rural Business Support, which manages the Australian Government's rural financial counselling program in South Australia and the Northern Territory. He is a Non-Executive Director of Helping Hand Aged Care 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 |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Robbie Sefton AM</p> <p>Member of the Finance and Audit Committee</p> | <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 • Chair, Independent panel for the assessment of social and economic conditions in the Murray-Darling Basin. |
| <p>Donna Burns</p> <p>Member of the Quality and Clinical Governance Committee from 6 December 2022</p> | <p>headspace Board member since 6 October 2022 when she was appointed to a casual vacancy. Donna was formally appointed as a headspace Director at the Annual General Meeting on 6 December 2022.</p> <p>Ms Burns is a proud Wiradjuri descendant.</p> <p>She has a Bachelor of Nursing from the University of Western Sydney and is a Graduate of the Australian Institute of Company Directors, the Queensland Aboriginal and Torres Strait Islander Health Network, and an Affiliate Member of the Congress of Aboriginal and Torres Strait Islander Nurses and Midwives.</p> <p>More than twenty five years' experience in the healthcare sector, with a strong focus on organisational change management for the past decade. Her professional experience includes time as Deputy CEO with The Healing Foundation, and as Organisational Change Management Specialist and Director of her company, Optimism Consultancy Group, and is currently the CEO of Australian Indigenous Doctors Association.</p> <p>Ms Burns is also a Non-Executive Board Director for Q-bital Healthcare Solutions, and Gayaa Dhuwi (Proud Spirit) and previously Non-Executive Board Director for Huntington's Queensland.</p> <p>She is passionate about executive leadership, sound governance and cultural competency.</p> |

| Name and special responsibilities | Qualifications and Experience |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Andrew Chanen</p> <p>Member of the Quality and Clinical Governance Committee</p> | <p>headspace Board member since 16 October 2023.</p> <p>Professor Andrew Chanen is Chief of Clinical Practice and Head of Personality Disorder Research at Orygen in Melbourne, Australia. He is also a Professorial Fellow at the Centre for Youth Mental Health, The University of Melbourne.</p> <p>Andrew established and leads an internationally recognised program of research, treatment innovation, and service development in youth mental health and early intervention for severe mental disorders in young people. Andrew founded the field of early intervention for personality disorder and is a leading global advocate for effective, evidence-based policy. He has over produced over 230 scientific publications in high-impact international journals and has received competitive grant funding from the National Health and Medical Research Council, Medical Research Future Fund, and Australian Research Council.</p> <p>Andrew serves on the Editorial Boards of several journals, and on expert national and international groups. He is a Past President of the International Society for the Study of Personality Disorders (ISSPD). His work has been recognised with several awards, including the 2023 ISSPD Perry Hoffman Award for Research, the 2023 Royal Australian and New Zealand College of Psychiatrists Ian Simpson Award, and the 2017 Award for Distinguished Achievement in the Field of Severe Personality Disorders from the Borderline Personality Disorder Resource Centre and Personality Disorder Institute, New York.</p> |
| <p>Jason Trethowan</p> <p>Executive Director</p> | <p>headspace Board member since 27 March 2024 (appointed to a casual vacancy).</p> <p>Jason Trethowan commenced as CEO of headspace National Youth Mental Health Foundation in January 2017.</p> <p>Prior to working at headspace, Jason held previous CEO positions from 2007 which included being CEO of Western Victoria Primary Health Network.</p> <p>Jason was a Board Director of Barwon Health from 1 July 2017 to 30 June 2023.</p> <p>He is a Board Director of Gforce Employment Solutions, and has achieved qualifications in Health Information Management, Health Informatics, and master's in business administration</p> <p>There were no loans made to directors by the Company.</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 2024, and the number of meetings attended by each Director were:

| Director | Board meetings | | Finance and Audit Committee meetings | | Quality and Clinical Governance Committee meetings | | First Nations Cultural Governance Committee meetings | |
|-----------------------|----------------|---|--------------------------------------|---|----------------------------------------------------|---|------------------------------------------------------|---|
| | A | B | A | B | A | B | A | B |
| Donna Burns | 7 | 8 | | | 3 | 4 | 4 | 4 |
| Annette Carruthers AM | 8 | 8 | 5 | 5 | 4 | 4 | | |
| Andrew Chanen | 5 | 6 | | | 3 | 3 | | |
| John Harvey | 8 | 8 | 5 | 5 | 3 | 4 | 4 | 4 |
| Patrick McGorry AO | 2 | 3 | | | 0 | 2 | | |
| Anne Murphy Cruise | 7 | 8 | 5 | 5 | | | | |
| Robbie Sefton AM | 8 | 8 | 5 | 5 | | | | |
| Ben Shields | 8 | 8 | 4 | 5 | 3 | 4 | 4 | 4 |
| Jason Trethowan | 3 | 3 | | | | | | |

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.

Non-audit services costs of \$9,000 were incurred in the 2024 Financial year relating to advice on GST and Workcover compliance. 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 17 to the financial report. for audit services provided during the year are also set out in Note 17 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



John Harvey

Chair, Finance and Audit Committee

Dated this 16th day of October 2024



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 2024, 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
RSM AUSTRALIA PARTNERS
K J Dundon

K J DUNDON
Partner

Melbourne, VIC
Dated: 16 October 2024

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



Financial Statements for the year ended 30 June 2024

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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 26 October 2023. 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 2023

| | Note | 2024 | 2023 |
|--------------------------------------------------------------------------------|----------|-------------------|--------------------|
| | | \$ | \$ |
| Continuing operations | | | |
| Revenue | | | |
| Revenue from services and Government grants | | 78,538,658 | 70,859,416 |
| Interest | | 2,896,532 | 1,186,004 |
| Fundraising | | 2,532,739 | 1,390,004 |
| Other revenues from operating activities | | 428,673 | 1,156,663 |
| Revenue from operating activities | 3 | 84,396,602 | 74,592,087 |
| Operating expenses | | | |
| Employment | | 56,702,496 | 51,973,641 |
| Occupancy | | 1,084,892 | 829,654 |
| Grant payments | | 8,889,248 | 8,076,174 |
| Consultancy | | 2,478,491 | 2,851,951 |
| Sub-contracts with member organisations | | 271,310 | 271,310 |
| Governance | | 378,815 | 358,734 |
| Travel | | 2,355,414 | 2,594,293 |
| Information and technology | | 4,564,300 | 4,737,251 |
| Communications and marketing | | 3,028,106 | 4,319,40 |
| Depreciation and amortisation | 4 | 2,281,723 | 2,535,952 |
| Finance costs | | 224,571 | 252,429 |
| Loss / (gain) on disposal of assets | | - | 1,136 |
| Other operating and administration expenses | | 2,290,357 | 2,290,357 |
| Expenses from operating activities | 3 | 84,549,723 | 81,221,278 |
| (Deficit) / surplus before income tax | | (153,121) | (6,629,191) |
| Income tax expense | 1e | - | - |
| (Deficit) / surplus after income tax expense from continuing operations | | (153,121) | (6,629,191) |
| Other comprehensive income | | | |
| Other comprehensive income, net of tax | | - | - |
| Total comprehensive income / (loss) for the year | | (153,121) | (6,629,191) |

The accompanying notes form part of these financial statements.

financial position

for the year ended 30 June 2024

| | Note | 2024 | 2023 |
|-------------------------------------------------|------|-------------------|-------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash assets | 2 | 45,230,604 | 55,268,452 |
| Trade and other receivables | 5 | 2,649,169 | 1,784,606 |
| Total current assets | | 47,879,773 | 57,053,058 |
| Non-current assets | | | |
| Leasehold improvements, IT and office equipment | 6 | 413,932 | 499,936 |
| Right of use assets | 7 | 4,584,971 | 6,254,103 |
| Total non-current assets | | 4,998,903 | 6,754,039 |
| Total assets | | 52,878,676 | 63,807,097 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 2,985,463 | 5,510,082 |
| Lease liabilities | 9 | 1,801,570 | 1,591,693 |
| Provisions | 10 | 8,677,626 | 9,602,733 |
| Contract liabilities | 11 | 22,557,080 | 28,682,416 |
| Total current liabilities | | 36,021,739 | 45,386,924 |
| Non-current liabilities | | | |
| Lease liabilities | 9 | 3,590,864 | 5,183,239 |
| Provisions | 10 | 1,551,168 | 1,368,909 |
| Total non-current liabilities | | 5,142,032 | 6,552,148 |
| Total liabilities | | 41,163,771 | 51,939,072 |
| Net assets | | 11,714,905 | 11,868,025 |
| Members' funds | | | |
| Accumulated surplus | 12 | 11,714,905 | 11,868,025 |
| Total members' funds | | 11,714,905 | 11,868,025 |

The accompanying notes form part of these financial statements.

statement of changes in equity

for the year ended 30 June 2024

| | Note | Accumulated surplus | Total |
|-----------------------------------------|-----------|---------------------|-------------------|
| | | \$ | \$ |
| Balance at 30 June 2022 | | 18,497,199 | 18,497,199 |
| Total comprehensive income for the year | 12 | (6,629,188) | (6,629,188) |
| Balance at 30 June 2023 | | 11,868,008 | 11,868,008 |
| Total comprehensive income for the year | 12 | (153,121) | (153,121) |
| Balance at 30 June 2024 | 12 | 11,714,905 | 11,714,905 |

The accompanying notes form part of these financial statements.

statement of cash flows

for the year ended 30 June 2024

| | Note | 2024 | 2023 |
|--------------------------------------------------------------------|------|---------------------|--------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from Government grants and other operations (incl GST) | | 82,145,075 | 88,928,590 |
| Payments to employees and suppliers (incl GST) | | (92,945,800) | (81,711,434) |
| Interest received | | 2,896,532 | 1,186,004 |
| Interest expense on lease liabilities and other finance costs paid | | (224,571) | (252,429) |
| Net cash inflow from operating activities | | (8,128,764) | 8,150,731 |
| Cash flows from investing activities | | | |
| Payments for leasehold improvements and office equipment | | (259,989) | (646,014) |
| Net cash outflow from investing activities | | (259,989) | (646,014) |
| Cash flows from financing activities | | | |
| Repayments of lease liabilities | | (1,649,096) | (1,665,735) |
| Net cash outflow from financing activities | | (1,649,096) | (1,665,735) |
| Net increase in cash and cash equivalents | | (10,037,848) | 5,838,98 |
| Cash and cash equivalents at the beginning of the financial year | | 55,268,452 | 49,429,471 |
| Cash and cash equivalents at the end of the financial year | | 45,230,604 | 55,268,452 |

The accompanying notes form part of these financial statements.

notes to the financial statements

for the year ended 30 June 2024

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 consolidated entity 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.

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 (2022: 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 are disclosed in Note 19.

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 (2022: 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% |
| Right of use 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. 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 (2023: 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 liability 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: Cash and short term deposits

| | 2024 | 2023 |
|----------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Cash on hand | - | 427 |
| Cash at bank | 8,668,279 | 20,926,521 |
| Short term deposits | 36,562,325 | 34,341,504 |
| Total cash and cash equivalents | 45,230,604 | 55,268,452 |

Note 3: Revenue from continuing operations

| | 2024 | 2023 |
|--------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Operating activities from continuing operations | | |
| Grant income | 78,538,658 | 70,859,416 |
| Interest | 2,896,532 | 1,186,004 |
| Fundraising | 2,532,739 | 1,390,004 |
| Other revenues from operations | 428,673 | 1,156,663 |
| Total revenues from continuing operations | 84,396,602 | 74,592,087 |

| | 2024 | 2023 |
|-------------------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Revenue from contracts with customers by timing of revenue | | |
| Revenue recognised over time | 78,538,658 | 70,859,416 |
| Revenue recognised at a point in time | 5,857,944 | 3,732,671 |
| Total operating revenue | 84,396,602 | 74,592,087 |

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 \$ 22.6m as disclosed in Note 11.

Note 4: Expenses from operating activities

| | 2024 | 2023 |
|----------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Expenses from operating activities have been determined after: | | |
| <i>Depreciation and amortisation</i> | | |
| Leasehold improvements | 7,885 | 2,374 |
| Office equipment | 338,108 | 471,233 |
| Right of use assets | 1,935,730 | 2,062,345 |
| Total depreciation and amortisation | 2,281,723 | 2,535,952 |
| Short-term lease payments | 1,084,892 | 829,654 |
| Superannuation expense | 6,057,560 | 4,596,125 |

Note 5: Trade and other receivables

| | 2024 | 2023 |
|------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Trade and other receivables | 1,311,234 | 734,358 |
| Prepayments | 1,337,935 | 1,050,248 |
| Total trade and other receivables | 2,649,169 | 1,784,606 |

Note 6: Leasehold improvements and office equipment**Note 6(a): Leasehold improvements**

| | 2024 | 2023 |
|-------------------------------------|---------------|---------------|
| | \$ | \$ |
| Leasehold improvements at cost | 1,642,598 | 1,614,066 |
| Less accumulated depreciation | (1,606,832) | (1,598,947) |
| Total leasehold improvements | 35,766 | 15,119 |

Note 6: Leasehold improvements and office equipment (continued)**Note 6(b): Office equipment**

| | 2024 | 2023 |
|-------------------------------|----------------|----------------|
| | \$ | \$ |
| Office equipment at cost | 2,710,401 | 2,631,798 |
| Less accumulated depreciation | (2,332,235) | (2,146,981) |
| Total office equipment | 378,166 | 484,817 |
| Net book amount | 413,932 | 499,936 |

Note 6(c): Movements in carrying amounts

| | Leasehold improvements | Office equipment | Total |
|-------------------------------------------|---------------------------|---------------------|----------------|
| | (\$) | (\$) | (\$) |
| Carrying amount as at 30 June 2022 | - | 326,393 | 326,393 |
| Additions | 17,494 | 630,793 | 648,287 |
| Disposals | - | (1,136) | (1,136) |
| Depreciation | (2,374) | (471,233) | (473,607) |
| Carrying amount as at 30 June 2023 | - | 484,816 | 499,937 |
| Additions | 28,532 | 231,459 | 259,991 |
| Disposals | - | - | - |
| Depreciation | (7,885) | (338,111) | (345,996) |
| Carrying amount as at 30 June 2024 | 20,647 | 378,164 | 413,932 |

Note 7: Right-of-Use assets**Note 7(a): Right-of-Use assets**

| | 2024 | 2023 |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Properties - right-of-use | 9,721,511 | 9,454,914 |
| Less accumulated depreciation | (5,136,540) | (3,200,811) |
| Total right-of-use assets | 4,584,971 | 6,254,103 |

Additions to the right-of-use assets during the year were \$ 266,597 and depreciation charged to Profit or Loss was \$ 1,935,729 .

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 8: Trade and other payables

| | 2024 | 2023 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Trade payables | 1,379,511 | 1,018,895 |
| GST payable | (202,241) | 816,653 |
| Other payables | 1,808,193 | 3,674,534 |
| Total trade and other payables | 2,985,463 | 5,510,082 |

Refer to Note 18 for further information on financial instruments.

Note 9: Lease liabilities

| | 2024 | 2023 |
|--------------------------------------|------------------|------------------|
| Current | \$ | \$ |
| Lease liability | 1,801,570 | 1,591,693 |
| | <u>1,801,570</u> | <u>1,591,693</u> |
| Non-current | | |
| Lease liability | 3,590,864 | 5,183,239 |
| Total lease liabilities | 5,392,434 | 6,774,932 |
| Future lease payments | | |
| Future lease payments are as follows | | |
| Within one year | 1,801,570 | 1,591,693 |
| One to five years | 3,590,864 | 5,183,239 |
| | <u>5,392,434</u> | <u>6,774,932</u> |

Note 10: Provisions

| | 2024 | 2023 |
|--------------------------------------------|-------------------|-------------------|
| Current | \$ | \$ |
| Employee entitlements – annual leave | 3,606,129 | 3,358,040 |
| Employee entitlements – long service leave | 1,587,678 | 1,717,676 |
| Provision for underspent grants | 3,483,819 | 4,527,016 |
| | <u>8,677,626</u> | <u>9,602,733</u> |
| Non-current | | |
| Employee entitlements – long service leave | 1,551,168 | 1,368,909 |
| Total provisions | 10,228,794 | 10,971,643 |

Note 11: Contract liabilities

| | 2024 | 2023 |
|-----------------------------------|-------------------|-------------------|
| Current | \$ | \$ |
| Contract liabilities | 22,557,080 | 28,682,416 |
| Total contract liabilities | 22,557,080 | 28,682,416 |

Contract liabilities consists of deferred income carried forward for future periods of \$22.6m.

Note 12: Accumulated surplus

Movements in accumulated surplus were as follows:

| | 2024 | 2023 |
|-----------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Balance as at 1 July | 11,868,025 | 18,497,215 |
| Surplus / (deficit) after income tax expense for the year | (153,121) | (6,629,188) |
| Balance as at 30 June | 11,714,904 | 11,868,026 |

Note 13: 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 2024 the number of members was 5 (2021: 5).

Note 14: 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 and Aged Care. The Company currently has an agreement with the Department that has been extended to 30 June 2026 to operate the headspace National Office.

Note 15: 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 (2022: Nil).

Contingent liabilities

The Company has given bank guarantees as at 30 June 2024 of \$956,900 (2023: \$971,206) to various landlords for commercial leases.

Note 16: Related party disclosures

Note 16 (a): Key management personnel compensation

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

| | 2023 | 2022 |
|-------------------------------------------|------------------|------------------|
| Key management personnel benefits: | \$ | \$ |
| Compensation to key management | 3,363,474 | 3,121,848 |
| | 3,363,474 | 3,121,848 |

Note 16 (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 16 (c): Transactions by Directors with headspace centres

Patrick McGorry AO (Member of the Quality and Clinical Governance Committee to 7 December 2023) is Director at Orygen. Andrew Chanen (headspace Board member since 16 October 2023) is Chief of Clinical Practice and Head of Personality Disorder Research at Orygen. During the financial year,

\$7,792 has been paid by the Company to Orygen for distribution of the fundraising donation funds.

During the financial year, \$279,168 (2023: \$274,500) has been paid by the Company to Orygen in the form of grants.

Note 16 (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 and Andrew Chanen is Chief of Clinical Practice and Head of Personality Disorder Research at Orygen. During the financial year, payments were made by the Company to Orygen for the Centre of Excellence totalling \$271,310 (2023:

\$180,591). \$Nil (2023: \$135,654) remained outstanding at year end.

Note 17: 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:

| | 2024 | 2023 |
|---------------------------------------|---------------|---------------|
| Audit and other services | \$ | \$ |
| Audit services | | |
| Audit of the financial statements | 74,150 | 73,000 |
| | 74,150 | 73,000 |
| Other services | | |
| Compliance assessment | 9,000 | - |
| | 9,000 | - |
| Total audit and other services | 83,150 | 73,000 |

Note 18: 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 | 2024 | 2023 |
|------------------------------------------------|------|-------------------|-------------------|
| Financial assets | | \$ | \$ |
| Cash assets | | 45,230,604 | 55,268,452 |
| Trade and other receivables (excl prepayments) | 5 | 1,311,234 | 734,357 |
| Total financial assets | | 46,541,838 | 56,002,809 |
| Financial liabilities | | | |
| Trade and other payables (excl GST payable) | 8 | 3,187,704 | 4,693,427 |
| Provision for underspent grants | 10 | 3,483,819 | 4,527,016 |
| Lease liabilities | 9 | 5,392,434 | 6,774,932 |
| Total financial liabilities | | 12,063,957 | 15,995,375 |

Note 18: Financial risk management (continued)

(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.

| 2024 | Carrying Amount | Interest Rate Risk | |
|-------------------------------------------------|-----------------|--------------------|------------------|
| | | +150bps | -150bps |
| | (\$) | (\$) | (\$) |
| Financial assets | | | |
| Cash assets | 45,230,604 | 678,459 | (678,459) |
| Trade and other receivables (excl. prepayments) | 1,311,234 | | |
| Financial liabilities | | | |
| Trade and other payables (excl. GST payable) | 3,187,704 | | |
| Provision for underspent grants | 3,483,819 | | |
| Lease liabilities | 5,392,434 | | |
| Total increase / decrease | | 678,459 | (678,459) |

| 2023 | Carrying Amount | Interest Rate Risk | |
|-------------------------------------------------|-----------------|--------------------|------------------|
| | | +150bps | -150bps |
| | (\$) | (\$) | (\$) |
| Financial assets | | | |
| Cash assets | 55,268,452 | 829,027 | (829,027) |
| Trade and other receivables (excl. prepayments) | 734,358 | | |
| Financial liabilities | | | |
| Trade and other payables (excl. GST payable) | 4,693,429 | | |
| Provision for underspent grants | 4,527,016 | | |
| Lease liabilities | 6,774,932 | | |
| Total increase / decrease | | (678,706) | (678,706) |

Weighted average interest rate applicable to lease liabilities is 4.68% for 30 June 2024 (2022: 5.62%)

Note 18: Financial risk management (continued)

(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 and Department of Health, Queensland 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.

(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 Department of Health and Aged Care, current funding agreement has an expiry date of 30 June 2026. 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.

| 2024 | Less than 6 months (\$) | 6 – 12 months (\$) | Total contractual cash flows (\$) | Carrying amount of liabilities (\$) |
|--------------------------------------------------------|-------------------------|--------------------|-----------------------------------|-------------------------------------|
| Contractual maturities of financial liabilities | | | | |
| Trade and other payables | 3,187,704 | | | 3,187,704 |
| Provision for underspent grants | 3,483,819 | | | 3,483,819 |

The contractual maturities for lease liabilities at 30 June 2024 are detailed in Note 9 Lease Liabilities

| 2023 | Less than 6 months (\$) | 6 – 12 months (\$) | Total contractual cash flows (\$) | Carrying amount of liabilities (\$) |
|--------------------------------------------------------|-------------------------|--------------------|-----------------------------------|-------------------------------------|
| Contractual maturities of financial liabilities | | | | |
| Trade and other payables | 4,693,427 | | | 4,693,427 |
| Provision for underspent grants | 4,527,016 | | | 4,527,016 |

Note 18: Financial risk management (continued)**(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 9 Lease Liabilities.

Note 19: 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 2024, as well as latest discussions and agreements with the grant funders.

(ii) Leasehold improvements and office equipment useful lives

Leasehold improvements, IT and office equipment 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.

Note 19: Critical accounting estimates and assumptions (continued)*(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 into account.

(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 20: Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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 21: 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 2024 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



John Harvey

Chair, Finance and Audit Committee

Dated this 16th day of October 2024

headspace National Youth Mental Health Foundation Ltd

ABN 26 137 533 843

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 2024 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



John Harvey

Chair, Finance and Audit Committee

Dated this 16th day of October 2024


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INDEPENDENT AUDITOR'S REPORT

To the Members of headspace National Youth Mental Health Foundation Ltd

Opinion

We have audited the financial report of headspace National Youth Mental Health Foundation Ltd, which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the declaration by those charged with governance.

In our opinion, the financial report of headspace National Youth Mental Health Foundation Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2024 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *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 2022*.

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 headspace National Youth Mental Health Foundation Ltd 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

Those charged with governance are responsible for the other information. The other information comprises the information included in headspace National Youth Mental Health Foundation Ltd's annual report for the year ended 30 June 2024, 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 Management and Those Charged with Governance for the Financial Report

The Directors of the registered entity 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 AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and 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 headspace National Youth Mental Health Foundation Ltd's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate headspace National Youth Mental Health Foundation Ltd or to cease operations, or has 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.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the Directors of headspace National Youth Mental Health Foundation Ltd, would be in the same terms if given to the Directors as at the time of this auditor's report.

Rsm

RSM AUSTRALIA PARTNERS

K J Dundon

K J DUNDON
Partner

Melbourne, VIC
Dated: 17 October 2024

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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