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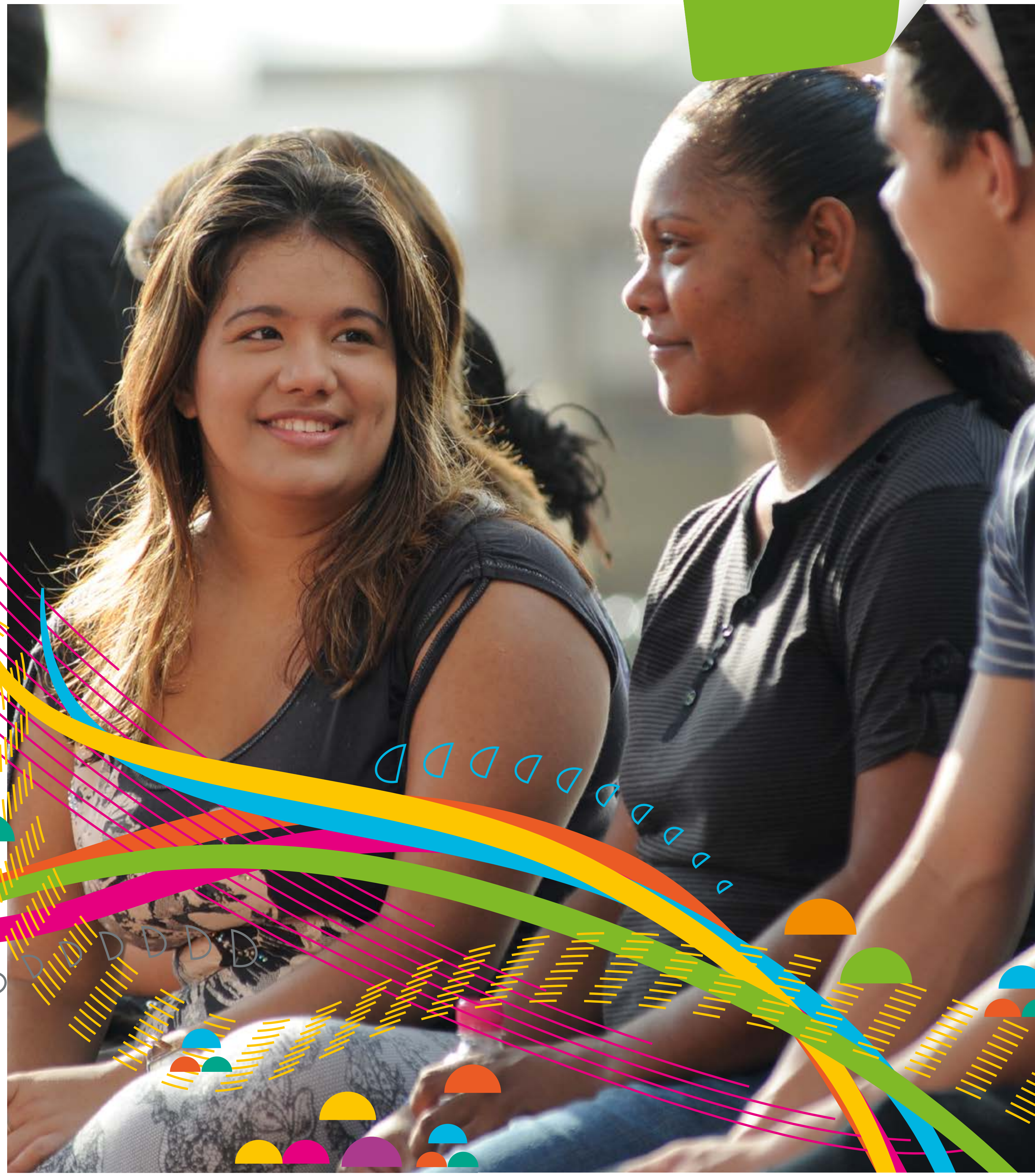
2013 Corporate Governance and Financial Statements

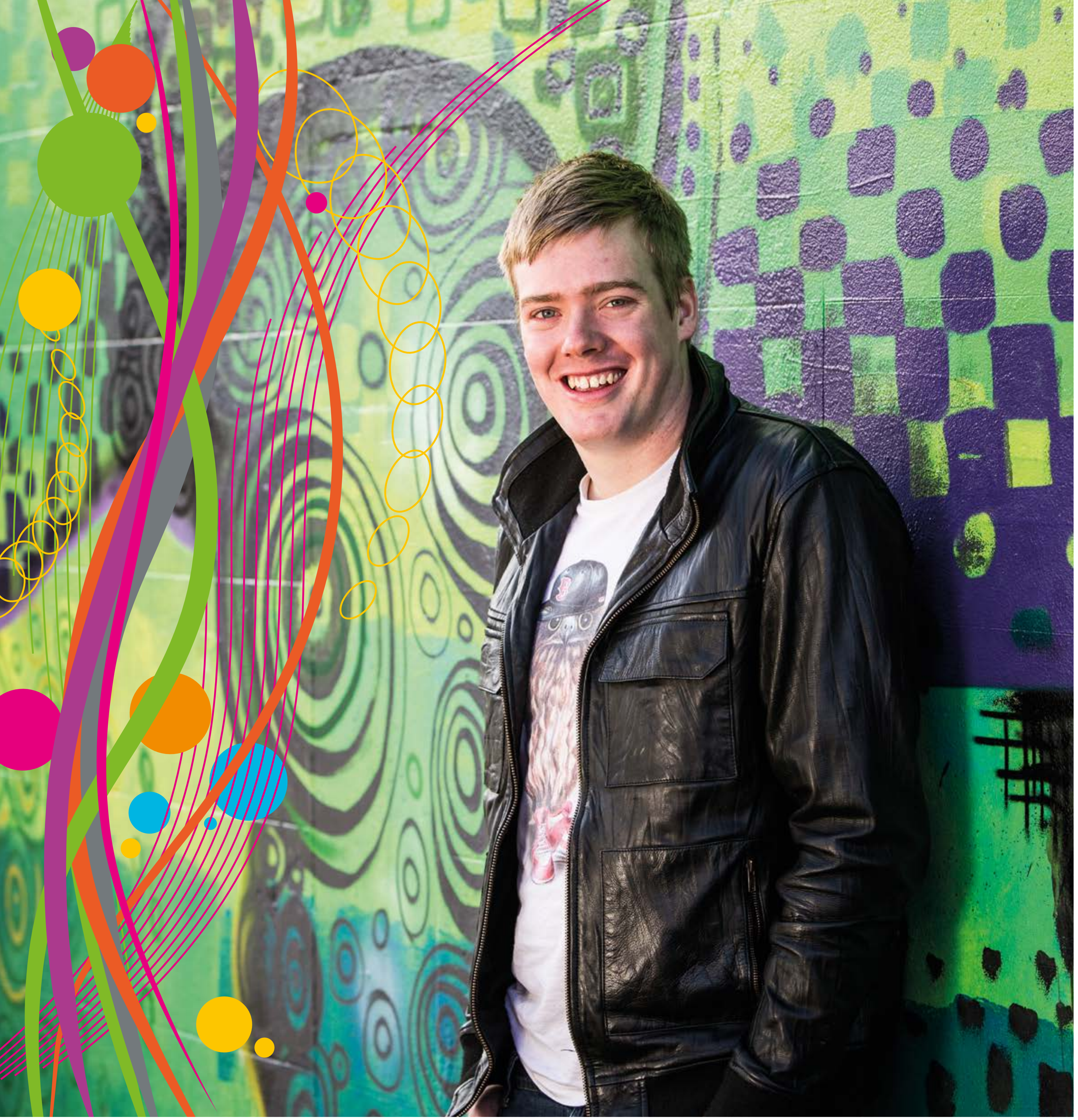
headspace
National Youth Mental Health Foundation



Supporters

headspace National Youth Mental Health Foundation Ltd is funded by the Australian Government Department of Health and Ageing under the Youth Mental Health Initiative Program.

headspace National Youth Mental Health Foundation Ltd
ABN 26 137 533 843



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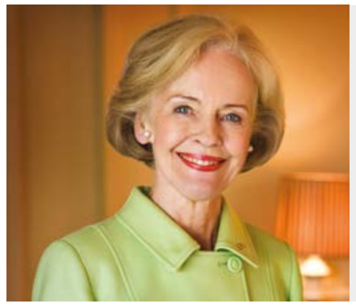

The Governor General, Quentin Bryce AC CVO, is a proud patron of **headspace** National Youth Mental Health Foundation Ltd.

headspace gratefully acknowledges the support of the Victorian Government, which is providing funding to a range of suicide postvention and prevention services in the Casey/Cardinia region and also a program to improve the mental health of Victorian school students.

Section One
Introduction

In the year to June this year, **headspace** passed a significant milestone in its short history.

During that 12 month period, we helped our 100,000th young Australian get support.

We'll never know exactly who that person was. They could have been seeking help at one of our centres for a general health concern. Maybe they were seeking support for a mental health issue like depression or anxiety. Maybe it was a family member seeking help for their son, daughter, brother or sister.

Maybe they didn't even set foot inside one of our centres, instead choosing to speak to one of our qualified clinicians online through **eheadspace**.

We can guess a few things though. They were most likely aged between 15 and 17 (almost a third of our clients are in this age group). They were probably influenced to visit **headspace** through a family member or friend (47 per cent of our clients tell us this).

And, most pleasingly, it was very likely they were satisfied or extremely satisfied with their **headspace** experience (86 per cent of young people who use our services fall into these two categories).

You can find these statistics and a range of other measures of our success in this year's Video Annual Report, which complements this printed document.

As always, the *Corporate Governance and Financial Statements* provides our:
- Corporate Governance statement
- Directors' Report
- Financial statements

The online video shines the spotlight on a range of **headspace** achievements for the financial year, including:
- Supporting 41,101 young people at our centres and through **eheadspace**.
- 15 new centres opening their doors across the country.
- Being chosen by the Commonwealth to oversee the rollout of early intervention psychosis services across the nation.
- Massively boosting community awareness of **headspace** through a range of activities at a national and local level.
- Supporting hundreds of secondary schools across the country through our suicide postvention program **headspace** School Support.
- Welcoming a new **headspace** Youth National Reference Group (hY NRG); 20 extraordinary young people who advise **headspace** on everything we do.

See the video at **headspace.org.au** and download an electronic version of this report there as well.

Finally, it is vital that we acknowledge the ongoing support that **headspace** enjoys across the political spectrum.

This broad commitment to **headspace** has existed since the day we opened (and before) and is truly one of the great strengths of this organisation.

It's worth noting that the beneficiary of this government backing isn't **headspace**; it's Australia's young people.

Tens of thousands of them have received help because of it. They're teenagers and young adults who have been set on a better path because these services have been established, prioritised and supported by successive governments.

And that's definitely worth celebrating.

Wendy McCarthy

Wendy McCarthy AO
Chair

Chris Tanti
Chief Executive Officer

1 Governance Statement

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

headspace is classified as a health promotion charity under the *Income Tax Assessment Act 1997* and is endorsed as a deductible gift recipient and tax concession charity.

2 The Board of directors

2.1 The role and responsibilities of the Board

The Board has adopted a formal charter that details the functions and responsibilities of the Board. A copy of the charter is available on the company's website.

The Governance Charter sets out the policies and internal rules for the governance of **headspace** and supplements and is subject to the rules set out in the **headspace** constitution, the Members Agreement and any governing legislation.

The Governance Charter is designed to:
- enable the Board of Directors to provide strategic direction and effective oversight of the management of **headspace**;
- clarify the roles and responsibilities of the board of directors and its committees and senior management to ensure a suitable balance of authority;
- facilitate accountability to the **headspace** members and principal funding agencies including the Commonwealth of Australia through the Department of Health and Ageing;
- set the standards for ethical corporate conduct, transparency and fair dealing in all **headspace** operations including its funding and research programs; and
- take account of the interests of stakeholders in the broader community, including young people and those who work with them in health, mental health and related fields.

The Governance Charter is reviewed annually and updated as necessary. Copies of the Charter can be viewed on **www.headspace.org.au**

2.2 Role of the Board

The primary functions of the Board are to:
- oversee the operation of **headspace**, including its accountability and control mechanisms;
- provide input to and final approval of **headspace** major policies;
- appoint and remove the CEO and monitor performance;
- provide input to and final approval of **headspace** corporate strategy and annual work plan;
- approve capital and operating budgets;
- review, ratify and monitor systems of risk management and internal control, codes of conduct and legal compliance; and
- approve and monitor financial and other reporting including under any funding agreements.

The CEO is responsible for the day-to-day management of **headspace** with all powers, discretions and delegations authorised, from time to time, by the Board. All delegated authorities provided by the Board to the Chief Executive Officer are reviewed and confirmed annually.

2.3 Resignation of Directors

Peter Mason resigned as the appointee of the Commonwealth Minister for Health and Ageing on 31 December 2012. The Minister nominated Anita Jacoby as replacement director.

2 The Board of directors (continued)

2.4 Board meetings

Directors are expected to prepare adequately for, attend and participate at Board meetings and meetings of Committees. The Board holds up to seven formal meetings a year, one of which serves to review and approve the strategic plan of the company. The Board also meets with Executive Management to consider matters of strategic importance to **headspace**. The number of Board meetings and each director's attendance at those meetings are set out in the Report of the directors.

2.5 Board and committee operations

To help it carry out its responsibilities, the Board has established the following Committees and has adopted Terms of Reference setting out the matters relevant to the composition, responsibilities and administration of these Committees:
- Finance, Audit and Risk Committee (includes the Remuneration Committee);
- Clinical Quality and Risk Management Committee;
- Aboriginal and Torres Strait Islander Taskforce; and
- Family and Friends Advisory Committee

Following each Committee meeting, the Board receives a copy of the minutes of meeting from the relevant Committee.

2.6 Review of Board Performance

The Board undertakes an annual review of its performance and may engage the assistance of external consultants to facilitate formal Board performance reviews.

2.7 Conflicts of interest

Directors are expected to avoid any action, position or interest that conflicts or appears to conflict with an interest of the company. This is a matter for ongoing consideration by all directors and the register is tabled at each Board meeting. The Governance Charter contains a Conflict of Interest Policy

2.8 Code of conduct

The Company has a Code of Conduct which requires the observance of strict ethical guidelines. The Code of Conduct applies to all employees and directors of the company, with the conduct of the Board and each director also governed by the Board Governance Charter.

2.9 Access to management

Board members have complete and open access to management through the Chair, Chief Executive Officer or Company Secretary at any time. In addition to regular presentations by management to Board and Board Committee meetings, directors may seek briefings from management on specific matters.

Section Three
Directors' Report

for the year ended 30 June 2013

The directors of **headspace** National Youth Mental Health Foundation Ltd ("the Company") present their report on the consolidated entity (referred to hereafter as "the Group"), consisting of **headspace** National Youth Mental Health Foundation Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2013.

Directors

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

Barbara Hingston
Anita Jacoby (appointed 11 February 2013)
Christine Jorm
Lyn Littlefield OAM
Ian Marshman
Peter Mason AM (resigned 31 December 2012)
Wendy McCarthy AO
Patrick McGorry AO
John McGrath AM
Louis Peachey
Sheree Vertigan
Robert Walters

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary at the end of the year:
Sara Tersigni: LLB London, Certified Member CSA.

Ms Tersigni was appointed Company Secretary on 5 June 2009 and is responsible for all governance and operational matters. Prior to joining the Group, she worked for over 25 years in international legal project managerial roles in private legal practice, project management consulting, legal publishing management, and legal practice management.

Principal Activities, Objectives and Measures of Performance

The principal activities of the Group during the financial year consisted of promoting the improved health and mental health outcomes for young people in Australia, through early intervention and prevention programs.

No significant change in the nature of these activities occurred during the year.

The Group's goals in undertaking its principal activities are to:
- Support and enhance the quality of what services it delivers;
- Implement **headspace** centres, clinical programs and supporting modalities;
- Ensure each element of the **headspace** system can be spoken for and articulated in the broader community;
- Make sure its people are at the core of each outcome and its workforce is developed to drive the desired outcomes;
- Develop internal capability to continue to grow and expand **headspace**; and
- Have the right systems and data to drive operational performance, meet obligations, improve the programs and manage risk.

The Group's strategy to achieve these goals is:
- Build awareness of who **headspace** is and what it does;
- Develop **headspace** so it is responsive to the individual needs of every young person;
- Develop a long-term sustainable funding approach by tapping into broader investor and funding options;
- Enhance access to appropriate services for all young people; and
- Deliver the best, most effective model through continual research and validation.

The Group has developed a set of internal indicators by which it measures how it is achieving its goals.

Section Three
Directors' Report

(continued) for the year ended 30 June 2013

Operating Results

The operations of the Group for the financial year resulted in a surplus of $22,703,390 (2012: of $8,278,631). The surplus is in part due to the Group receiving funding for the Early Psychosis Youth Services project (EPYS) in June 2013 of $11,413,342, of which only minimal expenditure was able to be incurred by year end. A further $5,485,805 of the surplus related to grant payments that were either not paid to centres due to obligations having not been met, or not falling due until the subsequent year. Of the remainder $3,096,552 relating to other programs and Service Development Funding of $2,707,691 not yet incurred also contributed to this surplus.

Dividends Paid or Recommended

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 Group conducted the Youth Mental Health Initiative in accordance with the funding agreement it had entered into with the Commonwealth of Australia. In addition, the Group has conducted other programs, funded by both the Commonwealth of Australia and other fund providers, which support and complement the Youth Mental Health Initiative. The Group has, through these additional programs, including EPYS and the School Support program, increased its presence in the mental health sector and is now able to provide a more comprehensive service to the youth of Australia. The Group increased the number of **headspace** centres to 55 during the year and an additional 15 new centres will be opened on an annual basis in each new round under the main **headspace** program. This has lead to an increase in the **headspace** services available within the community, combined with organic growth from existing centres as they move from a developing stage in their lifecycle to fully established centres. All these activities are supported by the funding agreements currently in place which sets out this intended growth of the Group.

Significant Changes in the State Of Affairs

The Group was awarded the Early Psychosis Youth Services program in June 2013 under the Commonwealth of Australia Initiative. This program will be focussed on early intervention for young people with emerging serious mental illness through building on the existing and expanding **headspace** centre network. This program will provide the Group with additional funding amounting to $203,653,684 over three years through to 2016. The additional funding will enable the Group to:
- Provide a range of development and support functions, building on the **headspace** National Office infrastructure, to establish, fund and support the delivery of Early Psychosis Youth Services at relevant **headspace** centres;
- Manage the provision of Early Psychosis Youth Services by opening nine enhanced service centres across Australia through the Group's existing platform of service delivery and contract management;
- Provide wrap around services through the expansion of **headspace** to young people and their families engaged with Early Psychosis Youth Services at relevant **headspace** Centres.

Matters Subsequent to the end of the Financial Year

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

Likely Developments and Expected Results of Operations

Due to the Group being awarded the Early Psychosis Youth Service program, the Group expects that in the early phase of the EPYS program this may lead to an increase in the Group's underlying surplus until this program becomes fully operational. There are no likely developments in the operations of the Group which have not been disclosed within this report.

Environmental Regulation

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

Section Three
Directors' Report

(continued) for the year ended 30 June 2013

Information on Directors

Name	Qualifications and Experience	Special Responsibilities
Barbara Hingston	– Board member since 16 July 2009. – BA, BSW, GAICD, MAASW. – Barbara has held senior executive and corporate management roles in commonwealth government and in the NGO sector including as Executive Director for Mercy Health Care Australia Ltd, a national collaboration in health and aged care. Board member since 16 July 2009, inaugural Co-Chair of **headspace** Board's Clinical, Research and Evaluation Advisory Committee 2009-2012. – She is a highly experienced non-executive director, having contributed to the governance of acute tertiary health as a member of Austin health Board for 8 years , mental health and other primary care services, health professional regulation, and child and family services in Victoria, Qld and the ACT. In addition to **headspace**, her current directorships include Catholic Social Services Australia, Eastern Melbourne Medicare Local and Eastern Domestic Violence Outreach Service in Victoria. She currently chairs the Mental Health Community Collaborative-Northern in Victoria. – Barbara consults to government and community organisations in corporate and clinical governance, strategy and stakeholder engagement and service review and evaluation. She is an executive mentor and coach to senior executive staff and is also an experienced social worker practiced in individual and group counselling in sexual assault, family violence and other trauma.	Appointee of the Commonwealth Minister for Health and Ageing. Member Centre Expansion Committee. Member Finance, Audit and Risk Committee.
Anita Jacoby (Appointed 11 February 2013)	– Board member since 11 February 2013 – Anita is one of Australia's most experienced media professionals. In a career spanning 30 years she's created and produced hundreds of hours of content for every TV network. – Most recently she was an Executive at Zapruder's other films producing programs such as "Enough Rope", "The Gruen Transfer", "Elders", "Hungry Beast", "Country Town Rescue" and "AFP" and documentaries including "God on My Side" and the award-winning mental health documentary, "Angels & Demons". – Over the years she's also produced numerous stories for programs including "60 Minutes", "Sunday", "Witness", "Today" and "GMA". Many of these have focussed on mental health issues such as youth suicide, teenage drinking, drug abuse and gender issues. – Anita has also worked as a news reporter, print journalist and book editor. – Her work has seen her awarded six AFI/AACTA awards; an Order of Australia Media Award; a Human Rights Award (Highly Commended); Asia-Pacific Broadcasting Union Award and the Alzheimer's Australia Annual Award.	Appointee of the Commonwealth Minister for Health and Ageing. Member Finance, Audit and Risk Committee.

Section Three
Directors' Report

(continued) for the year ended 30 June 2013

Information on Directors (continued)

Name	Qualifications and Experience	Special Responsibilities
Anita Jacoby *(continued)*	– Anita has completed the Australian Institute of Company Director's course. – She is also on the NSW Alzheimer's Advisory Board and a Director of the Arts Law Centre of Australia.	
Christine Jorm	– Board member since 11 April 2012. – Christine is Associate Dean (Professionalism) at Sydney Medical School – She has doctorates in neuropharmacology and sociology and is a Fellow of the Australian and New Zealand College of Anaesthetists, practicing as an anaesthetist for more than 15 years before her interest in quality assurance in anaesthesia led to full-time cross-disciplinary work in patient safety and quality. As a foundation staff member of the Australian Commission on Safety and Quality in Health Care, she ran national programs and developed policy and strategy until moving to Sydney University in 2010. – Christine is now responsible for the teaching and assessment in the professionalism theme of the Sydney Medical Program and Chairs the Sydney Medical School External Interests Committee. – Other current advisory roles held include: Board of the Faculty of Nursing, Sydney University and the Grattan Institute Health Reference Group. – She publishes on a broad range of safety issues, quality improvement, medical education, health policy and medical culture and is passionate about finding ways to enable the doctors of the future to better engage with and influence the healthcare system. Christine's 2012 book 'Reconstructing Medical Practice – Engagement, Professionalism and Critical Relationships in Health Care' places an emphasis on the limitations of regulation and of the need to value workplace relationships and communicative interactions.	Member appointee of University of Sydney. Member Clinical Quality and Risk Management Committee.
Lyn Littlefield OAM	– Board member since 5 June 2009. – Professor, OAM, FAPS, FAICD, FAIM, BSc, BBSc (Hons), Dip Ed, M Psych, PhD. – Lyn has extensive experience in teaching, clinical practice and research, in child and family psychology, and she established the first professional doctorate in clinical child, adolescent and family psychology in Australia. Lyn was previously the Head of the School of Psychological Science at La Trobe University, and is currently a Professor at La Trobe. She was the Inaugural Director of the Victorian Parenting Centre. – She was conferred a Medal of the Order of Australia in 2001 for services to the welfare of children and families.	Member appointee of the Australian Psychological Society Limited. Member of Clinical Quality and Risk Management Committee.

Information on Directors (continued)

Name	Qualifications and Experience	Special Responsibilities
Lyn Littlefield OAM *(continued)*	– Lyn is Deputy Chair of Mental Health Council of Australia; Chair of the Board of Allied Health Professionals Australia; Board member of Mental Health Professionals Network. – Lyn also sits on a number of Government Mental Health Advisory Groups.	
Ian Marshman	– Board member since 5 June 2009. – BA (Honours), LLB. – Ian was appointed Senior Vice-Principal at the University of Melbourne in March 1999. In this role he is accountable to the Vice-Chancellor and Council for the overall management and administration of the University. Ian has specific responsibilities for major projects and facilities planning, audit, compliance and external reporting accountabilities. – Ian's career began as an Administrator in the Australian Public Service in Canberra. He has held senior positions in health at Commonwealth and State Government levels. – He is currently Chair of the Management Committee for Victorian Tertiary Admissions Centre. – He is Chair of the Universitas 21 Managers Group. Ian is a current member of the Melbourne Theatre Company Board and a Director of the Melbourne Dental Clinic and Uniseed Ltd. He has previously served on the boards of several health services agencies. He is also a Director of a number of University boards.	Member appointee of the University of Melbourne. Chair of Finance, Audit & Risk Committee. Chair Centre Expansion Committee. Member Remuneration Committee.
Peter Mason AM (resigned 31 December 2012)	– Board member since 5 June 2009. – AM, B Com (Hons), MBA, Hon Dr University of NSW. – Peter is Chairman of AMP Limited, Senior Advisor to UBS Investment Bank and a Non-Executive Director of David Jones Ltd and Singapore Telecommunications Ltd. He has 40 years' experience in investment banking. – Peter is Chairman of The Centre for International Finance and Regulation, a Trustee of the Sydney Opera House Trust, a Director of the University of New South Wales Foundation Board, Chairman of the UBS Australia Foundation, and Chairman of the Dean's Circle of the University of NSW Faculty of Medicine. He is also an Ambassador for the Australian Indigenous Education Foundation.	Appointee of the Commonwealth Minister for Health and Ageing. Co-Chair of Finance, Audit & Risk Committee.

headspace National Youth Mental Health Foundation Ltd ABN 26 137 533 843

Section Three
Directors' Report
(continued) for the year ended 30 June 2013

Information on Directors (continued)

Name	Qualifications and Experience	Special Responsibilities
Wendy McCarthy AO	– Board member since 5 June 2009. – AO, BA, Dip Ed, Hon Dr University of SA. – Wendy began her career as a secondary school teacher and remains passionate about the power of education. For five decades she has been a teacher, educator and change agent in Australian public life. – Wendy chairs Circus Oz, McGrath Estate Agents and Pacific Friends of the Global Fund and is a Director of Goodstart Early Learning and Childcare Limited. – She has held many significant leadership roles in leading national and international bodies including eight years as Deputy Chair of the Australian Broadcasting Corporation, 10 years as Chancellor of the University of Canberra and 13 years as a director of Plan International. – In 1989, Wendy was appointed an Officer of the Order of Australia for outstanding contributions to community affairs, women's affairs and the Bicentennial celebrations.	Appointee of the Commonwealth Minister for Health and Ageing. Chair of the Board.
Patrick McGorry AO	– Board member since 5 June 2009. – AO, MD, BS, PhD, FRCP, FRANZCP, Australian of the Year 2010. – Pat is Executive Director of Orygen Youth Health and Professor of Youth Mental Health at the University of Melbourne. He is a world-leading researcher in the area of early psychosis and youth mental health. He is the Editor-in-Chief of the Wiley journal "Early Intervention in Psychiatry". – Pat has also played a major role in mental health reform in Australia and many other countries. He led the successful consortium bid to the Department of Health and Ageing, on behalf of Orygen, University of Melbourne, APS and BMRI/University of Sydney, to design and implement **headspace** from 2006-2009, prior to it forming an independent company in 2009. Pat is a board member of the Lighthouse Foundation and acting Chair of the Steering Committee of the International Association for Youth Mental Health. He is a former Director of Headstrong, Ireland's National Youth Mental Health Foundation; past-president and treasurer of the International Early Psychosis Association; a former member of the National Mental Health Advisory Committee; and a former member of the Victorian Government's Mental Health Reform Council.	Member appointee of Orygen Youth Health Research Centre. Member of Clinical, Quality and Risk Management Committee.

Information on Directors (continued)

Name	Qualifications and Experience	Special Responsibilities
John McGrath AM	– Board member since 5 June 2009. – AM. – Chairman of Mental Health Professionals Network Ltd, a Commonwealth funded project in Collaborative Interdisciplinary Networking. John is past Deputy Chair and an Inaugural Director of beyondblue since its inception in October 2000. – Immediate Past Chair of the Victorian Ministerial Expert Council on Mental Health from 1999 – 2010. Former Board Member of Crisis Support Services, a national professional telephone counseling service. John was the Inaugural Chair of the Mental Health Council of Australia 1997 – 2003. John was also the Inaugural Chair of the Western Region Alcohol and Drug Centre in Warrnambool for 13 years. – Member of the Victorian Parliament 1985 – 1999. Deputy Speaker and Chairman of Committees from 1992 until his voluntary retirement as MLA for Warrnambool, in late 1999. – In 2008 John was appointed a Member of the Order of Australia in the Queen's Birthday honours awards. – John`s decision to retire from politics was prompted by his desire to direct all of his energies towards promoting better outcomes for consumers of mental health services and their families. – John brings a strong family/carer focus to his involvement, instigated by the personal experience of having his two sons impacted by mental illness. Darren's treatment has been effective, so that today he leads an active and productive life, however John's second son Shane, lost his life to suicide in 1993.	Appointee of the Commonwealth Minister for Health and Ageing. Chair Family and Friends Committee. Member Finance Audit and Risk Committee.
Louis Peachey	– Board member since 18 May 2012. – Dr Louis Peachey is a Girimay man from the Djiribaligan language group (Rainforest People) of North Queensland. He is a Senior Medical Officer at the Atherton District Hospital where he works as a Rural Generalist. – Dr Peachey was the founding President of the Australian Indigenous Doctors Association, and has been directly involved in Health Advocacy for Indigenous Australians for more than a quarter of a century. He has served on the Board of the Australian College of Rural and Remote Medicine, and the Logan Area Division of General Practice. Dr Peachey has also served on numerous Federal and State health committees and reference groups throughout his career.	Appointee of Australian Indigenous Doctors Association. Member Aboriginal and Torres Strait Islander Committee.

headspace National Youth Mental Health Foundation Ltd ABN 26 137 533 843

Section Three
Directors' Report
(continued) for the year ended 30 June 2013

Information on Directors (continued)

Name	Qualifications and Experience	Special Responsibilities
Sheree Vertigan	– Board member since 5 June 2009. – BA, MEd, MACE. – Sheree has worked in a variety of positions within education, commencing her career as an English teacher prior to taking up a position as a consultant and then returned to senior positions within schools and the Department of Education. Sheree currently holds a number of other positions including: • President of Australian Secondary Principals' Association Ltd. • Asia/Oceania Representative on the International Confederation of Principals • Director, Principals Australia Board • Director, Asia Education Foundation • Director, Australian National Council for Drugs.	Appointee of Principals Australia. Member Aboriginal and Torres Strait Islander Committee.
Robert Walters	– Board member since 5 June 2009. – B Med Sc, MB BS, RFD. – Rob is a practicing GP in Hobart. From 2002-05, Rob was the Chair of the Australian Divisions of General Practice (now AGPN) and continues to serve on the Board of his Tasmanian Division (General Practice South). – He is also a medico-legal adviser and case manager for the Medical Indemnity Protection Society in Tasmania and regularly presents to medical practitioners nationally, on matters related to medical indemnity, risk and medicine and the law. Rob was appointed a Part- time Member of the Administrative Appeals Tribunal (AAT) in 2006 – Rob has served, and continues to serve, on a number of Boards and Councils representing General Practice including the beyondblue Clinical Reference Council, the National Advisory Council on Mental Health and he is a past Chair of the Cancer Council of Tasmania. He also has an interest in Occupational Medicine and is the Medical Director on the Tasmanian Work Cover Board. – Rob holds the rank of Colonel in the Australian Army Reserve and is a consultant to the Surgeon General of the Australian Defence Force on General Practice for the Army, Navy and Air Force. In 2002 he served overseas in East Timor with the UN Forces.	Member appointee of Australian General Practice Network Limited. Member Centre Expansion Committee. Member of Clinical, Quality and Risk Management Committee.

There are no loans made to directors by the Group.

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 2013, and the number of meetings attended by each director were:

Director	Directors' Meetings		Finance, Audit & Risk Committee Meetings	
	Attended	**Eligible to attend**	**Attended**	**Eligible to attend**
Barbara Hingston	6	6	2	2
Anita Jacoby	3	3	2	2
Christine Jorm	6	6	–	–
Lyn Littlefield OAM	5	6	–	–
Ian Marshman	5	6	8	8
Peter Mason AM	2	3	3	5
Wendy McCarthy AO	6	6	1	(ex-officio)
Patrick McGorry AO	6	6	–	–
John McGrath AM	6	6	8	8
Louis Peachey	6	6	–	–
Sheree Vertigan	5	6	–	–
Robert Walters	6	6	–	–

Director	Clinical Quality and Risk Committee Meetings		Indigenous Taskforce Committee Meetings	
	Attended	**Eligible to attend**	**Attended**	**Eligible to attend**
Barbara Hingston	–	–	–	–
Anita Jacoby	1	1	–	–
Christine Jorm	–	–	–	–
Lyn Littlefield OAM	1	1	–	–
Ian Marshman	–	–	–	–
Peter Mason AM	–	–	–	–
Wendy McCarthy AO	–	–	1	1
Patrick McGorry AO	1	1	–	–
John McGrath AM	–	–	–	–
Louis Peachey	–	–	3	3
Sheree Vertigan	–	–	3	3
Robert Walters	–	–	–	–

Meetings of Directors (continued)

Director	Family and Friends Committee Meetings	
	Attended	**Eligible to attend**
Barbara Hingston	–	–
Anita Jacoby	–	–
Christine Jorm	–	–
Lyn Littlefield OAM	–	–
Ian Marshman	–	–
Peter Mason AM	–	–
Wendy McCarthy AO	–	–
Patrick McGorry AO	–	–
John McGrath AM	4	4
Louis Peachey	–	–
Sheree Vertigan	–	–
Robert Walters	–	–

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

Insurance of Officers

During the year ended 30 June 2013, the Group paid premiums totalling $4,179 (2012: $4,179) to insure the officers (including directors) of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Indemnity of Auditors

No indemnities have been given, during or since the end of the financial year, for any person who is or has been an auditor of the Group.

Proceedings on Behalf of Group

No proceedings have been brought or intervened in on behalf of the Group with leave of the court under section 237 of the *Corporations Act 2001*.

Non-audit Services

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

Non-audit services of $4,075 (2012: $4,770) were provided during the financial year for tax advice. Details of the amounts paid or payable to the auditor (RSM Bird Cameron Partners) for audit and non-audit services provided during the year are also set out in note 18 to the financial report.

The Board of Directors has considered the position and, in accordance with advice received from the Finance, Audit & Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Finance, Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

headspace National Youth Mental Health Foundation Ltd ABN 26 137 533 843

Section Three
Directors' Report
(continued) for the year ended 30 June 2013

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found following the Directors' Report, as required under section 307C of the *Corporations Act 2001*.

Auditor

RSM Bird Cameron Partners continue in office in accordance with section 327 of the *Corporations Act 2001*.

Signed on this 18th day of September 2013 in accordance with a resolution of the Board of Directors.

Wendy McCarthy AO	**Ian Marshman**
Chair	Co-Chair of Finance, Audit & Risk Committee
Melbourne	Melbourne

RSM Bird Cameron 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 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

P A RANSOM
Partner

Melbourne, Victoria
Dated: 18 September 2013

Section Four
Consolidated Financial Statements

for the financial year ended 30 June 2013

Section Four –
Consolidated Financial Statements

These financial statements are the consolidated financial statements of the Group consisting of **headspace** National Youth Mental Health Foundation and its subsidiary. The financial statements are presented in the Australian currency.

A description of the nature of the Group's operations and its principal activities is included in the review of operations and activities in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue by the directors on 18 September 2013. The directors have the power to amend and reissue the financial statements.

Section Four
Consolidated Statement of Comprehensive Income

for the Year Ended 30 June 2013

	Note	2013 $	2012 $
Revenue from Continuing Operations			
Revenue from services and Government grants		81,595,254	55,780,068
Interest		1,217,025	771,351
Fundraising		217,882	101,735
Other revenues from operating activities		147,403	292,706
REVENUE FROM OPERATING ACTIVITIES	**2**	**83,177,564**	**56,945,860**
Employment		8,882,968	5,924,012
Occupancy		948,726	231,460
Grant payments		43,936,403	37,182,572
Consultancy		839,742	1,297,551
Sub-contracts with member organisations		450,000	525,000
Governance		310,607	222,616
Travel		1,133,810	633,627
Communications and marketing		1,392,316	842,772
Depreciation and amortisation		807,356	712,380
Other operating and administration expenses		1,772,246	1,095,239
EXPENSES FROM OPERATING ACTIVITIES	**3**	**60,474,174**	**48,667,229**
SURPLUS FOR THE YEAR BEFORE INCOME TAX		22,703,390	8,278,631
Income tax expense	1e	–	–
SURPLUS FOR THE YEAR		**22,703,390**	**8,278,631**
Other comprehensive income			
Other comprehensive income		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**22,703,390**	**8,278,631**

The accompanying notes form part of these financial statements.

Section Four
Consolidated Statement of Financial Position

as at 30 June 2013

	Note	2013 $	2012 $
ASSETS			
Current assets			
Cash assets		29,464,482	15,482,812
Other financial assets	4	14,212,164	5,651,525
Trade and other receivables	5	635,197	756,347
Total current assets		**44,311,843**	**21,890,684**
Non-current assets			
Leasehold improvements and office equipment	6	1,034,270	952,112
Intangible assets	7	–	112,764
Total non-current assets		**1,034,270**	**1,064,876**
Total assets		**45,346,113**	**22,955,560**
LIABILITIES			
Current liabilities			
Trade and other payables	8	5,570,175	6,342,401
Provisions	9	462,728	290,031
Deferred income	10	83,219	–
Total current liabilities		**6,116,122**	**6,632,432**
Non-current liabilities			
Provisions	9	202,217	81,963
Deferred income	10	83,219	–
Total non-current liabilities		**285,436**	**81,963**
Total liabilities		**6,401,558**	**6,714,395**
Net assets		**38,944,555**	**16,241,165**
MEMBERS' FUNDS			
Accumulated surplus	11	38,944,555	16,241,165
Total members' funds		**38,944,555**	**16,241,165**

The accompanying notes form part of these financial statements.

Section Four
Consolidated Statement of Changes in Equity

for the Year Ended 30 June 2013

	Note	Accumulated surplus $	Total $
Balance at 1 July 2011		7,962,534	7,962,534
Total comprehensive income for the year	11	8,278,631	8,278,631
Balance at 30 June 2012		16,241,165	16,241,165
Total comprehensive income for the year	11	22,703,390	22,703,390
Balance at 30 June 2013		**38,944,555**	**38,944,555**

The accompanying notes form part of these financial statements.

Section Four
Consolidated Statement of Cash Flows

for the Year Ended 30 June 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Receipts from Government grants and other operations		90,275,966	63,184,504
Payments to employees and suppliers (incl GST)		(68,173,929)	(48,465,265)
Interest received		1,217,025	771,351
Net cash inflow from operating activities	14(b)	**23,319,062**	**15,490,590**
Cash flows from investing activities			
Payments for intangible assets		–	(87,298)
Payments for leasehold improvements and office equipment		(766,753)	(677,386)
Net cash outflow from investing activities		**(766,753)**	**(764,684)**
Cash flow from financing activities			
Net cash inflow / (outflow) from financing activities		**–**	**–**
Net increase / (decrease) in cash held		**22,542,309**	**14,725,906**
Cash and cash equivalents at the beginning of the financial year		21,134,337	6,408,431
Cash and cash equivalents at the end of the financial year	14(a)	**43,676,646**	**21,134,337**
Cash and cash equivalents at the end of the financial year consists of:			
Cash assets		29,464,482	15,482,812
Other financial assets	4	14,212,164	5,651,525
		43,676,646	**21,134,337**

The accompanying notes form part of these financial statements.

Note 1: Summary of significant accounting policies

The following is a summary of the material accounting policies adopted by the Group in preparation of the consolidated financial report. The financial statements are for the consolidated entity consisting of **headspace** National Youth Mental health Foundation Ltd and its subsidiary. The accounting policies have been consistently applied, unless otherwise stated.

The consolidated financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*. **headspace** is a not-for-profit entity for the purpose of preparing the financial report.

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

Early Adoption of Standards
The Group has not elected to early adopt any accounting standards for this reporting period (2012: Nil).

Critical accounting estimates and judgements
The preparation of financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report is disclosed in note 20.

a. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of **headspace** National Youth Mental Health Foundation Ltd ("the Parent Entity") as at 30 June 2013 and the results of its subsidiary for the year then ended. **headspace** National Youth Mental Health Foundation Ltd and its subsidiary together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of the subsidiary are consistent with those adopted by the Group.

b. Functional and presentation currency

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

c. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group and specific criteria have been met for each of the group's activities as described below. All revenue is stated net of the amount of applicable goods and services tax (GST).

Revenue from services and Government grants
Revenue from Government grants is recognised when the Group has met all applicable milestones under the grant agreement. Where there are no milestones applicable to a grant agreement, grants are recognised as revenue upon obtaining control of the funds. When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised as a liability until the service has been delivered to the contributor. Otherwise the grant is recognised as income upon receipt.

Note 1: Summary of significant accounting policies (continued)

c. Revenue Recognition (continued)

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 when received.

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.

Grant payments
Payments payable to **headspace** Centres are recognised as a liability when the **headspace** Centre has met all applicable milestones under the grant agreement with **headspace**.

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 for income tax has been made.

The subsidiary of the parent has applied for an income tax exemption. This position has not been concluded at the date of the financial report.

f. Leases

Lease payments for operating leases (note 13(a)), where substantially all the risks and benefits remain with the lessor, are charged as expenses (net of any incentives received from the lessee) on a straight-line basis over the lease term.

g. 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 the positive intention and ability to hold to maturity. For the purposes of presentation in the Consolidated Statement of Cash Flows, cash assets and other financial assets equate to cash and cash equivalents.

h. Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured less any provision for impairment. Trade receivables are generally due for settlement within 30 days (2012: 30 days). They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is raised when some doubt as to collection exists.

The collectability of other receivables is assessed at the reporting date and specific provision is made for any doubtful amounts.

The amount of the impairment loss is recognised as an expense within other operating and administration expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other operating and administration expenses in the Consolidated Statement of Comprehensive Income.

Note 1: Summary of significant accounting policies (continued)

i. Leasehold improvements and office equipment

Leasehold improvements and office equipment are measured at cost or deemed cost on acquisition and are carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of leasehold improvements of 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 1n).

The depreciable amount of all leasehold improvements and office equipment is calculated on a straight line basis over their estimated useful lives to the Group 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% - 50%
Leasehold improvements	33 ⅓%

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 sale with the carrying amount. These are included in the Consolidated Statement of Comprehensive Income as gain / (loss) on sale.

j. Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and / or cost reduction are treated as intangible assets. Costs capitalised include external direct costs of materials and services. Amortisation is calculated on a straight-line basis over the expected period of service provision.

IT development costs include only those costs directly attributable to the development phase and are only recognised where the Group has an intention and ability to use the asset.

k. 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 Group which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability (2012: 30 days).

l. Employee entitlements

Short-term obligations

Provision is made for the Group'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 settled within one year have been measured at the 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 settled within 12 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 on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1: Summary of significant accounting policies (continued)

l. Employee entitlements (continued)

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the Group 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.

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

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 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.

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. New accounting standard and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)

AASB 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. There will be no impact on the Group's accounting for financial assets and liabilities as the Group does not have any financial assets / liabilities that are designated at fair value through profit or loss.

(ii) AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)

In August 2011, the AASB issued a suite of new and amended standards which address the accounting for consolidated financial statements.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Note 1: Summary of significant accounting policies (continued)

o. New accounting standard and interpretations (continued)

Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent / principal relationships. The Group does not expect the new standard to have a significant impact on its composition.

AASB 12 sets out the required disclosures for entities reporting under AASB 10 and replaces the disclosure requirements currently found in AASB 127. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but could impact the type of information disclosed in relation to the Group's investments.

The Group will adopt the new standards from their operative date. They will therefore be applied in the consolidated financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

p. New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

q. Parent entity financial information

The financial information for the parent entity, **headspace** National Youth Mental Health Foundation Ltd, disclosed in note 22 has been prepared on the same basis as the consolidated financial statements.

Note 2: Revenues from continuing operations

	2013 $	2012 $
Operating activities from continuing operations		
Government grants	81,595,254	55,780,068
Interest	1,217,025	771,351
Fundraising	217,882	101,735
Other revenues from operations	147,403	292,706
Total revenues from continuing operations	**83,177,564**	**56,945,860**

Revenue for the financial year includes funding under an agreement with the Commonwealth of Australia as represented by the Department of Health & Ageing for the establishment of Early Psychosis Youth Services executed on 25 June 2013. Upon the execution of this agreement, **headspace** received $11,413,342, which was immediately recognised within revenues from continuing operations, as the milestone for entitlement had been achieved.

A surplus of $22,703,390 was made during the year. Excluding the $11,413,342 receipt as discussed above, the remaining surplus represents the following:

- Surplus of $3,096,552 relating to other programs (including the School Support project) for which milestones relevant to payment have not been met at 30 June 2013, which is expected to be fully expended over the next two years.
- Surplus of $2,707,691 related to the Service Development funds for which milestones relevant to payment have not been met at 30 June 2013, which is expected to be expended fully over the next two years.
- Remaining surplus of $5,485,805 largely relates to the timing difference on Centre Funding and National Office funding which is expected to be fully expended over the next two years.

Note 3: Expenses from operating activities

Expenses from operating activities has been determined after:

	2013 $	2012 $
Depreciation and amortisation		
Intangible asset	112,764	97,768
Leasehold improvements	302,752	289,401
Office equipment	391,840	325,211
	694,592	614,612
Total depreciation and amortisation	807,356	712,380
Rental expense relating to operating leases – minimum lease payments	697,026	189,596
Loss on sale of leasehold improvements and office equipment	–	427

Note 4: Other financial assets

Current	2013 $	2012 $
Deposits at call	14,212,164	5,651,525
Total other financial assets	14,212,164	5,651,525

(a) Risk exposure

The Group's exposure to risk is discussed in note 19. The maximum exposure at the end of the financial year is the carrying amount of the cash and cash equivalents noted above.

Note 5: Trade and other receivables

Current	2013 $	2012 $
Trade and other receivables	428,567	545,723
GST receivable	–	2,218
Prepayments	206,630	208,406
Total trade and other receivables	635,197	756,347

(a) Impaired trade receivables

There are no impaired trade receivables at year end (2012: $nil).

(b) Past due but not impaired

As at 30 June 2013, trade receivables of $973 (2012: $76,187) were past due but not impaired. These are either amounts which the Group fully expects to receive or amounts payable from individual **headspace** centres. In the case of the centres, the Group has a right of offset for any amounts outstanding. These outstanding balances would be deducted from any payments made to the centres by the Group. The ageing analysis of these trade receivables is as follows:

Ageing:	2013 $	2012 $
31-60 days	–	75,573
>90 days	973	614
	973	76,187

The other classes within trade and other receivables do not contain impaired assets and are not past due.

(c) Risk exposure

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 19 for more information on the Group's risk management policy.

Note 6: Leasehold improvements and office equipment

Note 6(a): Leasehold improvements

	2013 $	2012 $
Leasehold improvements at cost	736,792	909,201
Less accumulated depreciation	(229,739)	(786,380)
Total leasehold improvements	507,053	122,821

Note 6(b): Office equipment

	2013 $	2012 $
Office equipment at cost	1,487,853	1,409,057
Less accumulated depreciation	(960,636)	(579,766)
Total office equipment	527,217	829,291
Net book amount	1,034,270	952,112

Note 6(c): Movements in carrying amounts

	Leasehold improvements $	Office equipment $	Total $
Balance at 1 July 2011	368,702	521,061	889,763
Additions	43,520	633,866	677,386
Disposals	–	(425)	(425)
Depreciation	(289,401)	(325,211)	(614,612)
Carrying amount as at 30 June 2012	122,821	829,291	952,112
Additions	686,984	89,766	776,750
Depreciation	(302,752)	(391,840)	(694,592)
Carrying amount as at 30 June 2013	507,053	527,217	1,034,270

Note 7: Intangible assets

(a) Software

	2013 $	2012 $
Cost	210,532	210,532
Less accumulated amortisation	(210,532)	(97,768)
Net carrying value	–	112,764

(a) Movements in carrying amounts

	Total $
Balance at 1 July 2011	123,234
Additions	87,298
Amortisation	(97,768)
Carrying amount as at 30 June 2012	112,764
Amortisation	(112,764)
Carrying amount as at 30 June 2013	–

The Group entered into a Licence, Installation and Support Agreement with Global Health Limited to customise, install and provide support in relation to MasterCare EMR, the software product used in **headspace** centres. In relation to this agreement, no new expenditure has been capitalised during the financial year (2012: $87,298). The software has been amortised over its expected useful life to the Group.

Note 8: Trade and other payables

	2013 $	2012 $
Current		
Trade payables	119,459	275,419
GST payable	177,891	–
Other payables	5,272,825	6,066,982
	5,570,175	6,342,401

Included in other payables is an amount of $278,722 payable by the Company in relation to the transition of the operations of the Cairns **headspace** centre in May 2013. It is anticipated that the majority of this amount will be payable to the outgoing lead agency, which is an unrelated entity.

headspace National Youth Mental Health Foundation Ltd ABN 26 137 533 843

Section Four
Notes to the Consolidated Financial Statements
(continued) for the Year Ended 30 June 2013

Note 9: Provisions

	2013 $	2012 $
Current		
Employee entitlements – annual leave	462,728	290,031
Non-current		
Employee entitlements – long service leave	202,217	81,963
Total provisions	664,945	371,994

Amounts not expected to be settled within the next 12 months

The total provision for employee benefits includes accrued annual leave and long service leave. For long service leave the provision covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the long service leave provision of $202,217 (2012 - $81,963) is presented as non-current as no employees are entitled to a payment of their long service leave entitlement within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months:

	2013 $	2012 $
Current leave obligations expected to be settled within 12 months	462,728	290,031

Note 10: Deferred income

	2013 $	2012 $
Current		
Lease incentive	83,219	–
Non Current		
Lease incentive	83,219	–
Total deferred income	166,438	–

Note 11: Accumulated surplus

Movements in accumulated surplus were as follows:

	2013 $	2012 $
Balance as at 1 July	16,241,165	7,962,534
Surplus for the year	22,703,390	8,278,631
Balance as at 30 June	38,944,555	16,241,165

Note 12: Members' guarantee

The Company is limited by guarantee. If the Company is wound up the liability of each member is limited to a maximum of $100 towards meeting any outstanding obligations of the Company. At 30 June 2013 the number of members was 5 (2012: 5).

Note 13: Commitments

Note 13(a): Lease commitments: Group as lessee

Non-cancellable operating leases

Photocopier/printers are leased from Fuji Xerox on two contracts, one for a period of 33 months commencing 6 October 2012 and the second for a period of 24 months commencing 18 April 2013. Rent is paid monthly in arrears.

	2013 $	2012 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	25,764	15,804
Later than one year and not later than five years	22,043	14,487
	47,807	30,291

Office accommodation was leased from Tee Enterprise Holdings Pty Ltd under a lease which expired on 31 August 2012. Rent was paid monthly in advance.

Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:		
Within one year	–	39,642
	–	39,642

Office accommodation is leased from The Trust Company (RE Services) Limited under a lease which expires on 30 June 2015. Rent is paid monthly in advance.

Within one year	772,428	550,348
Later than one year and not later than five years	795,851	1,670,961
	1,568,279	2,221,309

Two motor vehicles were leased from Macquarie Leasing under leases which expires 30 June 2014. Rent was paid monthly in advance.

Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:		
Within one year	14,075	14,075
Later than one year and not later than five years	–	14,075
	14,075	28,150

Note 13: Commitments (continued)

Note 13(b): Other commitments

In connection with the funding agreement referred to in Note 15, the Group has entered into individual grant agreements with each of the lead agencies operating the **headspace** centres throughout Australia. Payments are due to the lead agencies when the due date for payment has been reached and the lead agency has met all the milestone obligations that are required to be performed up to the due date for payment. If a centre has not met all of their obligations at balance date then a fixed commitment may still exist at balance date. If a centre continually fails to satisfy its requirements to meet a milestone payment the Group may withhold payments, or ultimately terminate the lead agency's contract to operate a **headspace** centre.

At 30 June 2013, some lead agencies had not met all of their obligations under their individual grant agreement and therefore payments could not be made to those lead agencies.

	2013 $	2012 $
headspace Centre Commitments	6,227,530	2,820,857
EPYS Centre Commitments	8,300,000	–
Service Development Funds	4,953,004	2,245,313
Total Commitments	19,480,534	5,066,170

Note 14: Cash flow information

Note 14(a): Reconciliation of cash

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2013 $	2012 $
Cash assets	29,464,482	15,482,812
Other financial assets – Note 4	14,212,164	5,651,525
Cash and cash equivalents	43,676,646	21,134,337

Note 14(b): Reconciliation of cash flow from operations with surplus for the year

	2013 $	2012 $
Surplus for the year	22,703,390	8,278,631
Non-cash flows in surplus		
Depreciation and amortisation	807,356	712,380
Disposals/Write off of assets destroyed by flooding	–	425
Changes in assets and liabilities		
Decrease in trade and other receivables	121,151	1,451,726
Increase in trade and other payables	(772,226)	4,987,580
Increase in provisions	292,953	169,048
Increase in deferred income	166,438	(109,200)
Cash flow from operations	23,319,062	15,490,590

Note 15: Economic dependence

The continuing operation of the Group is dependent upon periodic renewal of a funding agreement with the Commonwealth of Australia as represented by the Department of Health & Ageing. The current centre agreement commenced on 1 October 2009 and expires on 30 June 2015. The current Early Psychosis Youth Services Agreement commenced on 25 June 2013 and expires on 30 June 2016, however should the main centre funding agreement not be renewed at the end of June 2015 then the EPYS contract expiry date reverts to 30 June 2015.

Note 16: Contingencies

Contingent assets

The Group does not have any contingent assets of a material nature which have not already been dealt with in these financial statements (2012: Nil)

Contingent liabilities

Upon expiry or early termination of the funding agreements referred to in note 15, the Company may be required to repay to the Commonwealth of Australia any unspent funds relating to the agreements. The Group does not expect there will be any such unspent funds and accordingly no contingent liability can be measured with reliability.

Note 17: Related party disclosures

Note 17(a): Key management personnel compensation

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

Key management personnel benefits:	**2013 $**	**2012 $**
Short term benefits	1,676,070	1,293,166
Post-employment benefits	118,520	89,883
Long term benefits	85,705	35,376
	1,880,295	1,418,425

Note 17(b): Directors' remuneration

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

The Parent Company Board has established a Remuneration Committee (which meets as the Finance, Audit & Risk Committee) which has responsibility for determining appropriate remuneration for directors.

The Parent Company Board has resolved, following a recommendation from the Remuneration Committee, that directors' fees will be increased annually by reference to the CPI index in each March quarter. Directors do not receive any additional fees for membership of Board sub-committees.

Note 17: Related party disclosures (continued)

Note 17(c): Transactions by Directors with headspace centres

In the prior financial year, Ian Hickie AM was Executive Director of the Brain and Mind Research Institute (BMRI) and was also a Director of the Group until he resigned from this position on 23 January 2012 and was replaced by Christine Jorm. Christine Jorm was also appointed as a Director of the Group on 11 April 2012. The Group has entered into two grant agreements with BMRI in relation to the operation of the following **headspace** centres:

headspace Camperdown (previously Central Sydney); and
headspace Campbelltown

These grant agreements are on the same terms and conditions as all other grant agreements with **headspace** centres. During the financial year, payments made or payable of $2,049,398 (2012: $2,059,680) have been made by the Group to BMRI for Grant Payments and other related expenditure.

Patrick McGorry AO is the Director of the Orygen Youth Health Research Centre Limited (Orygen). The Group has entered into four grant agreements with Orygen in relation to the operation of the following **headspace** centres:

headspace Sunshine (previously Western Melbourne)
headspace Glenroy (previously Northern Melbourne)
headspace Craigieburn; and
headspace Werribee

These grant agreements are on the same terms and conditions as all other grant agreements with **headspace** centres. During the financial year, payments made or payable of $2,582,347 (2012: $1,944,837) have been made by the Group to Orygen for Grant Payments and other related expenditure.

Note 17(d): Transactions with Centre of Excellence

Under the funding agreement referred to in Note 15, the Group is required to maintain a Centre of Excellence to provide research services. The funding agreement stipulates that Orygen Youth Health Research Centre Limited (Orygen) is the approved subcontractor for the Centre of Excellence. Patrick McGorry AO is a Director of Orygen. During the financial year, payments made or payable of $450,000 (2012: $450,000) have been made by the Group to Orygen for Centre of Excellence research services.

Note 17(e): Transactions with McCarthy Mentoring

The Group has entered into an arrangement with McCarthy Mentoring to provide mentoring services to two of the Group's executives (2012: one). During the financial year, payments totalling $17,000 (2012: $3,284) have been made by the Group to McCarthy Mentoring for these services, at market rates or less. There were no outstanding invoices owing at 30 June 2013. Wendy McCarthy AO was previously principal of McCarthy Mentoring but resigned on 30 June 2012 and has not been involved in the provision of these services to the Group.

Note 17(f): Fundraising income

Ian Marshman is entitled to receive Directors' fees of $22,100 (2012: $15,944). Anita Jacoby is entitled to receive Directors' fees of $14,000 (2012: Nil). Both have elected not to receive these fees and this amount has been treated as a donation from a director and included in fundraising revenue as disclosed in Note 2.

Note 17(g) Subsidiaries

Interests in subsidiaries are set out in note 21.

Note 18: Remuneration of auditor and non-audit services

The Group may decide to employ the lead auditor's firm on assignments additional to their statutory audit duties where the firm's expertise and experience are required. Details of the amounts paid or payable to the lead auditor's firm for audit and non-audit services provided during the financial year are set out below.

	2013 $	2012 $
Audit services		
Audit and review of financial report	27,500	25,000
Audit of grant acquittals	–	8,000
Total audit services	27,500	33,000

	2013 $	2012 $
Non-audit services		
Tax advice	4,075	4,770
Total non-audit services	4,075	4,770

The Group is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Note 19: Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall treasury risk management policy focuses on minimising credit risk. The Group 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, Audit & Risk Committee. The Finance, Audit & Risk 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 Group holds the following financial instruments at the end of the financial year:

	Note	2013 $	2012 $
Financial assets			
Cash assets		29,464,482	15,482,812
Other financial assets	4	14,212,164	5,651,525
Trade receivables (ex prepayments)	5	428,567	545,723
		44,105,213	21,680,060
Financial liabilities			
Trade and other payables	8	5,570,175	6,342,401
		5,570,175	6,342,401

Note 19: 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. The Group is also exposed to earnings volatility on floating rate instruments.

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

At 30 June 2013, if interest rates had changed by 100 basis points from the year-end rates with all other variables held constant, surplus for the year would have been $430,112 (2012: $208,145) lower / higher, all based on interest income from cash and cash equivalents.

(ii) Sensitivity Analysis

The Group believes the following movements are 'reasonably possible' over a 12 month period. The Group believes that the organisation could be exposed to interest rate fluctuations of up to the below movement and therefore believes this depicts the effects interest rate fluctuations could have on the Group:

– A movement of 100 basis points in market interest rates from applicable bank interest rates.

If these movements were to occur, the impact on the Consolidated Statement of 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.

2013	Carrying amount $	Interest rate risk +100 bps $	 -100 bps $
Financial assets			
Cash assets	29,464,482	287,991	(287,991)
Other financial assets	14,212,164	–	–
Trade and other receivables	428,567	–	–
Financial liabilities			
Trade and other payables	5,570,175	–	–
Total increase / (decrease)		287,991	(287,991)

2012	Carrying amount $	Interest rate risk +100 bps $	 -100 bps $
Financial assets			
Cash assets	15,482,812	151,629	(151,629)
Other financial assets	5,651,525	–	–
Trade and other receivables	545,723	–	–
Financial liabilities			
Trade and other payables	6,342,401	–	–
Total increase / (decrease)		151,629	(151,629)

Note 19: Financial risk management (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalent deposits with the bank, and credit exposures to outstanding receivables. All banking, including the investment of surplus monies, is managed through two banks, which must have an independent rating of 'AA-' (S&P) or above. The effective weighted average interest rate for cash and cash equivalents is 3.65% (2012: 4.58%).

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

The credit quality of financial assets that are neither past due nor impaired can be measured by reference to historical information about counterparty defaults.

The outstanding debtors balance in the Group exclusively consists of amounts owing by either Government or lead agency organisations. 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 liabilities and commitments and longer term commitments through contracts. The Group manages liquidity risk by regularly monitoring 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 Group has no borrowing facilities.

The Group is predominantly funded by two Government funding agreements up to 30 June 2015 and 2016 respectively. The Group pursues other sources of revenue, including third party grants.

Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2013	Less than 6 months ($)	6 – 12 months ($)	Total contractual cash flows ($)	Carrying amount of liabilities
Contractual maturities of financial liabilities				
Trade and other payables	5,570,175	–	5,570,175	5,570,175

2012	Less than 6 months ($)	6 – 12 months ($)	Total contractual cash flows ($)	Carrying amount of liabilities
Contractual maturities of financial liabilities				
Trade and other payables	6,342,401	–	6,342,401	6,342,401

(d) Fair value estimation

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

headspace National Youth Mental Health Foundation Ltd ABN 26 137 533 843

Section Four
Notes to the Consolidated Financial Statements
(continued) for the Year Ended 30 June 2013

Note 20: 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 Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group 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) Long service leave

The Group estimates the probability of an employee remaining in service until their entitlement date for long service leave in accordance with the following probability:

Years of service	Probability
0	10%
1	20%
2	35%
3	50%
4	65%
5	80%
6	90%
7	100%

This assessment of probability remains unchanged from the prior financial year. Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in note 1(l). The amount of these provisions would change should any of these factors change in the next 12 months.

(b) Critical judgements in applying the Group's accounting policies

(i) Revenue recognition

The Group has recognised revenue from contributions when it obtains control of the contribution, or the right to receive the contribution. This is generally when the Group has met all applicable milestones under the relevant grant agreements and is not necessarily upon cash receipt. The organisation in applying this accounting policy, accepts that in doing so revenue will be recognised covering programs or periods of time where related expenditure has been delayed or will occur in a future period, although the organisation is committed to the related expenditure outlay over the duration of the contract.

Note 21: Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of **headspace** Services Ltd in according with the accounting policy described in note 1(a):

Name of entity	Country of incorporation	Type of entity	Holding 2013 (%)	Holding 2012 (%)
headspace Services Ltd	Australia	Company limited by guarantee	100	–

The Group has decided not to prepare individual financial statements for **headspace** Services Limited for the 2013 financial year and will therefore prepare statements for the 2014 financial year covering thirteen months in the next financial year.

Section Four
Notes to the Consolidated Financial Statements

(continued) for the Year Ended 30 June 2013

Note 22: Parent Entity financial information

a) Summary financial information

The individual financial statements for the Parent Entity show the following aggregate amounts:

	2013 $	2012 $
Balance sheet		
Current assets	29,308,338	15,482,812
Total assets	45,169,912	22,953,342
Current liabilities	5,970,763	6,630,215
Total liabilities	6,339,418	6,712,177
Members funds:		
Accumulated surplus	38,830,494	16,241,164
Surplus for the period	22,589,329	8,278,631
Total comprehensive income	22,589,329	8,278,631

b) Contingencies of the Parent Entity

The Parent Entity had neither any contingent assets nor liabilities as at 30 June 2013 or 30 June 2012.

Note 23: Group details

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

The registered office and principal place of business of the Group is:
Level 2, 485 La Trobe Street
Melbourne Victoria 3000

Section Four
Directors' Declaration

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 *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position and performance of the consolidated entity; and

(ii) complying with Australian Accounting Standards, including the Interpretations, and the *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Wendy McCarthy

Wendy McCarthy AO
Chair

Ian Marshman
Co-Chair of Finance, Audit & Risk Committee

Dated this 18th day of September 2013

Section Four
Auditor's Report

for the year ended 30 June 2013

RSM Bird Cameron Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HEADSPACE NATIONAL YOUTH MENTAL HEALTH FOUNDATION LTD

We have audited the accompanying financial report of headspace National Youth Mental Health Foundation Ltd, which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

headspace National Youth Mental Health Foundation Ltd ABN 26 137 533 843

Section Four
Auditor's Report

(continued) for the year ended 30 June 2013

RSM Bird Cameron Partners

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, 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.

Opinion

In our opinion the financial report of headspace National Youth Mental Health Foundation Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

P A RANSOM
Partner

Melbourne, Victoria
Dated: 18 September 2013

Notes