



Mental Health Matters 2 Limited

Treasurer's Report

Annual General Meeting - 18 October, 2022

The following Treasurer's report covers the financial period 1 July 2021 – 30 June, 2022.

General Purpose Financial Statements have been prepared by Dyson Advisory Group and audited by Milton Hunt and have been sent out to Mental Health Matters 2 Ltd members under cover of a separate email.

Highlights of the financial period under review:

- Cash flow of \$69,299 carried over from 30 June, 2021.
- Funding for four projects were received as follows:
 - Statutory Review of the Mental Health Act (2014) - \$16,318
 - National Forensic Mental Health Principles - \$33,000
 - Community of Practice Phase 2 - \$7,700 (it should be noted that the expenses for this project are yet to be incurred and have been carried over to the 2022/23 financial year).
 - WAAMH Conference – Provision of LE Consultant - \$3,320
- A \$10,000 donation was received from the Malka Foundation in June 2022 which is available for general operations.
- \$5,885 was utilised for LE director's capacity building with the attendance of Margaret Doherty, Virginia Catterall, Ann McGuire and Bridget Silvestri at the Australian Institute of Company Director's Foundations for NFP Governance training course.
- \$2,789 was paid in GST up to the June 2022 quarter. However, a surplus of \$1,937 was calculated for the year under review and is forecasted for receipt in July 2022. The variance between the two figures is a cash flow timing issue.

• **Bank Reconciliations – June 2022**

The reconciliation of the bank accounts has been performed with the following balances:

Total funds at 30 June, 2022

MoneySaver A/c	73,294.59
Community A/c	1,026.83
Total	\$74,321.42

Other Activities

- A Four Year cash flow projection was undertaken by the Treasurer to gain an understanding of Mental Health Matters 2 Ltd's cash flow requirements and income needs to ensure Mental Health Matters 2 Ltd remains solvent. Two alternatives were provided. One that presented those 'hard' costs that are needed to literally "keep the doors open" and included the following items: accounting fees, insurance and auditing fees. The second option looked at a combination of both hard costs and soft (discretionary costs) including the provision of Mental Health Matters 2 Ltd establishing a paid participation reserve and small values for board capacity building and consultancy fees.

The outcome of the modelling indicated that dependent on whether Mental Health Matters 2 Ltd selects a hard cost model or a combination of hard costs plus a soft cost (discretionary) model, reserves would be absorbed, in the absence of any management fees, donations or other income, within 3 – 4 years and that the Four Year Cash Flow Projection would need to be monitored on at least a six monthly basis.

- At the May and June 2022 board meetings resolutions were passed where in the current 2022/23 year Mental Health Matters Ltd would adopt the hard and soft (discretionary) cost model which would also include the following:
 - Upgrade of the Web site \$7,920
 - \$10,241 into a dedicated Lived Experience paid participation reserve funded by MHM2.
 - The surplus of \$2,025 from the National Forensic Mental Health Principles project would also go to the above reserve.
- Towards the end of the period under review negotiations took place with Dyson Advisory Group with the goal of them taking on more of the end-to-end bookkeeping process to reduce the volume of work required of the Treasurer so that this role may spend more time on more strategic financial management issues. This process took effect on 1 July, 2022.
- Dyson's fees were re-negotiated for the coming 2022/23 financial period and with the increase in work there was only a small increase in fees. The budget for Dyson's accounting fees for the 2022/23 year is \$10,360 compared with \$9,460 in the 2021/22 financial year.
- **Related Parties Transactions**
Per the General Purpose Financial Report "The company's related parties include its key management personnel (Directors). During the year two appropriately skilled and experienced directors provided independent specific lived experience project management, consultation, facilitation services on defined projects. They received payments totalling \$26,452.50 for these services which were provided in the

absence of any paid staff. Payments to directors are reported on monthly Treasurer's reports to the board to ensure full transparency".

Virginia Catterall
Treasurer



Mental Health Matters 2 Ltd