Open Minds Australia Limited

A.C.N. 009 687 030

Financial Statements
For the Year Ended 30 June 2020

OPEN MINDS AUSTRALIA LIMITED
A.C.N 009 687 030
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2020.

Principal activities

In the 2020 financial year, Open Minds provided psychosocial support services, mental wellness counselling and allied health services to people with mental illness, disability and acquired brain injury.

Operating results and review of operations for the year

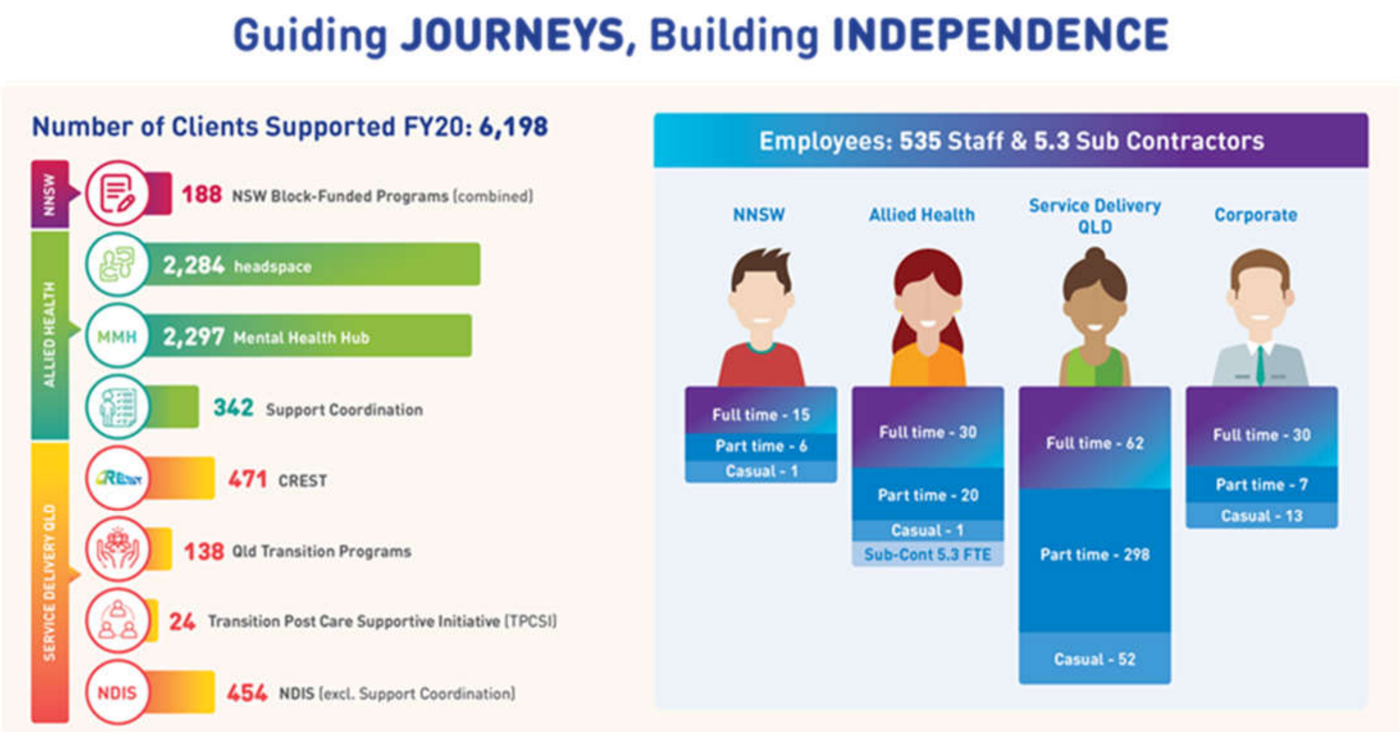
The surplus of the company for the financial year amounted to $318,728 (2019: deficit of $1,103,571). A review of operations of the company during the financial year indicated that Open Minds has had an increase in income of 10.5% and in expenses of 6.5%. This has resulted in a stronger EBITDA on operating revenue of 6.4% (2019:-0.4%).

The core business of the organisation transitioned further towards NDIS revenue $26,861,989 (2019: $11,411,013) as the sector continues to transition from block funded grants to NDIS. Open Minds completed a number of transition programs in June 2020.

There was an increase in cash in the financial year of $3.1M including $1.8M of COVID-19 support provided by the NDIA which was a cash advance recognised as unearned revenue.

This financial year also saw significant changes in accounting standards – in particular the introduction of AASB16 Leases – which introduced a right of use asset of $2,522,877 (before depreciation) and equivalent changes to depreciation of $1,393,414 and property rent which effectively converts to depreciation under the new standard.

In the 2020 Financial Year, 540 Open Minds staff and subcontractors supported 6,198 clients though our Service Delivery and Allied Health services across Queensland and Northern New South Wales. (See graphic below)



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DIRECTORS' REPORT (continued)

Strategic Intent

OUR PURPOSE

enabling an **independent** and **positive** future for people living with mental illness and disabilities

OUR VALUES

As part of our ongoing commitment to our clients, our staff and our sector, Open Minds re-energised its values based on staff and client feedback to better reflect the hope, compassion and focus of the organisation.

In 2019 the Board established the Strategy and Visioning Committee to lead the whole-of-Board initiative of developing a Strategic Plan to 2023. The Board held two strategy workshops across 3 days attended by Directors, Committee members and the Executive Leadership Team. A consumer representative and a current client shared their lived experiences which ensured strategy was client-centred. Board and Management have subsequently adopted a Client Share at the beginning of each meeting to ensure clients are at the centre of decision-making.

A refreshed Executive Leadership Team under the guidance of CEO Ms Paula Mayson led an operational program of organic growth, stabilisation and system development. Throughout the year Open Minds:

- Deepened its understanding of the NDIS framework, price guide and quoting model;
- Transitioned more clients from block funding to NDIS supports;
- Met the NDIS Quality and Safeguarding Commission Practice Standards, including accreditation to the NDIS Quality and Safeguarding Framework to 2023.
- Formalised relationships with SDA Housing Providers; and
- Offered Supported Independent Living services to more clients.

DIRECTORS' REPORT (continued)

The year has also seen Board and Management focus on:

- Client and staff safety including a target of zero-harm which has improved tracking and follow-up of incidents, and improved return-to-work supports.
- Clinical, financial and operational data analysis and consistent reporting which has supported informed decision-making at operational and governance levels and driven a significant turnaround in financial performance.

Lastly, Open Minds has continued to provide safe and high-quality supports to clients throughout the CoVID-19 pandemic, whilst also addressing government requirements and ensuring staff safety.

Directors

The names of each person who has been a director since the start of the financial year to the date of this report (unless otherwise stated) are:

	Date Commenced	Date Retired
Current		
Ms Louise Cox	28th Nov 2016	
Mr Simon Rumore	29th Jun 2017	
Mrs Claire Davis	1st Jun 2018	
Ms Elissa Morriss	5th Apr 2019	
Ms Rowena McNally	10th May 2019	
Mr Peter Maher	10th May 2019	
Mr Ian Maynard	10th May 2019	
Mr Rick Dennis	5th Jul 2019	
Former		
Mr Steve Roberts	26th Nov 2013	5th July 2019

Meetings of Directors

During the financial year, 10 Board meetings (2019:9) and 24 sub-committee meetings (2019:15) were held. Due to CoVID-19 many meetings were held via video conferencing. Whether in-person or by video conference, attendances by each director and committee member were as follows:

	Directors' Meetings		
	Eligible to attend	Attended	
Ms Louise Cox (Chair)	10	10	100%
Mr Simon Rumore (Deputy Chair)	10	10	100%
Mrs Claire Davis	10	9	90%
Mr Rick Dennis	10	9	90%
Mr Peter Maher	10	10	100%
Mr Ian Maynard	10	10	100%
Ms Rowena McNally	10	10	100%
Ms Elissa Morriss	10	10	100%
Mr Steve Roberts	1	1	100%

DIRECTORS' REPORT (continued)

Meetings of Audit and Risk Committee (ARC)

	Committee Meetings		
	Eligible to attend	Attended	
Mrs Claire Davis (ARC Chair)	9	9	100%
Mr Tim Allman	9	8	89%
Mr Rick Dennis	9	8	89%
Mr Peter Maher	9	9	100%

Meetings of Governance, Remuneration and Nomination Committee (GRN)

	Committee Meetings		
	Eligible to attend	Attended	
Mr Simon Rumore (GRN Chair)	5	5	100%
Ms Louise Cox	5	5	100%
Ms Rowena McNally	5	5	100%

Meetings of Service & Clinical Governance Committee (SCGC)

	Committee Meetings		
	Eligible to attend	Attended	
Ms Elissa Morriss (SCGC Chair)	4	4	100%
Dr Luke Hatzipetrou	3	1	33%
Mr Ian Maynard	4	2	50%
Ms Rowena McNally	4	4	100%
Ms Natalie Rando	4	4	100%

Meetings of Strategy and Visioning Committee (SVC)

	Committee Meetings		
	Eligible to attend	Attended	
Mr Rick Dennis (SVC Chair)	6	6	100%
Mrs Claire Davis	2	2	100%
Mr Peter Maher	6	6	100%
Mr Ian Maynard	6	5	83%

DIRECTORS' REPORT (continued)

<u>Information on Directors as at 30 June 2020</u>

Ms Louise Cox (Chair) - Non-Executive Director
BBus(Mgt), BBus(Accy), LLB(Hons), GradDipLegalPrac, LLM, MTax, FCPA

Louise is an experienced Board member serving as Chair, Deputy Chair, Chair of Finance and Risk, and Chair of Governance in commercial, public sector, and not-for-profit boards across a broad sector group including education, professional services in legal, architecture and accounting, management consultancy and mental health.

Louise is a director of CPA Australia Pty Ltd, a member of the Executive Committee of the Caxton Legal Centre, Chair of Griffith University's Department of Accounting, Finance and Economics Advisory Board, and a member of QUT's School of Accountancy - School Advisory Committee.

Louise has previously served as a Director of TAFE Queensland, Open Minds and Thomson Adsett Architects and as a member and Chair of the Metropolitan South Institute of TAFE Council.

A director of Open Minds since November 2016, Louise is the Board Chair (appointed April 2019) and was Deputy Chair of the Board for 2 years, and a member of the Governance Remuneration and Nominations Committee and a former member of the Audit and Risk Committee.

Mr Simon Rumore (Deputy Chair)- Non-Executive Director
BCom, GAICD

Simon is an experienced non-executive director and executive, and prior to his directorship with Open Minds he spent six years as a non-executive director and deputy chair of a large national charity in the social justice sector.

In an executive capacity, he has spent the last decade as an interim executive for a range of large companies in sectors such as healthcare and medical research, financial services, information technology, engineering, resources and not-for-profits.

Simon brings skills in the design of operating models, organisational design, program and organisational change management, mergers and acquisitions and the alignment of leadership frameworks to culture.

He is Chair of the Governance, Remuneration and Nominations Committee. Simon was appointed to the Board in June 2017. He was appointed Deputy Chair of the Board in April 2019.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Mrs Claire Davis - Non-Executive Director
BA (Hons) Accy, FCA, GAICD, GradCertExecLead, GradCertBusAdmin

Claire is an experienced non-executive director and chairperson having served on not for profit Boards in Australia and UK for over 25 years.

Having qualified as a Chartered Accountant with Ernst & Young, Claire's career in commercial and not for profit companies includes 10 years as CFO and Director of Corporate Services in medium to large companies. Claire is now Managing Director of her own business providing leadership development services across Australia.

Claire brings skills in executive leadership, finance, governance, risk, strategy, social and affordable housing, property development and community services.

Claire is Chair of the ICAEW Queensland State Branch and a director of BlueCHP. Initially an external member of the ARC Committee from August 2017, Claire was appointed to the Board of Open Minds in June 2018. Claire was appointed as Chair of the Audit and Risk Committee in July 2019

Mr Rick Dennis - Non-Executive Director
B Comm LLB

Rick is an experienced corporate advisor and Non-Executive Director serving on the boards of and chairing the Audit & Risk committees of ASX listed Apiam Animal Health Ltd and Motorcycle Holdings Ltd. Rick is an Advisory Board member of Australian Super, HLB Chessboard and EWM Group, and an independent member of the Audit & Risk Committee of Racing QLD.

He is passionate about philanthropic causes and has served on the boards of several charitable organisations. Rick is qualified in accounting and law and held various roles in EY including QLD managing partner and Asia-Pacific CFO/COO during a 30-year career with the firm.

Rick was appointed to the Audit and Risk Committee in April 2019 and the Board in July 2019. Rick is Chair of the Strategy and Visioning Committee.

Mr Peter Maher - Non-Executive Director
OAM - MEd, BEd, Grad Cert Mng, Grad Dip RE, Grad Dip RS, Dip Tch, Cert IV Real Estate, FAICD, FAIM, FCEOI

Peter recently retired as the CEO of St Vincent de Paul Queensland and St Vincent de Paul Northern Territory. He has held senior positions in the federal government including Welfare reform for Prime Minister and Cabinet, head of HR for Centrelink (25,000 staff) and managed various National Programs including, Parenting, Families and Disabilities for Centrelink. He has been responsible for Training and Development with the Australian Bureau of Statistics. Peter has also undertaken various teaching and principal positions.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Peter has served on numerous boards including the inaugural chair of Gold Coast Horizon Housing Company, the Catholic Education Commission, Qld Parole Board, Mercy Aged Care and National Emergency Medal Committee. In 2011 Peter was awarded an Order of Australia for his work with St Vincent de Paul.

Peter has family members with disabilities and mental health issues. Peter was appointed to the Board in May 2019 and is a member of the Audit Risk Committee and the Strategy and Visioning Committee.

Mr Ian Maynard - Non-Executive Director
BSc GAICD

An experienced Non-Executive Director over the last 20 years, Ian advises on governance, company and organisation structure, coaching and mentoring of business leaders in the areas of leadership, process improvement, enabling technology and customer engagement. Ian is currently a director of Queensland University of Technology (QUT) Business School Advisory Board, Non-Executive Chair of Australian Christian Churches (ACC) Directorate, ACC Review Directorate (religious organisations), DPN Casa Capace (disability housing owner/operator) and co-founder of Cybermetrix (cyber-security startup).

Ian is Principal of Maynards Consulting Group, advising as a business and executive coach, specialising in leadership and organisational development. Previously, as Deputy CEO for the National Disability Insurance Agency (NDIA), Ian was responsible for rolling out the NDIS from trial sites to a full national scheme.

Ian has held senior executive positions in public and private sectors in Australia and New Zealand, including Director General Queensland Health, CEO Queensland Public Service Commission, CEO Queensland Urban Utilities, COO Brisbane City Council, senior procurement and risk management roles with Fonterra and Fletcher Challenge Group. As a CEO and senior executive, Ian has focused on transforming government service delivery through the use of public private partnerships, technology and developing leadership capability. Ian is also a very experienced leader in the business functions of strategic sourcing, IT system implementation and risk management. A co-founder of two start-up companies (cyber-security and disability housing), Ian has direct experience of the challenges facing business owners and the strategies required to succeed and grow.

Ian holds a B.Sc. with first class honours in Chemistry (UQ) and is a graduate of the INSEAD Advancement Management and AICD Company Director programs. Ian was appointed to the Board in May 2019 and is a member of the Service and Clinical Governance Committee and the Strategy and Visioning Committee.

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Ms Rowena McNally - Non-Executive Director
LLB, FAICD, FIAMA (FRI), FAIM

Rowena is an experienced Chair and Non-Executive Director with over 25 years' board level experience and a particular interest in good governance and organisational oversight.

Rowena has extensive not-for-profit board experience and has chaired and served on several boards and committees in the health, aged care and disability sectors.

Rowena is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management and a Fellow of the Institute of Arbitrators & Mediators Australia (now the Resolution Institute). Rowena was appointed to the Board in May 2019 and is a member of the Governance Remuneration and Nominations Committee and the Service and Clinical Governance Committee.

Ms Elissa Morriss - Non-Executive Director
Masters of Psychology (Clinical Psychology and Clinical Neuropsychology), FAPS, CF

Elissa is a Psychologist with a Masters in Psychology (Clinical Psychology and Clinical Neuropsychology) from the University of Queensland, who has over 30 years' experience working in the community in brain injury rehabilitation and vocational rehabilitation with adults with disability and their family members. She brings considerable expertise in working with adults who have a brain injury with complex needs, and in management of challenging behaviours in the community. Elissa has experience in inpatient and outpatient public health settings in Queensland and New South Wales, and has experience in the tertiary education sector.

Elissa is a member and Fellow of the Australian Psychological Society. She was awarded a Bob and June Prickett Churchill Fellowship in 2006.

Elissa has previously been a non-executive director on the board of Open Minds from 2004-2011. Elissa has been a member and Chair of Headspace Taringa Clinical Reference Committee since 2016. Since 2018 Elissa has been a member and now Chair of the Service and Clinical Governance Committee, and was appointed to the Board in April 2019.

Directors Remuneration

Total directors' remuneration for the financial year was $137,956 (2019: $138,744).

DIRECTORS' REPORT (continued)

Company Secretary

Mr Simon Moore has acted as the Company Secretary since 16th November 2016 and was appointed permanently to this role on 7th April 2017.

Mr Moore is a qualified company secretary, holding the Graduate Diploma in Applied Corporate Governance. He is a fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries, and is a member of the Australian Institute of Company Directors. Simon is a not-for-profit specialist with over 15 years' experience in the not for profit and primary health care sectors, over 15 years in membership organisations. Mr Moore is a volunteer director for a large Queensland based charity.

Indemnifying Officers and Auditors

The company has entered into an agreement with all current and former directors to indemnify them to the extent permitted by law against all liabilities that may arise from their position with Open Minds Australia Limited. The company has paid relevant Directors' and Officers' insurance premiums on behalf of the directors and relevant officers.

Auditor's Independence Declaration

The auditor's independence declaration, in accordance with section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* for the year ended 30 June 2020 has been received and can be found on page 11 of the financial report.

Members' Guarantee

Open Minds Australia Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. Membership as at 30 June 2020 is as follows:

	Members	
	2020	**2019**
Individual Members (voting)	18	28
Life Members (voting)	7	7
Honorary Members (non-voting)	2	3
Total	27	38

Members will be eligible to vote at the 2020 AGM subject to membership renewal.

If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up is $270 (2019: $380).

This directors' report is signed in accordance with a resolution of the Board of Directors.

Ms Louise Cox
Chair

Dated this 2nd day of October 2020

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 44, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and

    b) give a true and fair view of the company's financial position as at 30 June 2020 and its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Claire Davis

Ms Louise Cox	**Mrs Claire Davis**
Chair	**Director**

Dated this 2nd day of October 2020

Open Minds Australia Limited
(A Company Limited by Guarantee)
ABN 19 009 687 030

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60.40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

To the Directors of Open Minds Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Bentleys

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
2 October 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OPEN MINDS AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Open Minds Australia Limited (the "Company"), which comprises the statement of financial position as at 30 June 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012,* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OPEN MINDS AUSTRALIA LIMITED

Bentleys
THINKING AHEAD

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bentleys

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
9 October 2020

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue and other income	2	40,309,131	36,462,950
Employee benefits expense		(33,054,402)	(28,531,651)
Service Delivery – Direct Clients' expenses	3	(77,488)	(715,965)
Service Delivery – Partner Payments	3	-	(962,873)
Occupancy expenses	3	(182,272)	(1,615,944)
Motor vehicles leases and running costs	3	(548,012)	(1,138,322)
Other expenses	3	(3,852,148)	(3,644,597)
Depreciation and amortisation expenses	3	(2,276,081)	(957,169)
Surplus/(deficit) before income tax expense		**318,728**	**(1,103,571)**
Income tax expense	1(j)	-	-
Surplus/(deficit) for the year		**318,728**	**(1,103,571)**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Net increment/(decrement) on revaluation of non-current financial assets		(77,722)	31,741
Income tax effect	1(j)	-	-
Other comprehensive income for the year, net of tax		**(77,722)**	**31,741**
Total comprehensive income / (loss) for the year		**241,006**	**(1,071,830)**

The accompanying notes form part of these financial statements.

OPEN MINDS AUSTRALIA LIMITED
A.C.N 009 687 030
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,877,782	4,724,271
Trade and other receivables	5	1,958,569	2,069,928
Other assets	6	291,587	313,352
Financial assets	7	500,000	500,000
TOTAL CURRENT ASSETS		10,627,938	7,607,551
NON-CURRENT ASSETS			
Financial assets	7	330,590	391,615
Property, plant and equipment	8	2,000,450	2,413,409
Residential properties	9	844,214	865,226
Intangible assets	10	828,274	1,029,281
Work in progress	11	-	24,842
Right-of-Use Asset	23	1,432,926	-
TOTAL NON-CURRENT ASSETS		5,436,454	4,724,373
Fright			
TOTAL ASSETS		16,064,392	12,331,924
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	6,353,109	4,864,777
Employee benefits	13	2,004,625	1,504,606
Lease Liabilities		914,699	-
TOTAL CURRENT LIABILITIES		9,272,433	6,369,384
NON-CURRENT LIABILITIES			
Employee benefits	13	29,066	6,271
Lease Liabilities		565,618	-
TOTAL NON-CURRENT LIABILITIES		594,684	6,271
TOTAL LIABILITIES		9,867,117	6,375,655
NET ASSETS		**6,197,275**	**5,956,269**
EQUITY			
Asset revaluation reserve	15	125,165	202,887
Retained earnings		6,072,110	5,753,382
TOTAL EQUITY		**6,197,275**	**5,956,269**

The accompanying notes form part of these financial statements.

OPEN MINDS AUSTRALIA LIMITED
A.C.N 009 687 030
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings $	Asset Revaluation Reserve $	Total $
Balance at 30 June 2018	**6,856,953**	**171,146**	**7,028,099**
Comprehensive income			
Deficit for the year	(1,103,571)	-	(1,103,571)
Other comprehensive income for the year	-	31,741	31,741
Total comprehensive income / (loss)	(1,103,571)	31,741	(1,071,830)
Balance at 30 June 2019	**5,753,382**	**202,887**	**5,956,269**
Comprehensive income			
Surplus for the year	318,728	-	318,728
Other comprehensive income for the year	-	(77,722)	(77,722)
Total comprehensive income / (loss)	318,728	(77,722)	241,006
Balance at 30 June 2020	**6,072,110**	**125,165**	**6,197,275**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and from customers		44,199,989	38,153,056
Payments to suppliers and employees		(37,776,123)	(39,036,397)
Dividends received		14,859	13,299
Interest received		58,572	169,911
Interest paid		(84,176)	-
Grants refunded		(1,690,755)	(2,004,819)
Net cash provided by operating activities	14	**4,722,366**	**(2,704,950)**
CASH FLOWS FROM (used in) INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		6,213	49,587
Payment for property, plant and equipment		(73,607)	(539,278)
Payment for intangible assets		(155,438)	(356,900)
Redemption of financial assets		-	-
Net cash used in investing activities		**(222,832)**	**(846,591)**
CASH FLOWS FROM FINANCING ACTIVITES			
Repayment of leases		(1,346,023)	-
Net cash used in financing activities		**(1,346,023)**	**-**
Net (decrease) increase in cash held		3,153,511	(3,551,541)
Cash and cash equivalents at beginning of financial year		4,724,271	8,275,812
Cash and cash equivalents at end of financial year	4	**7,877,782**	**4,724,271**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information

The financial statements cover Open Minds Australia Limited as an individual entity. Open Minds Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

(b) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and liabilities, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Australian dollars is the functional and presentation currency of the entity.

The financial statements were authorised for issue by the directors of the company, on the date the directors report was signed

(c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(d) Intangibles

Software
Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years. It is amortised over a period of up to three years. It is assessed annually for impairment.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment loss.

Property

Buildings are measured on a cost basis less depreciation and impairment losses.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on the straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate	Useful Life
Buildings	2.5%	40 Years
Furniture, fittings and equipment	10% to 33%	3 – 10 Years
Motor vehicles	20% to 25%	4 – 5 Years

The assets' residual values and useful lives are reviewed on a regular basis for all assets, with annual reassessments for major items.

The asset class's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Residential property

Residential property is measured initially at its cost, including transaction costs. Subsequent to initial recognition, residential property is measured using the cost model and in accordance with the company's policy on other land and building assets, as described in Note 1(f) above.

(h) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions to superannuation plans are expensed in the period in which they are incurred.

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Income Tax

Open Minds Australia Limited is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) New, revised or amending Accounting Standards and Interpretations but not yet adopted

A number of new standards and interpretations are effective for annual reporting periods beginning after 1 July 2020 and earlier application is permitted; however the Company has not early-adopted the new or amended standards in preparing these financial statements. The new standards relate to very specific circumstances that are not applicable to the Company.

(m) Revenue and Other Income

Contributed Assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116, AASB 1058 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

NDIS Revenue

Revenue received from clients who are NDIS participants is recognised when billed to the NDIA, clients and/or their representatives and received in line with AASB15 and AASB 1058. Rejected billing is not recognised a revenue until the reason is understood and the collectability of the revenue is validated.

Operating Grants, Donations and Bequests

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:
- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:
- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9. AASB 16, AASB 116, AASB 1058 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

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

In the comparative period

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

The Entity receives non-reciprocal contributions of assets from the government and other parties for no or nominal value.

These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant leases.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

(n) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

In accordance with AASB 9, the simplified approach has been used for trade receivables. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

Financial assets at fair value through other comprehensive income (FVTOCI)

FVTOCI includes any non-derivative financial assets not included in the above category. FVTOCI are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

They are subsequently measured at fair value with any remeasurement, other than impairment losses and, if any, foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

FVTOCI are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Leases

The Entity has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Policy applicable from 1 July 2019

At inception of a contract, the Entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Entity uses the definition of a lease in AASB 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Entity allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Entity incremental borrowing rate. Generally, the Entity uses its incremental borrowing rate as the discount rate.

The Entity determines its incremental borrowing rate by obtaining interest rates for similar commencement dates and terms based on industry norms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Entity is reasonably certain to exercise, lease payments in an optional renewal period if the Entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Entity estimate of the amount expected to be payable under a residual value guarantee, if the Entity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Entity presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Entity has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Leases are considered low-value when the underlying asset costs less than $10,000 when new.

(q) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company. Payables are normally unsecured, interest free and settled within 30 days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision
As discussed in note 1(h), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Doubtful Debts
The transition to NDIS has resulted in increased credit risk for the business, as the majority of revenue is received in arrears rather than in advance. Management has implemented measures to monitor and address credit risk. Estimation of debts that may be impaired is done on a specific identification basis based on known history of that customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Impact of COVID-19

The financial results for the year have been influenced by the impacts of COVID-19 and the resulting changes in government legislation relating to matters such as limited physical contact between staff and with clients, temporary closure of some businesses that Open Minds would otherwise have traded with, changes to the welfare system and various stimulus payments.

It is not practical to quantify the exact financial impact of COVID-19, but changes in the current year's result that are directly or indirectly attributable to COVID-19 include

-Increased cleaning costs
-Reduced travel costs
-Increased information technology costs
-Increased workplace health & safety costs
-Receipt of $50,000 from the ATO by way of the temporary "Cashflow boost" stimulus payments, which is recorded in "Other Income”
-The delivery of some programs has been delayed due to lack of physical access to clients
- The cash advance to all NDIS registered operators by the NDIA in March 2020 (in our case of $1,771,846) as short-term liquidity support
- The introduction of a 10% COVID supplement to selected support items by the NDIS also in March 2020.
- Our eligibility for the Job-Keeper Allowance 1.0 from which we have received $220,500 to date in relation to the first pay fortnight in July 2020.

Open Minds has taken the following steps to minimise regulatory and financial risk to the business

- Implemented comprehensive business continuity plans to cope with events of a similar scale and magnitude as the COVD-19 pandemic
-Significantly reducing staff travel to minimise physical contact
-Enabling staff to work from home, where possible
-Education programs for staff to build awareness of how to reduce risk of infection.
-Delivering services to clients online, where possible
-Repurposing funds previously marked for travel to the delivery of online services
-Maintaining relationships with funding bodies to communicate any changes to timing or cost of deliverables
-Continuous updating of cash-flow projections as circumstances change

Open Minds acknowledges that circumstances continue to change, but based on best-available information at the time these financial statements are prepared, cashflow projections continue to indicate that the company will be able to maintain solvency and deliver on its key objectives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(t) Changes in significant accounting policies

The Entity initially applied AASB 16 *Leases* from 1 July 2019.

The Entity applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated - i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Entity determined at contract inception whether an arrangement was or contained a lease under AASB 117 Leases. The Entity now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 1(p).

On transition to AASB 16, the Entity elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Entity applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 were not reassessed for whether there is a lease under AASB 16.

B. As a lessee

As a lessee, the Entity leases many assets including property and motor vehicles. The Entity previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Entity. Under AASB 16, the Entity recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Leases classified as operating leases under AASB 117

Previously, the Entity classified property and motor vehicles leases as operating leases under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Entity's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Entity applied this approach to all leases.
The Entity has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Entity used a number of practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117. In particular, the Entity:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term; and
- a single discount rate is used for a portfolio of similar assets upon transition date

No leases had been classified as finance leases under AASB 117.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Impact on financial statements

On transition to AASB 16, the Entity recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	1 July 2019
Right-of-use assets - property, plant and equipment	2,522,877
Lease liabilities	(2,522,877)
Retained Earnings	-

When measuring lease liabilities for leases that were classified as operating leases, the Entity discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3.5%.

	1 July 2019
Operating lease commitments at 30 June 2019 as disclosed under AASB 117 in the Entity's financial statements	3,259,072
Effect of discounting using the incremental borrowing rate at 1 January 2019	(153,330)
Short-term leases not capitalised under AASB 16	(80,482)
Variation of lease terms	(502,383)
Lease liabilities recognised at 1 July 2019	2,522,877

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE AND OTHER INCOME

	2020 $	2019 $
Operating activities:		
Grant income - State Government QLD	1,825,856	12,051,552
Grant income - State Government NSW	3,375,613	3,358,937
Grant and contract income – Federal Government	401,457	6,439,447
Grant income – Other	5,564,080	1,142,500
NDIS	26,861,989	11,411,013
Other service income	1,653,422	973,440
Interest income	58,573	169,911
Dividend income	31,556	29,064
Rental income	83,213	94,286
Gain on disposal of plant and equipment	6,213	49,587
Other income	447,159	743,213
Total revenue and other income	**40,309,131**	**36,462,950**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: EXPENSES

Surplus / (Deficit) before income tax expense includes the following specific expenses:

	2020 $	2019 $
Service Delivery – Direct Client expenses	**77,488**	**715,965**
Service Delivery – Client Payments	**-**	**962,873**

These expenses related to block funded programs that have been completed and comprised expenses incurred in the delivery of block funded programs and the brokerage of some aspects of block funded programs to other providers.

	2020	2019
Depreciation and amortisation:		
Buildings	42,298	42,298
Leasehold improvement	232,290	283,420
Plant and equipment	206,457	203,738
Residential properties	27,969	26,645
Computer software	373,653	401,068
Right-of-use Assets	1,393,414	-
	2,276,081	**957,169**
Other expenses:		
IT consulting and computer expenses	949,422	894,807
Utilities, internet and insurance	971,696	826,256
Interest & Finance Costs - Leases	84,176	-
Legal, licenses and consulting	350,001	240,426
Staff conference, training, recruitment and rewards	392,309	359,209
MBS Practitioner Payments and supplies	511,506	483,086
Project expenses	455	11,801
Other operating expenses	592,584	829,012
	3,852,148	**3,644,597**

The Entity has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Under AASB 117 the cost of retail facilities and motor vehicles was recorded in Occupancy Expenses and Motor vehicles leases and running costs respectively. Under AASB the expense is recorded in Depreciation as Right of Use Assets. For further information see Note 23.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash on hand	2,750	3,261
Cash at bank	2,775,032	1,321,010
Short-term bank deposits	5,100,000	3,400,000
	7,877,782	**4,724,271**

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

	2020 $	2019 $
Cash and cash equivalents	**7,877,782**	**4,724,271**

NOTE 5: TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
CURRENT		
Trade receivables	1,436,472	528,203
Provision for impairment of receivables	(37,476)	-
	1,398,996	528,203
Other receivables	559,573	1,541,725
	1,958,569	**2,069,928**

NOTE 6: OTHER ASSETS

	2020 $	2019 $
Prepayments	**291,587**	**313,352**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: FINANCIAL ASSETS

	2020 $	2019 $
CURRENT		
Term deposits	500,000	500,000
NON-CURRENT		
Financial assets at fair value through other comprehensive income		
Shares in listed corporations – at fair value:		
Shares in CBA – DUUS Estate	280,526	316,385
Shares Suncorp	50,064	75,230
	330,590	391,615
Total financial assets	**830,590**	**891,615**

Term deposits greater than three months are classified as financial assets.

The term deposit for $500,000 is held as a bond against Bank Guarantees provided by the bank for properties leased by Open Minds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2020 $	2019 $
LAND AND BUILDINGS		
Freehold land at:		
66 Annerley Road, South Brisbane – at cost	**480,000**	**480,000**
Buildings at:		
66 Annerley Road, South Brisbane – at cost	1,308,272	1,308,272
Less accumulated depreciation	(581,415)	(539,117)
Total buildings	**726,857**	**769,155**
Total land and buildings	**1,206,857**	**1,249,155**
LEASEHOLD IMPROVEMENTS		
Leasehold improvements		
At cost	1,696,163	1,698,391
Less accumulated depreciation	(1,261,681)	(1,039,873)
Total leasehold improvements	**434,482**	**658,518**
PLANT AND EQUIPMENT		
Office equipment, furniture, fixtures and fittings		
At cost	1,277,623	1,287,094
Less accumulated depreciation	(918,512)	(781,359)
	359,111	**505,735**
Motor vehicles		
At cost	-	18,016
Less accumulated depreciation	-	(18,016)
	-	**-**
Total plant and equipment	**359,111**	**505,735**
Total property, plant and equipment	**2,000,450**	**2,413,409**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts

	Freehold land and buildings $	Leasehold improvements $	Plant and equipment $	Total $
Balance at beginning of the year	1,249,155	658,518	505,736	2,413,409
Additions	-	8,254	59,833	68,087
Disposals	-	-	-	-
Depreciation Expense	(42,298)	(232,290)	(206,458)	(481,046)
Carrying amount at end of the year	**1,206,857**	**434,482**	**359,111**	**2,000,450**

NOTE 9: RESIDENTIAL PROPERTIES

	2020 $	2019 $
At written down value:		
1/61 Real St Annerley	145,716	148,475
1/146 Sexton St Tarragindi	94,739	93,955
4/146 Sexton St Tarragindi	88,699	90,836
6/370 Montague Rd West End	105,547	107,803
7/112 School Rd Yeronga	130,612	134,823
100 Chester Road Annerley	278,901	289,334
Total residential properties	**844,214**	**865,226**

In 1988 Open Minds Australia Limited entered into the first of six lease agreements to provide supported accommodation for clients of the Queensland Housing Commission from the above residential properties. In 2002 the original residential property at Chester Road was demolished with the agreement of the Queensland Housing Commission, and Open Minds Australia Limited funded the construction of the current building.

In 2003, the Queensland Housing Commission agreed to transfer ownership of each of the properties to Open Minds Australia Limited. The transfer of ownership for five of the properties was completed by 30 June 2019. The agreement includes a caveat which allows Queensland Housing Commission to take a secured mortgage over each of the residential properties for up to 50 years and that obligates Open Minds Australia Limited to provide supported accommodation from each residential property for 50 years (including services provided prior to 2003). Open Minds Australia Limited is entitled to unencumbered ownership and use of each property after 50 years. Open Minds Australia Limited has continuously provided supported accommodation to date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: RESIDENTIAL PROPERTIES (continued)

This mortgage entitles the Queensland Housing Commission to a percentage of the greater of the market value or the sale price of the land, and improvements as applicable, for each property as at the date when Open Minds Australia Limited disposes of the above properties. Open Minds Australia Limited can claim an adjustment to its liability at the time of disposal, being 2% times the number of full years that the property has been used or been available for use under the capital funding program times the then market value of the Queensland Housing Commission's proportion in the land and improvements.

The Queensland Housing Commission's proportion of land and improvements as applicable, for the properties are as follows:

1/61 Real Street, Annerley	48%	Land and improvements
1/146 Sexton Street, Tarragindi	48%	Land and improvements
4/146 Sexton Street, Tarragindi	48%	Land and improvements
6/370 Montague Road, West End	44%	Land and improvements
7/112 School Road, Yeronga	44%	Land and improvements
100 Chester Road, Annerley	40%	Land only

Movements in carrying amounts

	1/61 Real St Annerley $	1/146 Sexton St Tarragindi $	4/146 Sexton St Tarragindi $	6/370 Montague Rd West End $	7/112 School Rd Yeronga $	100 Chester Road Annerley $	Total $
Balance at beginning of the year	148,476	93,955	90,836	107,802	134,823	289,334	865,226
Additions	-	3,510	-	-		3,447	6,957
Depreciation expense	(2,760)	(2,726)	(2,137)	(2,255)	(4,211)	(13,880)	(27,969)
Carrying amount at end of the year	**145,716**	**94,739**	**88,699**	**105,547**	**130,612**	**278,901**	**844,214**

NOTE 10: INTANGIBLE ASSETS

	2020 $	2019 $
Intangible Assets		
At cost	2,183,818	2,210,409
Less accumulated amortisation	(1,355,544)	(1,181,128)
Net carrying value	828,274	1,029,281

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: INTANGIBLE ASSETS (continued)

Movements in carrying amounts

	Intangible Assets $
Balance at beginning of the year	1,029,281
Additions	182,121
Disposals	-
Amortisation	(383,128)
Carrying amount at end of the year	**828,274**

NOTE 11: WORK IN PROGRESS

	2020 $	2019 $
Work in progress – at cost	**-**	24,842

Movements in carrying amounts

	Work in Progress $
Balance at beginning of the year	24,842
Additions	-
Transfers out	(24,842)
Carrying amount at end of the year	**-**

NOTE 12: TRADE AND OTHER PAYABLES

	2020 $	2019 $
CURRENT		
Trade payables	662,823	370,963
GST Payable/(Receivable)	(56,356)	(64,333)
Sundry payables and accrued expenses	2,285,829	1,922,537
Contract Liabilities	3,460,813	2,635,609
	6,353,109	**4,864,777**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: PROVISIONS – EMPLOYEE BENEFITS

	2020 $	2019 $
CURRENT		
Provision annual leave	1,686,288	1,270,411
Provision for long service leave	311,383	222,825
Provision for rostered day off	6,954	11,370
	2,004,625	**1,504,606**
NON-CURRENT		
Provision for long service leave	**29,066**	**6,271**
Total employee benefits	**2,033,691**	**1,510,878**

Movements in employee benefits	
Opening balance at 1 July 2019	1,510,878
Additional provisions raised during the year	2,286,222
Amounts used	(1,763,409)
Balance at 30 June 2020	**2,033,691**

NOTE 14: CASH FLOWS INFORMATION

Reconciliation of net cash provided by operating activities to surplus from ordinary activities after income tax

	2020 $	2019 $
Surplus/(deficit) for the year	318,728	(1,103,571)
Non-cash flows:		
Depreciation and amortisation	2,276,081	957,169
Movement in provision in doubtful debt	37,476	(35,954)
Dividend reinvestments	(16,697)	(15,765)
(Gains)/Losses on disposal of PPE	(6,213)	(49,587)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	95,648	(813,143)
Increase/(decrease) in trade and other payables	2,370,530	(1,888,714)
Increase/(decrease) in provisions	(353,187)	244,615
Net cash provided by/ (used in) by operating activities	**4,722,366**	**(2,704,950)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 15: RESERVES

Asset Revaluation Reserve

The Asset Revaluation Reserve records the revaluation of FVTOCI (Fair Value Through the statement of Other Comprehensive Income) financial assets. The movement of revaluation of FVTOCI Financial Assets can be seen in the Statement of Changes in Equity.

NOTE 16: MEMBERS' GUARANTEE

Open Minds Australia Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstandings and obligations of the company. At 30 June 2020 the number of members was 27 (2019: 38).

NOTE 17: CONTINGENT LIABILITIES

As disclosed in Note 9, residential properties are secured by a mortgage to the Queensland Housing Commission. There is uncertainty relating as to when Open Minds Australia Limited will dispose of these properties. As any future liability would be dependent on the market value of the property at the time of disposal, it is not practical to make an assessment of the potential financial effect of this contingent liability.

In common with a number of other employers, Open Minds has instituted a program of work to ensure that it has paid its employees in accordance with applicable industrial awards and agreements. Initial sampling work has indicated a low level of errors in both under and over payments of staff however the work will continue to provide assurance as to the integrity of its payroll systems.

This work is scheduled to occur in the current financial year and any adjustments to prior staff payments will be made promptly. It is not practical at this early stage to make a reliable assessment of the eventual financial impact of any under/over payments to staff identified through this work.

NOTE 18: FINANCIAL RISK MANAGMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are equivalent to the carrying values disclosed in this report.

Net Fair Values

(i) For listed FVTOCI financial assets the fair values have been based on closing quoted bid prices at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 19: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors (whether executive or otherwise)

	Short-term benefits $	Post-employment benefit $	Other long-term benefits $	Total $
2020				
Total compensation	1,448,405	135,748	10,752	**1,594,905**
2019				
Total compensation	1,140,935	106,646	11,175	**1,258,756**

NOTE 21: RELATED PARTY TRANSACTIONS

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables or loans from, or trade payables or loans to related parties at the current and previous reporting date.

NOTE 22: CAPITAL AND LEASING COMMITMENTS

	2020 $	2019 $
a) Lease Commitments		
Leases subject to Short Term Exemption (2019: Non-cancellable operating leases contracted for but not capitalised in the financial statements):		
Payable – minimum lease payments		
- not later than 12 months	2,520	1,338,728
- between 2 – 5 years	-	1,920,344
- greater than 5 years	-	-
	2,520	**3,259,072**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: LEASES

Leases as lessee (AASB 16)

The Entity has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The Entity leases retail facilities and motor vehicles. The leases typically run for a period of 1-5 years, with an option to renew the lease after that date. Some leases provide for additional rent payments that are based on fixed increases. For certain leases, the Entity is restricted from entering into any sub-lease arrangements.

The retail and office leases were entered into several years ago as combined leases of land and buildings. Previously, these leases were classified as operating leases under AASB 117.

The Entity leases office equipment under a lease, which was classified as operating leases under AASB 117.

Under AASB 117 the cost of retail facilities and motor vehicles was recorded in Occupancy Expenses and Motor vehicles leases and running costs respectively. Under AASB the expense is recorded in depreciation.

Information about leases for which the Entity is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

	Land and Buildings	Motor Vehicles	Office equipment	TOTAL
Balance at 1 July 2019	2,050,686	472,191	-	2,522,877
Additions	173,207	-	130,256	303,463
Depreciation charge for the year	(1,076,192)	(281,040)	(36,182)	(1,393,414)
Balance at 30 June 2020	1,147,701	191,151	94,073	1,432,926

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 23: LEASES (continued)

ii. Amounts recognised in profit or loss

2020 — Leases under AASB 16

Interest on lease liabilities	84,176
Expenses relating to short-term leases	195,559

2019 — Operating leases under AASB 117

Lease expense	2,017,138
Contingent rent expense	-
Sub-lease income presented in 'other revenue'	-

iii. Amounts recognised in statement of cash flows

Total cash outflow for leases	1,430,199

iv. **Extension options**

Some property leases contain options exercisable by the Entity up to one year before the end of the non-cancellable contract period. Where practicable, the Entity seeks to include extension options in new Leases to provide operational flexibility. The extension options held are exercisable only be the Entity and not by the lessors. The Entity assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

NOTE 24: COMPANY DETAILS

The registered office and principal place of business is:
66 Annerley Road, Woolloongabba QLD 4102