

# **Open Minds Australia Limited**

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A.C.N. 009 687 030

**Financial Statements  
For the Year Ended 30 June 2014**

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**CONTENTS**

	<b><u>Pages</u></b>
<b><i>Financial Statements</i></b>	
Directors' Report	1 - 8
Responsible Entities' Declaration	9
Independent Audit Report	10 - 11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to Financial statements	16 - 33

## **DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2014.

### **Directors**

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

	<u>Date Commenced</u>	<u>Date Retired</u>
Mr Mike Gilmour	17 <sup>th</sup> May 2005	
Mr Claude Huddy	8 <sup>th</sup> September 1994	26 <sup>th</sup> November 2013
Prof Paul Mazerolle	10 <sup>th</sup> June 2009	
Dr Madonna Tucker	18 <sup>th</sup> May 2010	26 <sup>th</sup> November 2013
Ms Melanie Nicholson	8 <sup>th</sup> December 2010	26 <sup>th</sup> November 2013
Ms Lynn Smart	16 <sup>th</sup> August 2011	
Dr Margaret Steinberg AM	16 <sup>th</sup> October 2012	
Mrs Maree McMahon	26 <sup>th</sup> November 2013	
Mr Stephen Roberts	26 <sup>th</sup> November 2013	
Dr Benjamin Duke	11 <sup>th</sup> June 2014	
Dr Jonathan Mason	17 <sup>th</sup> June 2014	

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

### **Company Secretary**

During the financial year Ms Janifer Willis acted as the Company Secretary of Open Minds until her retirement from this position on 20 January 2014. Ms Swenson commenced as the Company Secretary on 20 January 2014.

### **Principal activities**

Open Minds provides psychosocial support services including vocational services to people with mental illness, disability and acquired brain injury. In addition Open Minds now supports youth between the ages of 12 to 25 with clinical services in partnership with headspace National.

### **Operating results and review of operations for the year**

The surplus of the company for the financial year amounted to \$355,122 (2013: surplus of \$555,672). A review of operations of the company during the financial year indicated that Open Minds has continued with modest growth in income primarily in State Government funded lifestyle services. A corresponding growth in expenditure has resulted in a surplus of 1.67% (2013: 3.27%) of total revenue.

### **Strategic priorities and strategic goals**

The company's strategic priorities are to:

- 1) Continuously improve and deliver on our Recovery Oriented Client centred Service Models
- 2) Shape the organisation to remain sustainable and relevant in order to meet the changing needs of the communities we serve
- 3) Implement evidence based quality practice in all areas of service delivery
- 4) Work to broaden the awareness of mental health and wellbeing in the wider community
- 5) Build partnerships and work in collaboration to deliver better services
- 6) Continue to build free working capital and organisational capabilities to resource service and meet market developments.

## **DIRECTORS' REPORT (continued)**

### **Strategic priorities and strategic goals - continued**

The company's strategic goals are to:

- 1) Expand the footprint of Open Minds by geography, type of service and mode of delivery. Prioritise areas where we have expertise; mental health, ABI, disability and youth
- 2) Add clinical services to existing and relevant new client groups
- 3) Build capacity to provide services to the broader community e.g. depression and anxiety and at risk groups
- 4) Expand our employment services for people with a disability and mental health issues

### **Meetings of Directors**

During the financial year, 38 meetings of directors and sub committees were held. Attendances by each director were as follows:

	<b>Directors' Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Mr Mike Gilmour (Chair)	18	17
Mr Claude Huddy	7	7
Prof Paul Mazerolle	18	16
Dr Madonna Tucker	7	6
Ms Melanie Nicholson	7	5
Dr Margaret Steinberg AM	18	13
Ms Lynn Smart	18	18
Mrs Maree McMahon	11	9
Mr Stephen Roberts	11	11
Dr Benjamin Duke	1	1
Dr Jonathan Mason	1	1

### **Meetings of Finance, Risk & Compliance Committee ##**

	<b>Finance, Risk &amp; Compliance Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Ms Lynn Smart (Chair)	6	6
Mr Claude Huddy	5	5
Ms Melanie Nicholson	5	1
Mrs Maree McMahon	1	1
Mr Stephen Roberts	1	1
Mr Mike Gilmour (In attendance - non-member)	N/A	3

### **Meetings of Audit, Risk and Compliance Committee**

	<b>Audit, Risk and Compliance Committee Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Mrs Maree McMahon (Chair)	6	6
Mr Stephen Roberts	6	6
Mr Mike Gilmour	6	6

**##** The Finance, Risk and Compliance Committee ("FRC") ceased operating at the end of 2013 and the Audit, Risk and Compliance Committee ("ARC") was created in its place. The ARC has an expanded role and responsibilities on audit, risk and compliance matters.

## **DIRECTORS' REPORT (continued)**

### **Meetings of Governance Committee \*\***

	<b>Governance Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Dr Madonna Tucker (Chair)	1	1
Prof Paul Mazerolle	1	1
Mr Mike Gilmour (In attendance – non-member)	N/A	1

### **Meetings of Governance, Remuneration and Nomination Committee**

	<b>Governance, Remuneration and Nomination Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Ms Lynn Smart (Chair)	6	6
Prof Paul Mazerolle	6	4
Dr Margaret Steinberg AM	6	6
Ms Julie-Anne Schafer (external member)	1	1
Mr Mike Gilmour ( In attendance – non-member)	N/A	6

\*\* The Governance Committee ceased operating in September 2013 and was replaced with the Governance, Remuneration and Nomination Committee ("GRN"). The GRN has a significantly expanded role, including but not limited to overseeing Open Minds' governance framework, remuneration, professional development, succession planning and the nomination and appointment of directors.

### **Meetings of Business Development Committee**

	<b>Business Development Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Mr Stephen Roberts (Chair)	1	1
Mr Mike Gilmour	1	1

### **Information on Directors**

#### **Mr Mike Gilmour – (Chair) – Non-executive Director**

Dip Acctg, MBA, GradDipACG, FCPA, FAICD, FGIA

Mike is an experienced director with a strong commitment to corporate governance and the not-for-profit sector. He is an Independent Director of Isis Central Sugar Mill Company Limited, a Director of Sugar Research Australia Limited and a Director of Aviation Australia Pty Ltd. Mike has recently retired as Chair of the Metro North Brisbane Medicare Local and as Chair of the South Bank Institute of Technology and as the Chair of the Brisbane Metro Region TAFE. Mike is a former President of the Queensland Division of CPA Australia.

## **DIRECTORS' REPORT (continued)**

### **Information on Directors – continued**

Mike has a close involvement with the indigenous community particularly through his recent role as Company Secretary of the Palm Island Community Company. Mike is a professional accountant and experienced Chief Financial Officer, and has particular experience in the health and manufacturing sectors. Previous appointments as a director, company secretary and senior commercial management positions have included the Uniting HealthCare Group, Royal Flying Doctor Service, Boystown Family Care and James Hardie Industries Ltd. Mike has been a Director of Open Minds since May 2005 and is a member of the Board's Audit and Risk and Business Development Committees.

### **Mr Claude Huddy – Non-executive Director**

Claude Huddy was the national programs and contract manager for Sarina Russo Job Access. For the previous 26 years he was employed by the then Department of Education, Employment and Workplace Relations (DEEWR) as senior contract manager for the Job Network, Commonwealth Employment Service regional manager and the South Brisbane area programs manager. He was a director and chairman of BABI Youth & Family Support from 1982–2002, a Wynnum-based organisation supporting homeless youth through the provision of accommodation and other specialised support services.

Claude was a Director of Open Minds since September 1994 until his retirement as required under the Constitution on 26 November 2013.

### **Professor Paul Mazerolle (Deputy Chair) – Non-executive Director**

PhD, M Science, B Arts

Professor Paul Mazerolle is Pro Vice Chancellor (Arts, Education and Law) and Director of the Violence Research and Prevention Program at Griffith University.

Professor Mazerolle undertakes research on the processes that shape criminal offending across the life course, various forms of violence including youth violence, and intimate partner violence, as well as criminal justice policy. He holds a PhD in Criminology, a Masters in Criminal Justice and a Bachelor in Sociology. Professor Mazerolle has been a Director of Open Minds since June 2009 and is currently the Deputy Chair of Open Minds. He is also a member of the Board's Governance, Remuneration and Nomination Committee.

### **Dr Madonna Tucker - Non-executive Director**

PhD, MPsychEd, BA Psychology

Dr Madonna Tucker is a psychologist with over 20 years experience in the areas of learning and intellectual disability. She has worked with various populations including children and adults in government, university and private settings.

Her previous positions have included Lecturer, Behavioural Consultant and Project Manager at the Queensland Centre for Intellectual and Development Disability (QCIDD) at the University of Queensland. In her role at the University, Dr Tucker ran forums, undertook research and taught health and disability professionals, carers and family members of people with intellectual disability. She specialises in the area of challenging behaviour and people with intellectual disability

Madonna holds a Doctorate of Philosophy, Master of Educational Psychology and a Bachelor of Arts with a Double Major in Psychology. To compliment her knowledge and teachings, Madonna has been the writer and reviewer of journal publications with

## **DIRECTORS' REPORT (continued)**

### **Information on Directors – continued**

disability specific journals, and holds a range of professional memberships, both disability and psychology related.

Madonna was appointed as a Director of the Open Minds Board in May 2010 and retired as a director on 26 November 2013.

#### **Ms Melanie Nicholson – Non-executive Director**

MDR

Melanie Nicholson is the owner of "Consensus Enterprises", a business which mentors and coaches leaders to successfully manage organisational change or conflict in their workplaces. Melanie holds a Master of Dispute Resolution and has extensive experience in community engagement, project management and leadership positions within the Federal Government.

Melanie has also been employed in customer service and management within the Defense Forces and private enterprise accordingly. Melanie has also travelled extensively in the last ten years particularly through schools and orphanages in developing countries.

Melanie has experienced the challenges of an Acquired Brain Injury (ABI) and brings this personal perspective to the board. Melanie is currently a lead volunteer with the Saint Vincent De Paul's Society.

Melanie retired as a director of Open Minds on 26 November 2013.

#### **Ms Lynn Smart - Non-executive Director**

B Com, CPA, FAICD, MBA.

Lynn is an accounting and governance professional with more than 20 years' experience in the areas of accounting, financial analysis, business improvement, compliance, governance and risk. Her previous appointments have included private and public companies across broad industry segments including mining, construction, web hosting, energy, heavy industry and food manufacturing, franchise and transport. Lynn is also the owner of The Smarter Bottom Line, providing consulting services to the commercial sector.

Lynn is an experienced Director with strong involvement with the not-for-profit sector with previous appointments as Director of the Anywhere Theatre Festival. She is currently Chair of the Board's Governance, Remuneration and Nomination Committee.

#### **Dr Margaret Steinberg AM – Non-executive Director**

PhD, MPhty (Research), BPhy (Hons), Dip Phty

Dr Margaret Steinberg AM brings to the Open Minds Board expertise in governance and ethical decision-making, as well as experience as a clinician, health administrator, academic, and director of public, private and third sector organisations. She has particular expertise in public health, including mental health and community health.

Margaret is a former Commissioner of the Criminal Justice (CJC) and Crime and Misconduct (CMC) Commissions and Chair of their Audit Committees and Governance areas. She was foundation Deputy President of the Guardianship and Administration

## **DIRECTORS' REPORT (continued)**

### **Information on Directors – continued**

Tribunal (GAAT), Assistant Commissioner of the Health Quality and Complaints Commission (HQCC) and Chair of its Consumer Advisory Committee. She currently sits on a number of other Boards and Tribunals, including the Metro North Hospitals and Health Services Board.

Margaret has a PhD (Child Health and Education) and MPhty. Her awards include a Churchill Fellowship (disability and early intervention), NHMRC Travelling Fellowship (Telemedicine) and WHO Study (HIV/AIDS). She was made a Member of the Order of Australia in 2003 in recognition of her work in public health, discrimination, ageing, HIV/AIDS and social justice.

Margaret was a member of the Board's Governance, Remuneration and Nomination Committee whilst it operated in the 2013/2014 financial year and has recently been appointed to the Services and Clinical Governance Board Committee.

### **Mrs Maree McMahon - Non-executive Director**

BBus, FAICD, FCPA

Maree is an experienced senior finance leader with over 25 years' leading finance teams through transformational change in large listed companies, spanning industries such as financial services, mining, manufacturing and construction.

The majority of those roles encompassed responsibility for a broad range of financial functions and related services, as well as business continuity planning, risk management, policy development and managing multiple service providers for the Finance Shared Services and Business Services functions. Maree was also a key contributor to numerous merger and acquisition related integration programs and Finance function transformation initiatives.

Throughout her career, Maree has also been an active member of CPA Australia, currently serving on the Queensland Divisional Council Executive Committee. She is also currently a Non Executive Director of COTA Queensland.

Maree brings skills in financial governance, financial reporting, business process improvement, integration and change management, strategic management accounting, strategic planning and implementation, risk management, customer shared service delivery, contract governance and systems design.

Maree is currently Chair of the Board's Audit & Risk Committee.

### **Mr Stephen (Steve) Roberts - Director**

FAICD, FIPA

Steve is an experienced chairman, non-executive director, board advisor and executive, having sat on the board of over 10 companies in the ASX, private, government, family company and not-for-profit sectors in Australia, South East Asia and the United Kingdom.

In an executive capacity, he spent 17 years with BHP Billiton managing a broad business portfolio within its Stainless Steel Materials Group.

## **DIRECTORS' REPORT (continued)**

### **Information on Directors – continued**

Steve brings key skills in corporate strategy & governance, business development, finance & accounting and systems and frameworks, including in the areas of financial governance, compliance and risk management.

He currently holds the position of Non-executive Director of Sanctuary Cove Community Services Limited.

Steve is a Fellow of the Australian Institute of Company Directors (FAICD) and a Fellow of the Institute of Public Accountants (FIPA).

He is currently Chair of the Board's Business Development Committee and a member of the Audit and Risk Committee.

### **Dr Benjamin Duke - Non-executive Director**

BMed, MHA, MPH, FRANZCP, CertAdvTrCLPsych

Dr Benjamin (Ben) Duke is a psychiatrist in private practice at Belmont Private Hospital in Brisbane. He has previously worked at the Royal Brisbane and Womens Hospital, Princess Alexandra Hospital (PAH) and Caboolture Hospital. During his time at the PAH he was the psychiatrist responsible for looking after people with brain injuries in both the Brain Injury Rehabilitation Unit and through the Acquired Brain Injury Outreach Service.

He has just completed serving his second term on the AMAQ Branch Council, and was previously the President of the Australian and New Zealand Association of Psychiatrists in Training. In his spare time he is the President of the Queensland Ballet Friends, an organisation that raises funds to support the activities of the Queensland Ballet.

Ben is a member of the Board's Service and Clinical Governance Committee.

### **Dr Jonathan Mason – Non-executive Director**

BSc, Ph.D, D.Clin Psych (MAPS, M CCP)

Dr Jonathan Mason is a clinical psychologist specialising in research and clinical work with people with disabilities, and has worked in a range of settings for people with both acute and severe and enduring mental health problems. Shortly after qualifying as a clinical psychologist he led a project in an urban and ethnically diverse region of London to develop ways of increasing the participation of people with severe and enduring mental health problems in their care planning, eventually winning an Innovation Award from the National Health Service for his work.

Jon has since worked in senior clinical roles in both the UK and Australia, including working as the Head of Psychology in a large tertiary residential service for people with Intellectual Disabilities and severely challenging behaviour and as Centre Director for a flagship QLD Government disability project in Brisbane, designed to meet the needs of offenders with intellectual disabilities. He has published widely on his research interests, particularly in relation to developing ways of improving the access of people with disabilities to psychological therapy. He has extensive experience in assisting organisations and services to develop and maintain rigorous clinical governance systems and processes, and is a Senior Lecturer in Clinical Psychology at the University of the Sunshine Coast.

Jon is currently Chair of the Board's Service and Clinical Governance Committee.

## **DIRECTORS' REPORT (continued)**

### **Members' guarantee**

Open Minds Australia Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. 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 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$250 (2013: \$190).

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



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**Mr Michael Gilmour**  
**Director**



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**Mrs Maree McMahon**  
**Director**

Dated this 31 day of October 2014

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**RESPONSIBLE ENTITIES' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 33 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 2014 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.



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**Mr Michael Gilmour**  
**Director**



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**Mrs Maree McMahon**  
**Director**

Dated this 31 day of October 2014

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

**Report on the Financial Report**

We have audited the accompanying financial report of Open Minds Australia Limited, which comprises the statement of financial position as at 30 June 2014, 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 responsible entities' declaration.

*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 – 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.

*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. Those 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 company's preparation of the financial report that gives a true and fair view 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. 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.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

- 10 -

**INDEPENDENT AUDITOR'S REPORT (continued)  
TO THE MEMBERS OF  
OPEN MINDS AUSTRALIA LIMITED**

*Auditor's Opinion*

In our opinion the financial report of Open Minds Australia Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*PKF Hacketts*

**PKF Hacketts Audit**

*C Bradley*

**Cameron Bradley  
Partner**

Dated this 31 day of October 2014

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue and other income	2	21,337,357	17,002,229
Employee benefits expense		(15,703,467)	(12,923,116)
Depreciation and amortisation expenses	3	(642,250)	(336,813)
Bad and doubtful debts (expense) recovered		-	-
Occupancy expenses		(827,464)	(455,006)
Motor vehicles leases and running costs		(506,602)	(433,616)
Other expenses	3	<u>(3,302,452)</u>	<u>(2,298,006)</u>
<b>Surplus before income tax expense</b>		<b>355,122</b>	<b>555,672</b>
Income tax expense	1(j)	<u>-</u>	<u>-</u>
<b>Surplus for the year</b>		<b><u>355,122</u></b>	<b><u>555,672</u></b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Net gain on revaluation of non-current financial assets		48,478	64,676
Income tax effect		<u>-</u>	<u>-</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>48,478</u></b>	<b><u>64,676</u></b>
<b>Total comprehensive income for the year</b>		<b><u>403,600</u></b>	<b><u>620,348</u></b>
Surplus attributable to:			
Members of the entity		<u>355,122</u>	<u>555,672</u>
Total comprehensive income attributable to:			
Members of the entity		<b><u>403,600</u></b>	<b><u>620,348</u></b>

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 2014**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	7,054,752	6,570,398
Trade and other receivables	5	502,788	442,988
Other assets	6	<u>111,215</u>	<u>66,535</u>
TOTAL CURRENT ASSETS		<u>7,668,755</u>	<u>7,079,921</u>
NON-CURRENT ASSETS			
Financial assets	7	317,063	257,856
Property, plant and equipment	8	3,326,139	3,160,804
Investment properties	9	621,476	645,284
Intangible assets	10	<u>191,979</u>	<u>144,896</u>
TOTAL NON-CURRENT ASSETS		<u>4,456,657</u>	<u>4,208,840</u>
TOTAL ASSETS		<u>12,125,412</u>	<u>11,288,761</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	2,569,794	2,270,343
Provisions	12	<u>665,403</u>	<u>549,290</u>
TOTAL CURRENT LIABILITIES		<u>3,235,197</u>	<u>2,819,633</u>
NON-CURRENT LIABILITIES			
Provisions	12	<u>215,278</u>	<u>197,791</u>
TOTAL NON-CURRENT LIABILITIES		<u>215,278</u>	<u>197,791</u>
TOTAL LIABILITIES		<u>3,450,475</u>	<u>3,017,424</u>
<b>NET ASSETS</b>		<u><b>8,674,937</b></u>	<u><b>8,271,337</b></u>
<b>EQUITY</b>			
Asset revaluation reserve	14	198,019	149,541
Retained earnings		<u>8,476,918</u>	<u>8,121,796</u>
<b>TOTAL EQUITY</b>		<u><b>8,674,937</b></u>	<u><b>8,271,337</b></u>

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 2014**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 30 June 2012</b>	<b>4,792,769</b>	<b>84,865</b>	<b>4,877,634</b>
Change in accounting policy – unexpended grants. Note 1 (t)	2,773,355	-	2,773,355
<b>Comprehensive income</b>			
Surplus for the year	555,672	-	555,672
Other comprehensive income for the year	-	64,676	64,676
Total comprehensive income	555,672	64,676	620,348
<b>Balance at 30 June 2013</b>	<b><u>8,121,796</u></b>	<b><u>149,541</u></b>	<b><u>8,271,337</u></b>
<b>Comprehensive income</b>			
Surplus for the year	355,122	-	355,122
Other comprehensive income for the year	-	48,478	48,478
Total comprehensive income	355,122	48,478	403,600
<b>Balance at 30 June 2014</b>	<b><u><u>8,476,918</u></u></b>	<b><u><u>198,019</u></u></b>	<b><u><u>8,674,937</u></u></b>

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 2014**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grants and from customers		20,039,068	19,843,535
Payments to suppliers and employees		(18,859,942)	(18,597,843)
Dividends received		10,594	8,886
Interest received		136,733	214,197
<b>Net cash provided by operating activities</b>	13	<b><u>1,326,453</u></b>	<b><u>1,468,775</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		102,786	176,724
Payment for property, plant and equipment		(859,469)	(1,545,485)
Payment for intangible assets		(85,416)	(145,941)
<b>Net cash used in investing activities</b>		<b><u>(842,099)</u></b>	<b><u>(1,514,702)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		-	-
<b>Net cash used in financing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
Net (decrease) increase in cash held		484,354	(45,927)
Cash and cash equivalents at beginning of financial year		6,570,398	6,616,325
<b>Cash and cash equivalents at end of financial year</b>	4	<b><u><u>7,054,752</u></u></b>	<b><u><u>6,570,398</u></u></b>

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 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

The financial statements were authorised for issue on 31 October 2014 by the directors of the company.

**(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) 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 the cost basis less depreciation and impairment losses.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Property, Plant and Equipment (continued)**

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation reserve. All other decreases are charges to the statement of comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original costs, is transferred from the revaluation reserve to retained earnings.

**Plant and equipment**

The carrying amount of plant and equipment is reviewed annually by directors 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:

<b>Class of Fixed Assets</b>	<b>Depreciation Rate</b>
Buildings	2.5%
Furniture, fittings and equipment	10% to 25%
Motor vehicles	20% to 25%

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.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Property, Plant and Equipment (continued)**

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(e) Investment property**

Investment property is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment 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(d) above.

**(f) 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 assessed annually for impairment.

**(g) 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.

**(h) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(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*.

**(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) Unexpended Grants**

Open Minds Australia Limited receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as an unexpended grants liability in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or, in the case of specific project grants, where the project has not been completed and it is more likely than less likely that unexpended grants will have to be refunded.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Revenue and Other Income**

Grant revenue is recognised in the statement of comprehensive income 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.

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

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

Revenue from investment properties is recognised on an accruals basis or straight-line basis in accordance with lease agreements.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value to the clients for 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 clients for the contributor, otherwise the grant is recognised as income on receipt.

Dividend revenue is recognised when the dividend has been received.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

**(n) Contributions**

Open Minds Australia Limited receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Leases**

Leases of plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(p) 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.

**(q) 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.

*Loans and receivables*

Loans and 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.

Loans and 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.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(q) Financial instruments (continued)**

*Available-for-sale financial assets*

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

Available-for-sale financial assets 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 (excluding financial guarantees) are recognised at amortised cost, comprising original debt less principal payments and amortisation.

*Fair Value*

Fair value is determined based on current bid prices for all quoted investments.

*Impairment*

At the end of each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(r) Critical accounting estimates and judgements**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(r) Critical accounting estimates and judgements (continued)**

There have been no significant judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in this financial report.

**(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) Change in accounting policy – unexpired grants**

After consultations with funding providers and other participants in the industry the directors have reassessed the process for acquitting government grant funding. The company's previous policy was to take a conservative approach and record all unexpired grants as a liability regardless of the likelihood of having to repay the funding provider. The directors are of the opinion that the financial statements will reflect more relevant information, in accordance with Australian Accounting Standards, by retrospectively applying the change in accounting policy.

The reassessment of the process has been applied to unexpired grant funding that the company has been recording as a liability. The directors have determined that only unexpired grant funding that is not probable to be repaid shall be recorded in the Statement of Comprehensive Income in the year it was earned. As a result, the directors are of the opinion that it is therefore not probable that historical unexpired grants in relation to Disability Services Queensland and Department of Communities will have to be repaid and as such are not a liability to the company.

The revenue in relation to the historical unexpired grant funding relates to accounting periods prior to the year ended 30 June 2012. The change in policy has resulted in an adjustment to decrease unexpired grant liability, with a corresponding increase in retained earnings, by \$2,773,355 for the year ended 30 June 2012. Comparative information in the 30 June 2014 financial statements has been amended accordingly.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 2: REVENUE AND OTHER INCOME**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities:</b>		
Grant income - State Government	10,746,175	9,612,594
Grant and contract income – Federal Government	8,274,438	5,279,537
Grant income - Other	21,323	30,727
Other service income	1,252,561	1,527,241
Interest income	135,456	219,185
Dividend income	22,109	18,452
Rental income	51,993	61,746
Other income	494,541	293,775
	<b>20,998,596</b>	<b>17,043,257</b>
<b>Non-operating activities:</b>		
(Loss) gain on disposal of plant and equipment	(11,239)	(41,028)
Capital Grants	350,000	-
	<b>338,761</b>	<b>(41,028)</b>
<b>Total revenue and other income</b>	<b>21,337,357</b>	<b>17,002,229</b>

**NOTE 3: EXPENSES**

Surplus before income tax expense includes the following specific expenses:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Depreciation and amortisation:</i>		
Buildings	39,683	28,804
Leasehold improvement	197,121	47,952
Plant and equipment	343,305	220,201
Investment properties	23,808	23,807
Computer software	38,333	16,049
	<b>642,250</b>	<b>336,813</b>

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 3: EXPENSES (CONTINUED)**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Other expenses:</i>		
Direct cost of services – Clients’ expenses	653,248	227,201
IT consulting and computer expenses	286,042	138,332
Telephone and internet charges	255,877	185,288
Electricity and gas	75,126	50,831
Legal costs	55,158	74,101
Permits, licences and fees	273,529	122,784
Consultancy costs	319,994	268,169
Staff conference, training, recruitment and rewards	478,433	362,511
Insurance	79,279	95,508
Philanthropic project expenses	50,000	82,727
Branding - business development*	51,636	75,120
Other expenses	724,130	615,434
	<b><u>3,302,452</u></b>	<b><u>2,298,006</u></b>

\*Branding expenditure has been incurred in readiness for consumer driven market.

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash on hand	5,201	4,401
Cash at bank	4,343,676	3,874,967
Short-term bank deposits	2,705,875	2,691,030
	<b><u>7,054,752</u></b>	<b><u>6,570,398</u></b>

**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:

Cash and cash equivalents	<b><u>7,054,752</u></b>	<b><u>6,570,398</u></b>
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**NOTE 5: TRADE AND OTHER RECEIVABLES**

<b>CURRENT</b>		
Trade receivables	222,707	155,478
Provision for impairment of receivables	(2,245)	(2,413)
	<u>220,462</u>	<u>153,065</u>
Other receivables	<u>282,326</u>	<u>289,923</u>
	<b><u>502,788</u></b>	<b><u>442,988</u></b>

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 5: TRADE AND OTHER RECEIVABLES (CONTINUED)**

**Provision for Impairment of Receivables**

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in bad and doubtful debts expenses.

Movement in the provision for impairment of receivables is as follows:

<b>Provision for impairment as at 30 June 2012</b>	\$ <b>3,910</b>
- decrease in provision for the year	(1,497)
<b>Provision for impairment as at 30 June 2013</b>	<b>2,413</b>
- decrease in provision for the year	168
<b>Provision for impairment as at 30 June 2014</b>	<b>2,245</b>

**NOTE 6: OTHER ASSETS**

	2014 \$	2013 \$
Prepayments	<b>111,215</b>	<b>66,535</b>

**NOTE 7: FINANCIAL ASSETS**

NON-CURRENT		
<i>Available-for-sale financial assets</i>		
Shares in listed corporations – at fair value:		
Shares in CBA – DUUS Estate	238,649	191,283
Shares Suncorp Metway	78,414	66,573
	<b>317,063</b>	<b>257,856</b>

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>LAND AND BUILDINGS</b>		
<b>Freehold land at:</b>		
66 Annerley Road, South Brisbane – at cost	<u>480,000</u>	<u>480,000</u>
<b>Buildings at:</b>		
66 Annerley Road, South Brisbane – at cost	1,306,291	1,185,017
Less accumulated depreciation	<u>(321,908)</u>	<u>(282,227)</u>
Total buildings	<u>984,383</u>	<u>902,790</u>
<b>Total land and buildings</b>	<u><b>1,464,383</b></u>	<u><b>1,382,790</b></u>
<b>LEASEHOLD IMPROVEMENTS</b>		
Leasehold improvements		
At cost	1,018,057	703,740
Less accumulated depreciation	<u>(277,285)</u>	<u>(80,165)</u>
<b>Total leasehold improvements</b>	<u><b>740,772</b></u>	<u><b>623,575</b></u>
<b>PLANT AND EQUIPMENT</b>		
Office equipment, furniture, fixtures and fittings		
At cost	1,041,699	866,307
Less accumulated depreciation	<u>(667,067)</u>	<u>(569,883)</u>
	<u><b>374,632</b></u>	<u><b>296,424</b></u>
Motor vehicles		
At cost	1,115,429	1,072,239
Less accumulated depreciation	<u>(369,077)</u>	<u>(214,224)</u>
	<u><b>746,352</b></u>	<u><b>858,015</b></u>
<b>Total plant and equipment</b>	<u><b>1,120,984</b></u>	<u><b>1,154,439</b></u>
<b>Total property, plant and equipment</b>	<u><u><b>3,326,139</b></u></u>	<u><u><b>3,160,804</b></u></u>

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)**

**Movements in carrying amounts**

	<b>Freehold land and buildings</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at beginning of the year	1,382,790	623,575	1,154,439	3,160,804
Additions	121,276	314,318	423,875	859,469
Transfers	-	-	-	-
Disposals			(114,025)	(114,025)
Depreciation expense	(39,683)	(197,121)	(343,305)	(580,109)
<b>Carrying amount at end of the year</b>	<b>1,464,383</b>	<b>740,772</b>	<b>1,120,984</b>	<b>3,326,139</b>

**NOTE 9: INVESTMENT PROPERTIES**

	<b>2014</b>	<b>2013</b>
	\$	\$
<i>At written down value:</i>		
1/61 Real St Annerley	75,607	78,366
1/146 Sexton St Tarragindi	48,596	50,644
4/146 Sexton St Tarragindi	47,629	49,545
6/370 Montague Rd West End	49,607	51,600
7/112 School Rd Yeronga	54,402	56,677
100 Chester Road Annerley	345,635	358,452
<b>Total investment properties</b>	<b>621,476</b>	<b>645,284</b>

The Queensland Housing Commission and Open Minds Australia Limited have agreed to a secured mortgage over the investment properties.

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.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 9: INVESTMENT PROPERTIES (continued)**

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

100 Chester Road, Annerley	100%	Land only
6/370 Montague Road, West End	62%	Land and improvements
1/61 Real Street, Annerley	66%	Land and improvements
7/100 School Road, Yeronga	62%	Land and improvements
1/146 Sexton Street, Tarragindi	66%	Land and improvements
4/146 Sexton Street, Tarragindi	66%	Land and improvements

**Movements in carrying amounts**

	<b>1/61 Real St Annerley</b>	<b>1/146 Sexton St Tarragindi</b>	<b>4/146 Sexton St Tarragindi</b>	<b>6/370 Montague Rd West End</b>	<b>7/112 School Rd Yeronga</b>	<b>100 Chester Road Annerley</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
Balance at beginning of the year	78,366	50,644	49,545	51,600	56,677	358,452	645,284
Additions							
Disposals							
Depreciation expense	(2,760)	(2,048)	(1,916)	(1,993)	(2,274)	(12,817)	(23,808)
<b>Carrying amount at end of the year</b>	<b>75,606</b>	<b>48,596</b>	<b>47,629</b>	<b>49,607</b>	<b>54,403</b>	<b>345,635</b>	<b>621,476</b>

**NOTE 10: INTANGIBLE ASSETS**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Computer software</b>		
At cost	392,857	307,441
Less accumulated amortisation	(200,878)	(162,545)
<b>Net carrying value</b>	<b>191,979</b>	<b>144,896</b>

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 10: INTANGIBLE ASSETS (continued)**

**Movements in carrying amounts**

	<b>Intangible Assets</b>
	<b>\$</b>
Balance at beginning of the year	144,896
Additions	85,416
Amortisation	(38,333)
	<hr/>
<b>Net carrying value</b>	<b>191,979</b>
	<hr/> <hr/>

**NOTE 11: TRADE AND OTHER PAYABLES**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade payables	231,115	196,576
Sundry payables and accrued expenses	806,683	584,603
Income received in advance	1,531,996	1,489,164
	<hr/>	<hr/>
	<b>2,569,794</b>	<b>2,270,343</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 12: PROVISIONS – EMPLOYEE BENEFITS**

CURRENT		
Provision annual leave	630,579	475,391
Provision for long service leave	34,824	73,899
	<hr/>	<hr/>
	<b>665,403</b>	<b>549,290</b>
	<hr/> <hr/>	<hr/> <hr/>
NON-CURRENT		
Provision for long service leave	<b>215,278</b>	<b>197,791</b>
	<hr/> <hr/>	<hr/> <hr/>
Total provisions	<b>880,681</b>	<b>747,081</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Movements in provisions</b>		
Opening balance at 1 July 2013		747,081
Additional provisions raised during the year		1,023,958
Amounts used		(890,358)
		<hr/>
<b>Balance at 30 June 2014</b>		<b>880,681</b>
		<hr/> <hr/>

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 12: PROVISIONS – EMPLOYEE BENEFITS (continued)**

**Provision for long-term employee benefits**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical date. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

**NOTE 13: CASH FLOWS INFORMATION**

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	355,122	555,672
<b>Non-cash flows:</b>		
Depreciation and amortisation	642,250	336,813
Loss (gain) on disposal of plant and equipment	11,239	41,028
Dividend received by way of dividends reinvestment plan	(10,729)	(9,566)
<b>Changes in assets and liabilities:</b>		
(Increase) decrease in trade and other receivables	(59,800)	(334,887)
Increase in trade and other payables	254,771	756,546
Increase in provisions	133,600	123,169
<b>Net cash provided by operating activities</b>	<b><u>1,326,453</u></b>	<b><u>1,468,775</u></b>

**NOTE 14: RESERVES**

**Asset Revaluation Reserve**

The Asset Revaluation Reserve records the revaluation of available-for-sale financial assets. The movement of revaluation of for available for sale financial assets can be seen in the Statement of Changes in Equity on page 13.

**NOTE 15: 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 2013 the number of members was 25 (2013: 19).

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 16: CONTINGENT LIABILITIES**

As disclosed in Note 9, investment 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 dependant 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.

**NOTE 17: FINANCIAL RISK MANAGEMENT**

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents	4	7,044,950	6,570,398
Trade and other receivables	5	220,462	442,988
Other assets	6	111,215	66,535
Available-for-sale financial assets	7	<u>317,063</u>	<u>257,856</u>
<b>Total financial assets</b>		<b><u>7,693,690</u></b>	<b><u>7,337,777</u></b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
- Trade and other payables	11	<u>2,569,794</u>	<u>2,270,343</u>
<b>Total financial liabilities</b>		<b><u>2,569,794</u></b>	<b><u>2,270,343</u></b>

**Net Fair Values**

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

**NOTE 18: 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 19: ECONOMIC DEPENDENCE**

Open Minds Australia Limited is dependent on both the Federal Government and Queensland State Government for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Queensland Government nor Federal will not continue to support the company.

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>Short-term benefits \$</b>	<b>Post- employment benefit \$</b>	<b>Other long-term benefits \$</b>	<b>Total \$</b>
<b>2014</b>				
Total compensation	606,857	55,382	22,683	<b>684,922</b>
<b>2013</b>				
Total compensation	461,399	43,804	26,626	<b>531,829</b>

**NOTE 21: RELATED PARTY TRANSACTIONS**

There are no material related party transactions.

**NOTE 22: CAPITAL AND LEASING COMMITMENTS**

	<b>2014 \$</b>	<b>2013 \$</b>
<b>a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
- not later than 12 months	955,525	618,426
- between 2 – 5 years	2,237,214	1,716,560
- greater than 5 years	-	-
	<u><b>3,192,739</b></u>	<u><b>2,334,986</b></u>
<b>b) Branding – business development</b>		
Contractual obligation for branding expenditure – not recognised as a liability	-	<u><b>50,706</b></u>

**NOTE 23: COMPANY DETAILS**

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