

# **Open Minds Australia Limited**

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A.C.N. 009 687 030

**Financial Statements  
For the Year Ended 30 June 2016**

**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

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**OPEN MINDS AUSTRALIA LIMITED**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2016.

**Directors**

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

|                          | <b><u>Date Commenced</u></b>   | <b><u>Date Retired</u></b> |
|--------------------------|--------------------------------|----------------------------|
| Mr Mike Gilmour          | 17 <sup>th</sup> May 2005      | -                          |
| Prof Paul Mazerolle      | 10 <sup>th</sup> June 2009     | -                          |
| Ms Lynn Smart            | 16 <sup>th</sup> August 2011   | -                          |
| Dr Margaret Steinberg AM | 16 <sup>th</sup> October 2012  | -                          |
| Mr Stephen Roberts       | 26 <sup>th</sup> November 2013 | -                          |
| Dr Benjamin Duke         | 11 <sup>th</sup> June 2014     | -                          |
| Ms Julie-Anne Schafer    | 14 <sup>th</sup> August 2015   | -                          |

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 Lisa Swenson (BCom/LLM) acted as the Company Secretary of Open Minds. Ms Swenson is a qualified lawyer and company secretary, with over 20 years experience in the commercial, construction and finance industries within government and across listed and unlisted entities. She has also undertaken voluntary work in the not for profit arena.

**Principal activities**

Open Minds provides psychosocial support services including vocational and employment services to people with mental illness, disability and acquired brain injury. In addition, Open Minds 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 \$394,858 (2015: \$1,081,659). A review of operations of the company during the financial year indicated that Open Minds has had an increase in income of 14% and expenses of 17%. This has resulted in a surplus of 1.3% (2015: 4.2%) of total revenue.

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**DIRECTORS' REPORT (continued)**

**Strategic goals**

The company's four strategic goals, which are each supported by a strategic priority pillar are set out below:

|                                   | <b>1</b>  | <b>2</b>   | <b>3</b>   | <b>4</b>  |
|-----------------------------------|---|--|--|---|
| <b>STRATEGIC PRIORITY PILLAR:</b> | Leadership, Growth and Sustainability   | Client Services  | Process Excellence   | People & Culture  |
| <b>STRATEGIC GOAL:</b>            | We are here for the long run. We operate our business with discipline, rigour and evidence based decision making. | Clients come first. Our business is to attract, retain, & support our clients at every stage of their journey. | We make the future better. Our processes & systems enable our people and our business. | People drive our business. Our values driven culture gives us permission to be courageous and rewards high performance. |

**Meetings of Directors**

During the financial year, twenty six 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)                       | 10                               | 10                     |
| Ms Lynn Smart                                 | 10                               | 10                     |
| Prof Paul Mazerolle                           | 10                               | 7                      |
| Dr Margaret Steinberg AM                      | 10                               | 7                      |
| Mr Stephen Roberts                            | 10                               | 9                      |
| Dr Benjamin Duke                              | 10                               | 9                      |
| Ms Julie-Anne Schafer<br>(appointed 14.08.15) | 9                                | 7                      |

**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> |
| Mr Stephen Roberts (Chair)   | 6                                | 6                      |
| Mr Mike Gilmour (retired<br>1.01.16)                                 | 3                                | 6*                     |
| Mr Simon James (external<br>Committee member,<br>appointed 28.08.15) | 6                                | 6                      |
| Ms Julie-Anne Schafer<br>(appointed 01.01.16)                        | 3                                | 3                      |
| Ms Lynn Smart (ex-officio)   | n/a                              | 2                      |

***\*Attended 3 meetings in an ex officio capacity***

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**DIRECTORS' REPORT (continued)**

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

| <b>Governance, Remuneration and Nomination<br/>Committee Meetings</b> |                                  |                        |
|---|----------------------------------|------------------------|
|   | <b>Number eligible to attend</b> | <b>Number attended</b> |
| Ms Lynn Smart (Chair)   | 6                                | 6                      |
| Prof Paul Mazerolle   | 6                                | 6                      |
| Mr Mike Gilmour   | 6                                | 6                      |

**Meetings of Service & Clinical Governance Committee**

| <b>Service &amp; Clinical Governance Committee<br/>Meetings</b> |                                  |                        |
|---|----------------------------------|------------------------|
|   | <b>Number eligible to attend</b> | <b>Number attended</b> |
| Dr Benjamin Duke (Chair)  | 4                                | 4                      |
| Dr Margaret Steinberg AM  | 4                                | 3                      |
| Ms Natalie Spiteri (appointed<br>10.07.15)                      | 4                                | 4                      |
| Ms Naomi McCorkell<br>(appointed 20.11.15)                      | 2                                | 2                      |
| Dr Fabian Bryant (retired<br>22.08.15)                          | 1                                | 1                      |
| Ms Lynn Smart (ex-officio)                                      | n/a                              | 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 a Member of the Metro North Hospital and Health Board, a Director of Isis Central Sugar Mill Company Limited, a Director of Sugar Research Australia Limited and a Director of Aviation Australia Pty Ltd.

Mike's past appointments include: Chair of the Metro North Brisbane Medicare Local, Chair of Metro South Institute of TAFE, Chair of the South Bank Institute of Technology and Chair of the Combined Brisbane Metro Region TAFE. Mike is a former President of the Queensland Division of CPA Australia.

Mike has a close involvement with the indigenous community particularly through his 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 Governance, Remuneration and Nomination Committee.

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**DIRECTORS' REPORT (continued)**

**Information on Directors - continued**

**Ms Lynn Smart (Deputy Chair) - Non-executive Director**

B Com, CPA, FAICD, MBA

Lynn is an experienced company director, business and finance professional. She is outcome and customer focussed with varied commercial and board experience including significant mergers and acquisition exposure.

Her diverse commercial experience over 25 years has included start-up, high growth, private and public companies across broad industry segments such as: construction, mining services, web hosting, energy, heavy industry and food manufacturing, assembly, FMCG, franchise, and transport.

Lynn is an experienced Director with a strong commitment to quality community service provision in a transforming health and disability sector – she currently holds the position of non-executive Director with Mercy Community Services South East Queensland Limited and was previously a Director of the Anywhere Theatre Festival. She is currently Deputy Chair of Open Minds, Chair of the Board's Governance, Remuneration and Nomination Committee and has been a member of the Board since August 2011.

**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 served two terms on the AMAQ Branch Council, and was previously the President of the Australian and New Zealand Association of Psychiatrists in Training. He was previously the President of the Queensland Ballet Friends, an organisation that raises funds to support the activities of the Queensland Ballet.

Ben is Chair of the Board's Service and Clinical Governance Committee and has been a Director of Open Minds since June 2014.

**Professor Paul Mazerolle – Non-executive Director**

PhD, M Science, B Arts

Professor Paul Mazerolle is Pro Vice Chancellor (Arts, Education and Law), Campus Provost (Mt Gravatt) and Director of the Violence Research and Prevention Program at Griffith University. In his PVC role Paul has overall responsibility for the performance of the Arts, Education and Law group which includes over 13,000 students and 400 academic staff. Paul has a background in Criminology and leads research in various areas including offending across the life course, youth violence, intimate partner violence, and homicide as well as criminal justice policy. He holds a PhD in Criminology, a Masters in Criminal Justice and a Bachelor in Sociology.

Paul has been a Director of Open Minds since June 2009 and is a member of the Board's Governance, Remuneration and Nomination Committee.

**OPEN MINDS AUSTRALIA LIMITED**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**DIRECTORS' REPORT (continued)**

**Information on Directors – continued**

**Mr Stephen (Steve) Roberts - Non-Executive 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.

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.

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 Audit and Risk Committee. He also chaired the Business Development Committee from January 2014 through to its cessation on 29 May 2015. Steve was appointed to the Board in November 2013.

**Ms Julie-Anne Schafer – Non-executive Director (appointed 14 August 2015)**  
LLB, FAICD

Julie-Anne has experience in diverse and highly regulated sectors including financial services, member service, mutual, private health, trustee and transport (road and rail). She has ASX, unlisted public company, government and advisory council experience with associated governance, committee, risk management, strategy and stakeholder engagement experience, some international exposure.

She has led a large diversified mutual, an insurer, state law society and was Deputy Chancellor of QUT. Julie-Anne was previously a partner in professional legal service firms.

Julie-Anne was appointed to the Board of Open Minds on 14 August 2015 and is a member of the Board's Audit and Risk Committee.

**OPEN MINDS AUSTRALIA LIMITED**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**DIRECTORS' REPORT (continued)**

**Information on Directors - continued**

**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 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. She is the Board Sponsor for Consumer and Community Engagement.

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 is a member of the Board's Service and Clinical Governance Board Committee and has been a member of the Board since October 2012.

**Directors Remuneration**

Total directors' remuneration for 2015/16 financial year was \$150,848.

**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 2016 has been received and can be found on page 8 of the financial report.

**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 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$260 (2015: \$260).

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

  
**Mr Mike Gilmour**  
**Director**

Dated this 23<sup>rd</sup> day of September 2016




**OPEN MINDS AUSTRALIA LIMITED**  
**A.C.N 009 687 030**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 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 2016 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.

  
\_\_\_\_\_  
**Mr Michael Gilmour**  
**Director**

  
\_\_\_\_\_  
**Mr Stephen Roberts**  
**Director**

Dated this 23<sup>rd</sup> day of September 2016

**Auditor's Independence Declaration under 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 2016 there have been no contraventions of:

1. the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.



**Crowe Horwath Brisbane**



**Logan Meehan**  
Partner

Signed at Brisbane, 23 September 2016

## 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 2016, 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 directors' 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. These 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*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Open Minds Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## Opinion

In our opinion:

- (a) 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 2016 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-profit Commission Regulation 2013*.



**Crowe Horwath Brisbane**



**Logan Meehan**  
Partner

Signed at Brisbane, 27 September 2016

**OPEN MINDS AUSTRALIA LIMITED**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|  | Note | 2016<br>\$            | 2015<br>\$              |
|--|------|-----------------------|-------------------------|
| Revenue and other income                                   | 2    | 29,164,599            | 25,653,159              |
| Employee benefits expense                                  |      | (20,715,901)          | (17,668,925)            |
| Depreciation and amortisation expenses                     | 3    | (655,777)             | (721,680)               |
| Occupancy expenses   |      | (1,248,700)           | (1,077,273)             |
| Motor vehicles leases and running costs                    |      | (921,624)             | (603,969)               |
| Other expenses   | 3    | <u>(5,227,739)</u>    | <u>(4,499,653)</u>      |
| <b>Surplus before income tax expense</b>                   |      | <b>394,858</b>        | <b>1,081,659</b>        |
| Income tax expense   | 1(j) | <u>-</u>              | <u>-</u>                |
| <b>Surplus for the year</b>                                |      | <b><u>394,858</u></b> | <b><u>1,081,659</u></b> |
| <b>Other comprehensive income:</b>                         |      |                       |                         |
| <i>Items that may be reclassified to profit or loss</i>    |      |                       |                         |
| Net loss on revaluation of non-current financial assets    |      | (39,671)              | 5,584                   |
| Income tax effect  |      | <u>-</u>              | <u>-</u>                |
| <b>Other comprehensive income for the year, net of tax</b> |      | <b><u>39,671</u></b>  | <b><u>5,584</u></b>     |
| <b>Total comprehensive income for the year</b>             |      | <b><u>355,187</u></b> | <b><u>1,087,243</u></b> |
| Surplus attributable to:                                   |      |                       |                         |
| Members of the entity                                      |      | <u>394,858</u>        | <u>1,081,659</u>        |
| Total comprehensive income attributable to:                |      |                       |                         |
| Members of the entity                                      |      | <u><u>355,187</u></u> | <u><u>1,087,243</u></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 2016**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

|                                      | Note | 2016<br>\$        | 2015<br>\$        |
|--------------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                        |      |                   |                   |
| <b>CURRENT ASSETS</b>                |      |                   |                   |
| Cash and cash equivalents            | 4    | 9,252,202         | 8,261,381         |
| Trade and other receivables          | 5    | 691,274           | 1,269,563         |
| Other assets                         | 6    | 239,346           | 85,806            |
| Financial assets                     | 7    | 233,754           | 1,102,040         |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>10,416,576</b> | <b>10,718,790</b> |
| <b>NON-CURRENT ASSETS</b>            |      |                   |                   |
| Financial assets                     | 7    | 308,240           | 334,908           |
| Property, plant and equipment        | 8    | 2,416,309         | 2,986,345         |
| Residential properties               | 9    | 903,972           | 926,308           |
| Intangible assets                    | 10   | 504,289           | 246,255           |
| Work in progress                     | 11   | 256,611           | -                 |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>4,389,421</b>  | <b>4,493,816</b>  |
| <b>TOTAL ASSETS</b>                  |      | <b>14,805,997</b> | <b>15,212,606</b> |
| <b>LIABILITIES</b>                   |      |                   |                   |
| <b>CURRENT LIABILITIES</b>           |      |                   |                   |
| Trade and other payables             | 12   | 3,350,491         | 4,123,960         |
| Employee benefits                    | 13   | 960,954           | 852,697           |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>4,311,445</b>  | <b>4,976,657</b>  |
| <b>NON-CURRENT LIABILITIES</b>       |      |                   |                   |
| Employee benefits                    | 13   | 48,544            | 145,129           |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>48,544</b>     | <b>145,129</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>4,359,989</b>  | <b>5,121,786</b>  |
| <b>NET ASSETS</b>                    |      | <b>10,446,008</b> | <b>10,090,820</b> |
| <b>EQUITY</b>                        |      |                   |                   |
| Asset revaluation reserve            | 15   | 163,932           | 203,603           |
| Retained earnings                    |      | 10,282,076        | 9,887,217         |
| <b>TOTAL EQUITY</b>                  |      | <b>10,446,008</b> | <b>10,090,820</b> |

The accompanying notes form part of these financial statements.

**OPEN MINDS AUSTRALIA LIMITED**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | Retained<br>Earnings<br>\$ | Asset<br>Revaluation<br>Reserve<br>\$ | Total<br>\$              |
|---|----------------------------|---------------------------------------|--------------------------|
| <b>Balance at 30 June 2014</b>          | <b>8,805,558</b>           | <b>198,019</b>                        | <b>9,003,577</b>         |
| <b>Comprehensive income</b>             |                            |                                       |                          |
| Surplus for the year                    | 1,081,659                  | -                                     | 1,081,659                |
| Other comprehensive income for the year | -                          | 5,584                                 | 5,584                    |
| Total comprehensive income              | 1,081,659                  | 5,584                                 | 1,087,243                |
| <b>Balance at 30 June 2015</b>          | <b><u>9,887,217</u></b>    | <b><u>203,603</u></b>                 | <b><u>10,090,820</u></b> |
| <b>Comprehensive income</b>             |                            |                                       |                          |
| Surplus for the year                    | 394,858                    | -                                     | 394,858                  |
| Other comprehensive income for the year | -                          | (39,671)                              | (39,671)                 |
| Total comprehensive income              | 394,858                    | (39,671)                              | 355,187                  |
| <b>Balance at 30 June 2016</b>          | <b><u>10,282,076</u></b>   | <b><u>163,932</u></b>                 | <b><u>10,446,008</u></b> |

The accompanying notes form part of these financial statements.

**OPEN MINDS AUSTRALIA LIMITED**  
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**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | Note | 2016<br>\$              | 2015<br>\$              |
|---|------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |      |                         |                         |
| Receipts from grants and from customers                   |      | 33,611,019              | 30,478,839              |
| Payments to suppliers and employees                       |      | (28,125,831)            | (23,149,339)            |
| Dividends received  |      | 11,500                  | 13,872                  |
| Interest received   |      | 211,426                 | 236,592                 |
| GST recovered/(Paid)                                      |      | (4,296,795)             | (3,318,248)             |
| <b>Net cash provided by operating activities</b>          | 14   | <b><u>1,411,319</u></b> | <b><u>4,261,716</u></b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |      |                         |                         |
| Proceeds from sale of property, plant and equipment       |      | 416,556                 | 318,659                 |
| Payment for property, plant and equipment                 |      | (234,839)               | (550,589)               |
| Payment for intangible assets                             |      | (602,215)               | (117,282)               |
| <b>Net cash used in investing activities</b>              |      | <b><u>(420,498)</u></b> | <b><u>(349,212)</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                      |      | 990,821                 | 3,912,504               |
| Cash and cash equivalents at beginning of financial year  |      | 8,261,381               | 4,348,877               |
| <b>Cash and cash equivalents at end of financial year</b> | 4    | <b><u>9,252,202</u></b> | <b><u>8,261,381</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 2016**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**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.

The financial statements were authorised for issue on 23 September 2016 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) 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.

**(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.

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**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 the 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:

| <b>Class of Fixed Assets</b>      | <b>Depreciation Rate</b> | <b>Useful Life</b> |
|-----------------------------------|--------------------------|--------------------|
| Buildings                         | 2.5%                     | 40 Years           |
| Furniture, fittings and equipment | 10% to 25%               | 4 – 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.

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**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.

*Defined contribution superannuation expense*

Contributions to defined contribution 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*.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**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) 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.

**(m) New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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

**(o) 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 residential 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).

**(p) 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.

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

**(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.

*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.

*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.

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.

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 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.

**(r) Leases**

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.

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

**(s) 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.

**(t) 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.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*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.

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

**(u) 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.



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**NOTE 2: REVENUE AND OTHER INCOME**

|  | <b>2016</b>       | <b>2015</b>       |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| <b>Operating activities:</b>                   |                   |                   |
| Grant income - State Government                | 17,565,622        | 14,619,000        |
| Grant and contract income – Federal Government | 10,719,831        | 9,821,441         |
| Grant income - Other                           | 25,094            | 115,726           |
| Other service income                           | 243,810           | 172,344           |
| Interest income                                | 211,426           | 236,592           |
| Dividend income                                | 24,506            | 26,134            |
| Rental income                                  | 66,893            | 58,998            |
| Other income                                   | 149,868           | 208,554           |
|  | <b>29,007,049</b> | <b>25,258,789</b> |
| <b>Non-operating activities:</b>               |                   |                   |
| Gain on disposal of plant and equipment        | 157,550           | 63,141            |
| Capital Grants                                 | -                 | 331,229           |
|  | <b>157,550</b>    | <b>394,370</b>    |
| <b>Total revenue and other income</b>          | <b>29,164,599</b> | <b>25,653,159</b> |

**NOTE 3: EXPENSES**

Surplus before income tax expense includes the following specific expenses:

|                                       | <b>2016</b>    | <b>2015</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>\$</b>      | <b>\$</b>      |
| <i>Depreciation and amortisation:</i> |                |                |
| Buildings                             | 49,580         | 40,999         |
| Leasehold improvement                 | 290,272        | 258,160        |
| Plant and equipment                   | 204,442        | 335,707        |
| Residential properties                | 23,913         | 23,808         |
| Computer software                     | 87,570         | 63,006         |
|                                       | <b>655,777</b> | <b>721,680</b> |

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**NOTE 3: EXPENSES (CONTINUED)**

|   | 2016<br>\$              | 2015<br>\$              |
|---|-------------------------|-------------------------|
| <i>Other expenses:</i>                              |                         |                         |
| Direct cost of services – Clients' expenses         | 753,476                 | 541,815                 |
| IT consulting and computer expenses                 | 376,793                 | 354,341                 |
| Telephone and internet charges                      | 375,544                 | 353,818                 |
| Electricity and gas                                 | 108,473                 | 96,267                  |
| Legal costs   | 122,782                 | 54,220                  |
| Permits, licences and fees                          | 350,784                 | 363,849                 |
| Consultancy costs                                   | 296,144                 | 330,667                 |
| Staff conference, training, recruitment and rewards | 447,501                 | 336,864                 |
| Insurance   | 59,359                  | 68,727                  |
| Grant Obligations                                   | 41,744                  | 51,761                  |
| Philanthropic project expenses                      | 15,400                  | 50,000                  |
| Project Partner Payments                            | 1,204,996               | 1,038,219               |
| Branding - business development                     | -                       | -                       |
| Other expenses                                      | 1,074,743               | 859,105                 |
|   | <b><u>5,227,739</u></b> | <b><u>4,499,653</u></b> |

**NOTE 4: CASH AND CASH EQUIVALENTS**

|                          |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Cash on hand             | 7,744                   | 6,200                   |
| Cash at bank             | 3,828,823               | 2,855,181               |
| Short-term bank deposits | 5,415,635               | 5,400,000               |
|                          | <b><u>9,252,202</u></b> | <b><u>8,261,381</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>9,252,202</u></b> | <b><u>8,261,381</u></b> |
|---------------------------|-------------------------|-------------------------|

**NOTE 5: TRADE AND OTHER RECEIVABLES**

|   |                       |                         |
|---|-----------------------|-------------------------|
| <b>CURRENT</b>                          |                       |                         |
| Trade receivables                       | 94,042                | 980,721                 |
| Provision for impairment of receivables | -                     | -                       |
|   | <u>94,042</u>         | <u>980,721</u>          |
| Other receivables                       | 597,232               | 288,842                 |
|   | <b><u>691,274</u></b> | <b><u>1,269,563</u></b> |

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**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 2014</b> | <b>2,245</b>    |
| - decrease in provision for the year               | <u>(2,245)</u>  |
| <b>Provision for impairment as at 30 June 2015</b> | <b>-</b>        |
| - decrease in provision for the year               | <u>-</u>        |
| <b>Provision for impairment as at 30 June 2016</b> | <u><b>-</b></u> |

**NOTE 6: OTHER ASSETS**

|             | 2016<br>\$     | 2015<br>\$    |
|-------------|----------------|---------------|
| Prepayments | <u>239,346</u> | <u>85,806</u> |

**NOTE 7: FINANCIAL ASSETS**

|  |                       |                         |
|--|-----------------------|-------------------------|
| CURRENT  |                       |                         |
| Term deposits                                  | <u>233,754</u>        | <u>1,102,040</u>        |
| NON-CURRENT                                    |                       |                         |
| <i>Available-for-sale financial assets</i>     |                       |                         |
| Shares in listed corporations – at fair value: |                       |                         |
| Shares in CBA – DUUS Estate                    | 240,215               | 259,902                 |
| Shares Suncorp Metway                          | <u>68,025</u>         | <u>75,006</u>           |
|  | 308,240               | 334,908                 |
| <b>Total financial assets</b>                  | <u><b>541,994</b></u> | <u><b>1,436,948</b></u> |

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

The term deposits include Bank guarantees totalling \$249,390. These are provided as bonds against properties leased by Open Minds.

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

|  | 2016<br>\$              | 2015<br>\$              |
|--|-------------------------|-------------------------|
| <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         | 1,306,292               | 1,306,292               |
| Less accumulated depreciation                      | <u>(412,488)</u>        | <u>(362,908)</u>        |
| Total buildings                                    | <u>893,804</u>          | <u>943,384</u>          |
| <b>Total land and buildings</b>                    | <u><b>1,373,804</b></u> | <u><b>1,423,384</b></u> |
| <b>LEASEHOLD IMPROVEMENTS</b>                      |                         |                         |
| Leasehold improvements                             |                         |                         |
| At cost  | 1,448,195               | 1,388,041               |
| Less accumulated depreciation                      | <u>(824,890)</u>        | <u>(534,618)</u>        |
| <b>Total leasehold improvements</b>                | <u><b>623,305</b></u>   | <u><b>853,423</b></u>   |
| <b>PLANT AND EQUIPMENT</b>                         |                         |                         |
| Office equipment, furniture, fixtures and fittings |                         |                         |
| At cost  | 1,140,442               | 1,070,413               |
| Less accumulated depreciation                      | <u>(773,029)</u>        | <u>(760,902)</u>        |
|  | <u><b>367,413</b></u>   | <u><b>309,511</b></u>   |
| Motor vehicles                                     |                         |                         |
| At cost  | 198,104                 | 730,067                 |
| Less accumulated depreciation                      | <u>(146,317)</u>        | <u>(330,040)</u>        |
|  | <u><b>51,787</b></u>    | <u><b>400,027</b></u>   |
| <b>Total plant and equipment</b>                   | <u><b>419,200</b></u>   | <u><b>709,538</b></u>   |
| <b>Total property, plant and equipment</b>         | <u><b>2,416,309</b></u> | <u><b>2,986,345</b></u> |

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

**Movements in carrying amounts**

|   | <b>Freehold land<br/>and buildings</b> | <b>Leasehold<br/>improvements</b> | <b>Plant and<br/>equipment</b> | <b>Total</b>     |
|---|--|-----------------------------------|--------------------------------|------------------|
|   | \$                                     | \$                                | \$                             | \$               |
| Balance at beginning of the year          | 1,423,384                              | 853,423                           | 709,538                        | 2,986,345        |
| Additions                                 | -                                      | 60,154                            | 173,110                        | 233,264          |
| Transfers                                 | -                                      | -                                 | -                              | -                |
| Disposals                                 | -                                      | -                                 | (259,006)                      | (259,006)        |
| Depreciation Expense                      | (49,580)                               | (290,272)                         | (204,442)                      | (544,294)        |
| <b>Carrying amount at end of the year</b> | <b>1,373,804</b>                       | <b>623,305</b>                    | <b>419,200</b>                 | <b>2,416,309</b> |

**NOTE 9: RESIDENTIAL PROPERTIES**

|                                     | <b>2016</b>    | <b>2015</b>    |
|-------------------------------------|----------------|----------------|
|                                     | \$             | \$             |
| <i>At written down value:</i>       |                |                |
| 1/61 Real St Annerley               | 156,755        | 159,513        |
| 1/146 Sexton St Tarragindi          | 95,209         | 97,257         |
| 4/146 Sexton St Tarragindi          | 94,505         | 96,422         |
| 6/370 Montague Rd West End          | 111,177        | 113,171        |
| 7/112 School Rd Yeronga             | 124,854        | 127,128        |
| 100 Chester Road Annerley           | 321,472        | 332,817        |
| <b>Total residential properties</b> | <b>903,972</b> | <b>926,308</b> |

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

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**NOTE 9: RESIDENTIAL 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   | 58%  | Land and improvements |
| 1/61 Real Street, Annerley      | 62%  | Land and improvements |
| 7/100 School Road, Yeronga      | 58%  | Land and improvements |
| 1/146 Sexton Street, Tarragindi | 62%  | Land and improvements |
| 4/146 Sexton Street, Tarragindi | 62%  | Land and improvements |

**Movements in carrying amounts**

|   | <b>1/61 Real<br/>St<br/>Annerley</b> | <b>1/146<br/>Sexton St<br/>Tarragindi</b> | <b>4/146<br/>Sexton St<br/>Tarragindi</b> | <b>6/370<br/>Montague<br/>Rd West<br/>End</b> | <b>7/112<br/>School<br/>Rd<br/>Yeronga</b> | <b>100<br/>Chester<br/>Road<br/>Annerley</b> | <b>Total</b>   |
|---|--------------------------------------|---|---|---|--|--|----------------|
|   | \$                                   | \$  | \$  | \$  | \$   | \$   | \$             |
| Balance at beginning of the year          | 159,513                              | 97,257                                    | 96,422                                    | 113,171                                       | 127,127                                    | 332,817                                      | 926,308        |
| Additions                                 | -                                    | -   | -   | -   | -  | 1,576  | 1,576          |
| Depreciation expense                      | (2,758)                              | (2,048)                                   | (1,917)                                   | (1,994)                                       | (2,273)                                    | (12,921)                                     | (23,913)       |
| <b>Carrying amount at end of the year</b> | <b>156,755</b>                       | <b>95,209</b>                             | <b>94,505</b>                             | <b>111,177</b>                                | <b>124,854</b>                             | <b>321,472</b>                               | <b>903,972</b> |

**NOTE 10: INTANGIBLE ASSETS**

|                               | <b>2016</b>    | <b>2015</b>    |
|-------------------------------|----------------|----------------|
|                               | \$             | \$             |
| <b>Computer software</b>      |                |                |
| At cost                       | 849,750        | 510,140        |
| Less accumulated amortisation | (345,461)      | (263,885)      |
| <b>Net carrying value</b>     | <b>504,289</b> | <b>246,255</b> |

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

**Movements in carrying amounts**

|                                  | <b>Intangible<br/>Assets</b> |
|----------------------------------|------------------------------|
|                                  | <b>\$</b>                    |
| Balance at beginning of the year | 246,255                      |
| Additions                        | 345,604                      |
| Amortisation                     | <u>(87,570)</u>              |
| <b>Net carrying value</b>        | <b><u>504,289</u></b>        |

**NOTE 11: WORK IN PROGRESS**

|                            | <b>2016</b>    | <b>2015</b> |
|----------------------------|----------------|-------------|
|                            | <b>\$</b>      | <b>\$</b>   |
| Work in progress – at cost | <u>256,611</u> | -           |

**Movements in carrying amounts**

|                                  | <b>Work in<br/>Progress</b> |
|----------------------------------|-----------------------------|
|                                  | <b>\$</b>                   |
| Balance at beginning of the year | -                           |
| Additions                        | 256,611                     |
| Amortisation                     | <u>-</u>                    |
| <b>Net carrying value</b>        | <b><u>256,611</u></b>       |

**NOTE 12: TRADE AND OTHER PAYABLES**

**CURRENT**

|                                      |                         |                         |
|--------------------------------------|-------------------------|-------------------------|
| Trade payables                       | 385,878                 | 77,128                  |
| Sundry payables and accrued expenses | 1,101,707               | 1,059,998               |
| Income received in advance           | <u>1,862,906</u>        | <u>2,986,834</u>        |
|                                      | <b><u>3,350,491</u></b> | <b><u>4,123,960</u></b> |

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**NOTE 13: PROVISIONS – EMPLOYEE BENEFITS**

|  |                  |                  |
|--|------------------|------------------|
| CURRENT                                      |                  |                  |
| Provision annual leave                       | 839,178          | 737,089          |
| Provision for long service leave             | 121,776          | 115,608          |
|  | <u>960,954</u>   | <u>852,697</u>   |
| NON-CURRENT                                  |                  |                  |
| Provision for long service leave             | 48,544           | 145,129          |
| <b>Total employee benefits</b>               | <u>1,009,498</u> | <u>997,826</u>   |
| <b>Movements in employee benefits</b>        |                  |                  |
| Opening balance at 1 July 2015               |                  | 997,826          |
| Additional provisions raised during the year |                  | 1,235,026        |
| Amounts used                                 |                  | (1,223,354)      |
| <b>Balance at 30 June 2016</b>               |                  | <u>1,009,498</u> |

**NOTE 14: CASH FLOWS INFORMATION**

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

|   | <b>2016</b>      | <b>2015</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Surplus for the year                                    | 394,858          | 1,081,659        |
| <b>Non-cash flows:</b>                                  |                  |                  |
| Depreciation and amortisation                           | 655,777          | 721,680          |
| Gain on disposal of plant and equipment                 | (157,550)        | (63,141)         |
| Reclassification of term deposits                       | 868,286          | 1,603,835        |
| Dividend received by way of dividends reinvestment plan | (13,003)         | (12,262)         |
| <b>Changes in assets and liabilities:</b>               |                  |                  |
| (Increase)/decrease in trade and other receivables      | 424,749          | (739,122)        |
| Increase/(decrease) in trade and other payables         | (773,470)        | 1,554,165        |
| Increase in provisions                                  | 11,672           | 114,902          |
| <b>Net cash provided by operating activities</b>        | <u>1,411,319</u> | <u>4,261,716</u> |



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**NOTE 15: RESERVES**

**Asset Revaluation Reserve**

The Asset Revaluation Reserve records the revaluation of available-for-sale financial assets. The movement of revaluation of available for sale 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 2016 the number of members was 26 (2015: 26).

**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 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.

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**NOTE 18: 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>2016</b>              | <b>2015</b>              |
|---|----|--------------------------|--------------------------|
|   |    | <b>\$</b>                | <b>\$</b>                |
| <b>Financial assets</b>                           |    |                          |                          |
| Cash and cash equivalents                         | 4  | 9,252,202                | 8,261,381                |
| Held to maturity financial assets – term deposits | 7  | 233,754                  | 1,102,040                |
| Trade and other receivables                       | 5  | 691,274                  | 1,269,563                |
| Other assets                                      | 6  | 239,346                  | 85,806                   |
| Available-for-sale financial assets               | 7  | 308,240                  | 334,908                  |
| <b>Total financial assets</b>                     |    | <b><u>10,724,816</u></b> | <b><u>11,053,698</u></b> |
| <b>Financial liabilities</b>                      |    |                          |                          |
| Financial liabilities at amortised cost:          |    |                          |                          |
| - Trade and other payables                        | 11 | 3,350,491                | 4,123,960                |
| <b>Total financial liabilities</b>                |    | <b><u>3,350,491</u></b>  | <b><u>4,123,960</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 19: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

Open Minds Australia Limited has been approached by Mind Australia to consider a merger. Mind Australia is based in Melbourne and is a leading non-government provider of mental health and psychosocial disability support services. They have been established for nearly 40 years, have over 70 service sites and a turnover of approximately \$60 million.

Negotiations are currently in the due diligence phase.

**NOTE 20: ECONOMIC DEPENDENCE**

Open Minds Australia Limited is dependent on both the Australian and the Queensland Government for the majority of its revenue used to operate the business. At the date of this report the Board of Directors believe that the Queensland and Federal Government will continue to support the mental health and disability sector through various funding models.

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**NOTE 21: KEY MANAGEMENT PERSONNEL COMPENSATION**

|                    | <b>Short-term<br/>benefits<br/>\$</b> | <b>Post-<br/>employment<br/>benefit<br/>\$</b> | <b>Other<br/>long-term<br/>benefits<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------|---------------------------------------|--|--|---------------------|
| <b>2016</b>        |                                       |  |  |                     |
| Total compensation | 946,131                               | 92,352   | 26,839   | <b>1,065,322</b>    |
| <b>2015</b>        |                                       |  |  |                     |
| Total compensation | 939,265                               | 84,377   | 17,602   | <b>1,041,244</b>    |

**NOTE 22: RELATED PARTY TRANSACTIONS**

There are no material related party transactions.

**NOTE 23: CAPITAL AND LEASING COMMITMENTS**

|  | <b>2016<br/>\$</b> | <b>2015<br/>\$</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   | 1,390,063          | 1,359,065          |
| - between 2 – 5 years  | 1,531,938          | 1,590,126          |
| - greater than 5 years   | -                  | -                  |
|  | <b>2,922,001</b>   | <b>2,949,191</b>   |

**NOTE 24: COMPANY DETAILS**

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