

Open Minds Australia Limited

A.C.N. 009 687 030

**Financial Statements
For the Year Ended 30 June 2018**

OPEN MINDS AUSTRALIA LIMITED
A.C.N 009 687 030
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2018.

Principal activities

In the 2018 financial year, Open Minds provided psychosocial support services including vocational and employment services to people with mental illness, disability and acquired brain injury.

Operating results and review of operations for the year

The deficit of the company for the financial year amounted to \$568,368 (2017: deficit of \$2,856,756). A review of operations of the company during the financial year indicated that Open Minds has had an increase in income of 21% and expenses of 13%. This has resulted in an improved EBITDA on operating revenue of 0.18% (2017: deficit of 7.41%).

Strategic intent

Open Minds' purpose is to "enable independent and positive futures for people living with mental illness and disabilities." Our values are:

- We work *together* and empower people to *succeed*.
- We act with *humility* and value *curiosity*.
- We are *trustworthy* and act with *integrity*.

The Board of Open Minds oversees the sustainability of the organisation through the delivery of services that meet the needs of clients and stakeholders, sound financial management and effective models of service delivery provided by capable and engaged employees.

During the year Open Minds has continued to oversee a back to basics strategy undertaken since the 2016 AGM and endorsed by the board in August 2017. This has resulted in a significant organisational restructure, reduction in corporate overhead, and divestment of non-core activities including employment services, whilst continuing to deliver high quality safe services to clients. The Board consider that Open Minds is now better able to support its clients, more prepared for NDIS, and has a portfolio of services aligned to its purpose.

Directors

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

	<u>Date Commenced</u>	<u>Date Retired</u>
Mr Mike Gilmour	17 th May 2005	-
Prof Paul Mazerolle	10 th Jun 2009	-
Mr Stephen Roberts	26 th Nov 2013	-
Ms Julie-Anne Schafer	14 th Aug 2015	26 th March 2018
Ms Louise Cox	28 th Nov 2016	-
Mr Simon Rumore	29 th Jun 2017	-
Mr Grant Hawgood	27 th July 2017	-
Mrs Claire Davis	1 st June 2018	-

The last term of Mr Gilmour was extended to 24th November 2018 at the 2015 AGM.

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DIRECTORS' REPORT (continued)

Meetings of Directors

During the financial year, 17 Board meetings and 15 sub-committee meetings were held. Attendances by each director were as follows:

	Directors' Meetings		
	Eligible to attend	Attended	
Prof Paul Mazerolle (Chair)	17	16	94%
Ms Louise Cox (Deputy Chair)	17	16	94%
Mrs Claire Davis	0	0	-
Mr Mike Gilmour	17	17	100%
Mr Grant Hawgood	12	12	100%
Mr Stephen Roberts	17	16	94%
Mr Simon Rumore	16	16	100%
Ms Julie-Anne Schafer	14	13	93%

Meetings of Audit and Risk Committee (ARC)

	Committee Meetings		
	Eligible to attend	Attended	
Mr Stephen Roberts (ARC Chair)	6	6	100%
Ms Louise Cox	6	5	83%
Mrs Claire Davis (external member appointed 22.08.17)	5	5	100%
Ms Julie-Anne Schafer (resigned 26.03.18)	4	3	75%

Meetings of Governance, Remuneration and Nomination Committee (GRN)

	Committee Meetings		
	Eligible to attend	Attended	
Mr Mike Gilmour (GRN Chair)	5	5	100%
Prof Paul Mazerolle	5	5	100%
Mr Simon Rumore	5	5	100%

Meetings of Service & Clinical Governance Committee (SCGC)

	Committee Meetings		
	Eligible to attend	Attended	
Mr Grant Hawgood (SCG Chair)	4	4	100%
Dr Luke Hatzipetrou (external member appointed 25.07.17)	4	4	100%
Mr Mike Gilmour	4	3	75%
Ms Natalie Spiteri (external member)	4	3	75%

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DIRECTORS' REPORT (continued)

Information on Directors

Professor Paul Mazerolle (Chair) – Non-Executive Director

PhD, M Science, B Arts

Professor Paul Mazerolle is Chair of the Board of Open Minds. He took on this role in February 2017, and was Acting Chair from December 2016 to February 2017. He has been a director of Open Minds since 2009 and is a member of the Governance, Remuneration and Nomination committee.

In addition to his role at Open Minds, Paul 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 these roles 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 is also chair and co-convenor of the Integrity 20 initiative at Griffith.

Paul holds a PhD in Criminology, a Masters in Criminal Justice and a Bachelor in Sociology.

Ms Louise Cox (Deputy Chair) - Non-Executive Director

BBus(Mgt), BBus(Accy), LLB(Hons), LLM, MTax, FCPA, FTIA.

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

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

Louise has previously served as a member and Chair of the Metropolitan South Institute of TAFE Advisory Council from December 2008 to June 2014, as member and President of CPA Australia's Queensland Division and as a Director of Open Minds to 2011 and Thomson Adsett Architects.

A director of Open Minds since November 2016, Louise is the Deputy Chair of the Board, and a member of the Audit and Risk Committee.

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DIRECTORS' REPORT (continued)

Information on Directors (continued)

Mrs Claire Davis - Non-Executive Director

BA (Hons) Accy, FCA, GAICD, GradCertExecLead

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

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

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

Claire is Chair of the ICAEW Queensland State Branch, a director of BlueCHP and Hope Centre Services, and she volunteers with Wesley Medical Research.

Initially an external member of the ARC Committee from August 2017, Claire was appointed to the Board of Open Minds in June 2018 and remains a member of the Audit and Risk Committee.

Mr Mike Gilmour – 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.

Mike has extensive experience as a non-executive director, and his past appointments include governance roles in primary healthcare, hospitals, vocational education, agriculture research and indigenous organisations.

Mike is currently a director of the Isis Central Sugar Mill Limited and its subsidiaries.

Mike is a professional accountant, an experienced General Manager and Chief Financial Officer, and has executive experience in the health and manufacturing sectors.

Mike has been a Director of Open Minds since May 2005. He was Chair of the Board for six years. Currently, he is a member and Chair of the Board's Governance, Remuneration and Nomination Committee and a member of the Service and Clinical Governance Committee.

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DIRECTORS' REPORT (continued)

Information on Directors (continued)

Mr Grant Hawgood – Non-Executive Director

GAICD, CHIA

Grant is a registered psychologist with certifications in governance, finance and informatics. Grant has worked as a counsellor and psychologist in the not-for-profit social service sector, as well as working in both inpatient and community mental health teams.

Grant brings experience in mental health policy and service planning, having led state-wide service planning and workforce development projects as part of implementing the Queensland Plan for Mental Health 2007–2017, the largest single investment in mental health in Queensland's history.

As an Executive in the not-for-profit sector, Grant's career is characterised by providing strategic and practical advice on integrated service planning and design, clinical governance, measuring client outcomes and implementing integrated business management systems. Grant is passionate about using data to improve services and empower people to participate meaningfully in their own care. Grant is a Certified Health Informatician and has been a member of the Queensland State Branch Committee of the Health Informatics Society of Australia since 2015.

Grant is Chair of the Service and Clinical Governance Committee. Grant was appointed to the Board in July 2017.

Mr Stephen (Steve) Roberts - Non-Executive Director

FAICD, FIPA

Steve is an experienced chairman, non-executive director, board advisor and executive, having sat on numerous boards across 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 the Chair of the Board's Audit and Risk Committee. Steve was appointed to the Board in November 2013.

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DIRECTORS' REPORT (continued)

Information on Directors (continued)

Mr Simon Rumore - Non-Executive Director

BCom, GAICD

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

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

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

He is a member of the Governance, Remuneration and Nominations Committee. Simon was appointed to the Board in June 2017.

Former Directors in the past 12 months

Ms Julie-Anne Schafer – Non-executive Director

LLB (Hons), FAICD

A director of Open Minds since August 2015, Julie-Anne was a member of the Board's Audit and Risk Committee. Julie-Anne resigned on 26th March 2018.

Directors Remuneration

Total directors' remuneration for the financial year was \$153,503 (2017: \$148,692).

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DIRECTORS' REPORT (continued)

Company Secretary

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

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

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 2018 has been received and can be found on page 9 of the financial report.

Members' Guarantee

Open Minds Australia Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. Membership as at 30 June 2018 is as follows:

	Members	
	2018	2017
Individual Members (voting)	26	30
Life Members (voting)	7	5
Honorary Members (non-voting)	3	2
Total	36	37

Members will be eligible to vote at the 2018 AGM subject to membership renewal.

If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$360 (2017: \$370).

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



Prof Paul Mazerolle
Chair

Dated this 2nd day of October 2018

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 to 34 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 2018 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.



Prof Paul Mazerolle
Chair



Mr Stephen Roberts
Director

Dated this 2nd day of October 2018

Auditor's Independence Declaration

As an auditor of Open Minds Australia Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The declaration is in respect of Open Minds Australia Limited during the year.



Crowe Horwath Brisbane



John Zabala FCA
Partner

Signed at Brisbane
Date: 4 October 2018

Crowe Horwath Brisbane is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for the acts or omissions of financial services licensees.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Independent Auditor's Report

To the Members of Open Minds Australia Limited

Opinion

We have audited the financial report of Open Minds Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2018 the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Open Minds Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors 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 – Reduce Disclosure Requirements 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.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



Crowe Horwath Brisbane



John Zabala (FCA)
Partner
4 October 2018
Brisbane

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue and other income	2	37,794,114	31,158,378
Employee benefits expense		(28,406,158)	(24,500,490)
Service Delivery – Direct Clients’ expenses		(1,188,408)	(981,374)
Service Delivery – Partner Payments		(1,418,011)	(1,405,838)
Occupancy expenses		(1,448,734)	(1,353,609)
Motor vehicles leases and running costs		(1,107,437)	(1,107,838)
Other expenses	3	(3,929,235)	(3,889,349)
Depreciation and amortisation expenses	3	(864,499)	(776,636)
Surplus/(deficit) before income tax expense		(568,368)	(2,856,756)
Income tax expense	1(j)	-	-
Surplus/(deficit) for the year		(568,368)	(2,856,756)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Net profit/(loss) on revaluation of non-current financial assets		(35,738)	42,953
Income tax effect		-	-
Other comprehensive income for the year, net of tax		(35,738)	42,953
Total comprehensive (loss) for the year		(604,106)	(2,813,803)

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 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	8,275,812	7,951,414
Trade and other receivables	5	1,222,532	711,503
Other assets	6	311,651	310,036
Financial assets	7	500,000	1,015,000
TOTAL CURRENT ASSETS		<u>10,309,995</u>	<u>9,987,953</u>
NON-CURRENT ASSETS			
Financial assets	7	344,109	364,986
Property, plant and equipment	8	2,071,009	2,384,319
Residential properties	9	877,467	884,719
Intangible assets	10	1,074,264	642,788
Work in progress	11	372,642	389,581
TOTAL NON-CURRENT ASSETS		<u>4,739,491</u>	<u>4,666,393</u>
TOTAL ASSETS		<u>15,049,486</u>	<u>14,654,346</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	6,755,124	5,994,647
Employee benefits	13	1,260,818	997,542
TOTAL CURRENT LIABILITIES		<u>8,015,942</u>	<u>6,992,189</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	5,445	29,952
TOTAL NON-CURRENT LIABILITIES		<u>5,445</u>	<u>29,952</u>
TOTAL LIABILITIES		<u>8,021,387</u>	<u>7,022,141</u>
NET ASSETS		<u>7,028,099</u>	<u>7,632,205</u>
EQUITY			
Asset revaluation reserve	15	171,146	206,885
Retained earnings		<u>6,856,953</u>	<u>7,425,320</u>
TOTAL EQUITY		<u>7,028,099</u>	<u>7,632,205</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2016	<u>10,282,076</u>	<u>163,932</u>	<u>10,446,008</u>
Comprehensive income			
Deficit for the year	(2,856,756)	-	(2,856,756)
Other comprehensive income for the year	<u>-</u>	<u>42,953</u>	<u>42,953</u>
Total comprehensive income / (loss)	<u>(2,856,756)</u>	<u>42,953</u>	<u>(2,813,803)</u>
Balance at 30 June 2017	<u>7,425,320</u>	<u>206,885</u>	<u>7,632,205</u>
Comprehensive income			
Deficit for the year	(568,368)	-	(568,368)
Other comprehensive income for the year	<u>-</u>	<u>(35,738)</u>	<u>(35,738)</u>
Total comprehensive income / (loss)	<u>(568,368)</u>	<u>(35,738)</u>	<u>(604,106)</u>
Balance at 30 June 2018	<u>6,856,952</u>	<u>171,147</u>	<u>7,028,099</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and from customers		37,030,176	33,313,085
Payments to suppliers and employees		(36,431,785)	(33,043,433)
Dividends received		12,211	12,294
Interest received		203,022	185,587
GST recovered/(Paid)		-	-
Net cash provided by operating activities	14	813,624	467,533
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	8,442
Payment for property, plant and equipment		(247,223)	(628,916)
Payment for intangible assets		(764,027)	(342,901)
Purchase of financial assets		-	(804,946)
Redemption of financial assets		543,132	-
Net cash used in investing activities		(468,118)	(1,768,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net (decrease) increase in cash held		324,398	(1,300,788)
Cash and cash equivalents at beginning of financial year		7,951,414	9,252,202
Cash and cash equivalents at end of financial year	4	8,275,812	7,951,414

The accompanying notes form part of these financial statements.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 2nd October 2018 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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:

Class of Fixed Assets	Depreciation Rate	Useful Life
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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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Residential property

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

(h) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

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

(i) Provisions

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

(j) Income Tax

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

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

The company does not expect AASB 15 Revenue from contracts with customers to have any material impact on the financial statements in regards to the implementation of this standard. The company is in the process of assessing the impact of AASB 16 Leases and is yet to quantify its impact on the financial statements.

(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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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

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.

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.

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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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2: REVENUE AND OTHER INCOME

	2018	2017
	\$	\$
Operating activities:		
Grant income - State Government QLD	18,456,425	18,156,709
Grant income - State Government NSW	2,641,372	1,166,077
Grant and contract income – Federal Government	10,902,191	9,977,175
Grant income – Other	879,247	77,099
NDIS	2,477,603	465,603
Other service income	564,629	328,333
Interest income	203,022	185,587
Dividend income	27,057	26,087
Rental income	66,717	72,622
Other income	1,575,851	703,086
	<u>37,794,114</u>	<u>31,158,378</u>
 Total revenue and other income	 <u>37,794,114</u>	 <u>31,158,378</u>

NOTE 3: EXPENSES

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

	2018	2017
	\$	\$
<i>Depreciation and amortisation:</i>		
Buildings	42,298	42,034
Leasehold improvement	308,147	320,634
Plant and equipment	156,848	191,636
Residential properties	24,655	24,005
Computer software	332,551	198,327
	<u>864,499</u>	<u>776,636</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: EXPENSES (CONTINUED)

	2018	2017
	\$	\$
<i>Other expenses:</i>		
IT consulting and computer expenses	1,010,642	601,004
Telephone and internet charges	547,003	532,016
Electricity and gas	124,039	148,264
Legal costs	79,630	141,411
Permits, licences and fees	375,408	370,479
Consultancy costs	243,312	223,424
Staff conference, training, recruitment and rewards	783,420	541,486
Insurance	48,504	46,731
MBS Practitioner Payments and supplies	426,077	252,088
Grant Obligations	-	4,120
Project expenses	165,563	240,484
Other operating expenses	125,637	787,842
	<u>3,929,235</u>	<u>3,889,349</u>

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	4,659	5,126
Cash at bank	2,621,153	1,680,865
Short-term bank deposits	5,650,000	6,265,423
	<u>8,275,812</u>	<u>7,951,414</u>

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	<u>8,275,812</u>	<u>7,951,414</u>
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NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	263,426	219,893
Provision for impairment of receivables	(35,954)	-
	<u>227,472</u>	<u>219,893</u>
Other receivables	995,060	491,610
	<u>1,222,532</u>	<u>711,503</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6: OTHER ASSETS

	2018	2017
	\$	\$
Prepayments	<u>311,651</u>	<u>310,036</u>

NOTE 7: FINANCIAL ASSETS

CURRENT		
Term deposits	<u>500,000</u>	<u>1,015,000</u>
NON-CURRENT		
<i>Available-for-sale financial assets</i>		
Shares in listed corporations – at fair value:		
Shares in CBA – DUUS Estate	262,624	282,216
Shares Suncorp	<u>81,485</u>	<u>82,770</u>
	344,109	364,986
Total financial assets	<u>844,109</u>	<u>1,379,986</u>

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

One of the term deposits for \$500,000 is held as a bond against Bank Guarantees provided by the bank for properties leased by Open Minds.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
LAND AND BUILDINGS		
Freehold land at:		
66 Annerley Road, South Brisbane – at cost	<u>480,000</u>	<u>480,000</u>
Buildings at:		
66 Annerley Road, South Brisbane – at cost	1,308,272	1,308,272
Less accumulated depreciation	<u>(496,819)</u>	<u>(454,521)</u>
Total buildings	<u>811,453</u>	<u>853,751</u>
Total land and buildings	<u>1,291,453</u>	<u>1,333,751</u>
LEASEHOLD IMPROVEMENTS		
Leasehold improvements		
At cost	1,771,420	1,768,552
Less accumulated depreciation	<u>(1,453,670)</u>	<u>(1,145,523)</u>
Total leasehold improvements	<u>317,750</u>	<u>623,029</u>
PLANT AND EQUIPMENT		
Office equipment, furniture, fixtures and fittings		
At cost	1,139,919	1,055,760
Less accumulated depreciation	<u>(678,113)</u>	<u>(632,358)</u>
	<u>461,806</u>	<u>423,402</u>
Motor vehicles		
At cost	198,104	198,104
Less accumulated depreciation	<u>(198,104)</u>	<u>(193,967)</u>
	<u>-</u>	<u>4,137</u>
Total plant and equipment	<u>461,806</u>	<u>427,539</u>
Total property, plant and equipment	<u><u>2,071,009</u></u>	<u><u>2,384,319</u></u>

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts

	Freehold land and buildings	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$	\$
Balance at beginning of the year	1,333,751	623,029	427,539	2,384,319
Additions	-	2,868	192,031	194,899
Disposals	-	-	(747)	(747)
Depreciation Expense	(42,298)	(308,147)	(157,017)	(507,462)
Carrying amount at end of the year	1,291,453	317,750	461,806	2,071,009

NOTE 9: RESIDENTIAL PROPERTIES

	2018	2017
	\$	\$
<i>At written down value:</i>		
1/61 Real St Annerley	151,235	153,996
1/146 Sexton St Tarragindi	92,646	93,161
4/146 Sexton St Tarragindi	90,673	92,589
6/370 Montague Rd West End	107,193	109,184
7/112 School Rd Yeronga	139,033	127,292
100 Chester Road Annerley	296,687	308,497
Total residential properties	877,467	884,719

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.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9: RESIDENTIAL PROPERTIES (continued)

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

1/61 Real Street, Annerley	52%	Land and improvements
1/146 Sexton Street, Tarragindi	52%	Land and improvements
4/146 Sexton Street, Tarragindi	52%	Land and improvements
6/370 Montague Road, West End	48%	Land and improvements
7/112 School Road, Yeronga	48%	Land and improvements
100 Chester Road, Annerley	44%	Land only

Movements in carrying amounts

	1/61 Real St Annerley	1/146 Sexton St Tarragindi	4/146 Sexton St Tarragindi	6/370 Montague Rd West End	7/112 School Rd Yeronga	100 Chester Road Annerley	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at beginning of the year	153,996	93,161	92,589	109,184	127,292	308,497	884,719
Additions	-	1,586	-	-	14,613	1,205	17,403
Depreciation expense	(2,760)	(2,101)	(1,916)	(1,992)	(2,871)	(13,015)	(24,655)
Carrying amount at end of the year	151,236	92,646	90,673	107,192	139,034	296,687	877,467

NOTE 10: INTANGIBLE ASSETS

	2018	2017
	\$	\$
Computer software		
At cost	1,929,758	1,165,732
Less accumulated amortisation	(855,494)	(522,944)
Net carrying value	1,074,264	642,788

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10: INTANGIBLE ASSETS (continued)

Movements in carrying amounts

	Intangible Assets
	\$
Balance at beginning of the year	642,788
Additions	764,027
Amortisation	(332,551)
	<hr/>
Carrying amount at end of the year	1,074,264
	<hr/>

NOTE 11: WORK IN PROGRESS

	2018	2017
	\$	\$
Work in progress – at cost	372,642	389,581
	<hr/>	<hr/>

Movements in carrying amounts

	Work in Progress
	\$
Balance at beginning of the year	389,581
Additions	364,711
Transfers out	(381,650)
	<hr/>
Carrying amount at end of the year	372,642
	<hr/>

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	660,271	366,319
Sundry payables and accrued expenses	1,831,884	1,307,317
Income received in advance	4,262,969	4,321,011
	<hr/>	<hr/>
	6,755,124	5,994,647
	<hr/>	<hr/>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13: PROVISIONS – EMPLOYEE BENEFITS

	2018	2017
	\$	\$
CURRENT		
Provision annual leave	1,051,458	864,056
Provision for long service leave	190,508	92,947
Provision for rostered day off	18,852	40,539
	<u>1,260,818</u>	<u>997,542</u>
NON-CURRENT		
Provision for long service leave	<u>5,445</u>	<u>29,952</u>
Total employee benefits	<u>1,266,263</u>	<u>1,027,494</u>
Movements in employee benefits		
Opening balance at 1 July 2017		1,027,494
Additional provisions raised during the year		1,552,682
Amounts used		<u>(1,313,913)</u>
Balance at 30 June 2018		<u>1,266,263</u>

NOTE 14: CASH FLOWS INFORMATION

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

	2018	2017
	\$	\$
Surplus/(deficit) for the year	(568,368)	(2,856,756)
Non-cash flows:		
Depreciation and amortisation	864,499	776,636
Movement in provision in doubtful debt	35,954	-
Dividend received by way of dividends reinvestment plan	(14,846)	(13,793)
Changes in assets and liabilities:		
Increase in trade and other receivables	(506,949)	(96,614)
Increase in trade and other payables	764,565	2,640,064
Increase in provisions	238,769	17,996
Net cash provided/(used) by operating activities	<u>813,624</u>	<u>467,553</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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 2018 the number of members was 36 (2017: 37).

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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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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:

		2018	2017
		\$	\$
Financial assets			
Cash and cash equivalents	4	8,275,812	7,951,414
Held to maturity financial assets – term deposits	7	500,000	1,015,000
Trade and other receivables	5	1,222,532	711,503
Other assets	6	311,651	310,036
Available-for-sale financial assets	7	<u>344,109</u>	<u>364,986</u>
Total financial assets		<u>10,654,104</u>	<u>10,352,939</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	12	<u>6,755,124</u>	<u>5,994,647</u>
Total financial liabilities		<u>6,755,124</u>	<u>5,994,647</u>

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

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

NOTE 20: 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 has no reason to believe that either government will not continue to support the mental disability sector through a variety of funding programs.

OPEN MINDS AUSTRALIA LIMITED
A.C.N 009 687 030
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21: KEY MANAGEMENT PERSONNEL COMPENSATION

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

	Short-term benefits \$	Post- employment benefit \$	Other long-term benefits \$	Total \$
2018				
Total compensation	1,726,309	146,394	23,305	1,896,008
2017				
Total compensation	1,274,719	115,098	529	1,390,346

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions with related parties

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

Receivable from and payable to related parties

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

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 23: CAPITAL AND LEASING COMMITMENTS

	2018 \$	2017 \$
a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
- not later than 12 months	1,574,172	1,481,073
- between 2 – 5 years	1,593,153	1,529,171
- greater than 5 years	-	-
	3,167,325	3,010,244

NOTE 24: COMPANY DETAILS

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