

Open Minds Australia Limited

A.C.N. 009 687 030

**Financial Statements
For the Year Ended 30 June 2019**

OPEN MINDS AUSTRALIA LIMITED
A.C.N 009 687 030
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2019.

Principal activities

In the 2019 financial year, Open Minds provided psychosocial support 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 \$1,103,571 (2018: deficit of \$568,368). A review of operations of the company during the financial year indicated that Open Minds has had a decrease in income of 3.5% and in expenses of 2.2%. This has resulted in a weakened EBITDA on operating revenue of (0.74%) (2018:0.44%).

There was a decrease in cash in financial year of \$3,551,541. During the year Open Minds invested in additional service centre facilities as well as IT systems to improve customer service and administrative efficiency (\$896,178). In addition, the sector is transitioning from block funded grants to NDIS. The impact on Open Minds is that the company has moved from receiving the majority of its funding quarterly in advance to being paid in arrears on a fee for service basis for NDIS clients.

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 continued to oversee a back to basics strategy with a focus on client transition to the NDIS, and service delivery that is effective and client focussed. A proactive approach ensured the Board and its Committees are appropriately skilled and responsive. Ms Paula Mayson was appointed CEO in July 2019, and the Board is confident her skills and expertise will move the organisation forward in an innovative and sustainable way.

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>
<i>Current</i>		
Ms Louise Cox	28 th Nov 2016	
Mr Simon Rumore	29 th Jun 2017	
Mrs Claire Davis	1 st Jun 2018	
Ms Elissa Morriss	5 th Apr 2019	
Ms Rowena McNally	10 th May 2019	
Mr Peter Maher	10 th May 2019	
Mr Ian Maynard	10 th May 2019	
Mr Rick Dennis	5 th Jul 2019	

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DIRECTORS' REPORT (continued)

Directors (continued)

Former	<u>Date Commenced</u>	<u>Date Retired</u>
Mr Mike Gilmour	17 th May 2005	24 th Nov 2018
Prof Paul Mazerolle	10 th Jun 2009	10 th May 2019
Mr Stephen Roberts	26 th Nov 2013	5 th Jul 2019
Mr Grant Hawgood	27 th July 2017	8 th Feb 2019
Dr Bill Kingswell	19 th Nov 2018	5 th Apr 2019

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

Meetings of Directors

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

	<u>Directors' Meetings</u>		
	<u>Eligible to attend</u>	<u>Attended</u>	
Ms Louise Cox (Chair)	17	16	94%
Mr Simon Rumore (Deputy Chair)	17	17	100%
Mrs Claire Davis	17	15	88%
Mr Rick Dennis (Observer)	2	2	100%
Mr Mike Gilmour	7	7	100%
Mr Grant Hawgood	12	11	92%
Dr Bill Kingswell	5	5	100%
Ms Rowena McNally	2	2	100%
Mr Peter Maher	2	2	100%
Mr Ian Maynard	2	1	50%
Prof Paul Mazerolle (Chair to Feb 19)	15	13	87%
Ms Elissa Morriss	4	3	75%
Mr Stephen Roberts	17	16	94%

Meetings of Audit and Risk Committee (ARC)

	<u>Committee Meetings</u>		
	<u>Eligible to attend</u>	<u>Attended</u>	
Mr Stephen Roberts (ARC Chair)	6	6	100%
Mr Tim Allman	5	5	100%
Ms Louise Cox	3	2	67%
Mrs Claire Davis	6	5	83%
Mr Rick Dennis	2	2	100%
Mr Peter Maher	1	1	100%

Meetings of Governance, Remuneration and Nomination Committee (GRN)

	<u>Committee Meetings</u>		
	<u>Eligible to attend</u>	<u>Attended</u>	
Mr Simon Rumore (GRN Chair)	5	5	100%
Ms Louise Cox	2	2	100%
Mr Mike Gilmour	3	3	100%
Prof Paul Mazerolle	4	4	100%

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DIRECTORS' REPORT (continued)

Meetings of Service & Clinical Governance Committee (SCGC)

	Committee Meetings		
	Eligible to attend	Attended	
Ms Elissa Morriss (SCGC Chair)	3	3	100%
Dr Luke Hatzipetrou	4	3	75%
Mr Grant Hawgood	4	4	100%
Mr Mike Gilmour	2	2	100%
Dr Bill Kingswell	1	1	100%
Ms Rowena McNally	0	0	100%
Ms Natalie Rando	4	4	100%

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DIRECTORS' REPORT (continued)

Information on Directors as at 30 June 2019

Ms Louise Cox (Chair) - Non-Executive Director

BBus(Mgt), BBus(Accy), LLB(Hons), GradDipLegalPrac, LLM, MTax, FCPA

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

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

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

Mr Simon Rumore (Deputy Chair)- Non-Executive Director

BCom, GAICD

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

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

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

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

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DIRECTORS' REPORT (continued)

Information on Directors (continued)

Mrs Claire Davis - Non-Executive Director

BA (Hons) Accy, FCA, GAICD, GradCertExecLead, GradCertBusAdmin

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

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

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

Claire is Chair of the ICAEW Queensland State Branch, 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. Claire was appointed as Chair of the Audit and Risk Committee in July 2019.

Mr Peter Maher - Non-Executive Director

OAM - MEd, BEd, Grad Cert Mng, Grad Dip RE, Grad Dip RS, Dip Tch, Cert IV Real Estate, FAICD, FAIM, FCEOI

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

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

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

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DIRECTORS' REPORT (continued)

Information on Directors (continued)

Mr Ian Maynard - Non-Executive Director

BSc GAICD

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

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

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

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

Ms Rowena McNally - Non-Executive Director

LLB, FAICD, FIAMA (FRI), FAIM

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

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

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

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DIRECTORS' REPORT (continued)

Information on Directors (continued)

Ms Elissa Morriss - Non-Executive Director

Masters of Psychology (Clinical Psychology and Clinical Neuropsychology), FAPS, CF

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

Elissa is a member and Fellow of the Australian Psychological Society, and a member of the College of Clinical Neuropsychologists (past Chair and Treasurer) and was awarded a Bob and June Prickett Churchill Fellowship in 2006.

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

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).

Steve was appointed to the Board in November 2013. He was Chair of the Board's Audit and Risk Committee to July 2019. Mr Roberts retired from the Board in July 2019.

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DIRECTORS' REPORT (continued)

Former Directors in the past 12 months

Mr Grant Hawgood

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

Mr Mike Gilmour

A director of Open Minds since May 2005. Mike was Chair of the Board for six years, and a member of numerous committees including member and Chair of the Board's Governance, Remuneration and Nomination Committee and a member of the Service and Clinical Governance Committee.

Dr Bill Kingswell

Bill was elected in November 2018 and was a member of the Service and Clinical Governance Committee.

Professor Paul Mazerolle (Chair to April 2019)

A director of Open Minds since 2009, Paul was Chair of the Board for two years, and a member of the Governance, Remuneration and Nomination committee.

Appointments after 30th June 2019

Mr Rick Dennis - Non-Executive Director

B Comm LLB

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

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

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

Directors Remuneration

Total directors' remuneration for the financial year was \$138,774 (2018: \$153,503).

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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 7th April 2017.

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

Indemnifying Officers and Auditors

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

Auditor's Independence Declaration

The auditor's independence declaration, in accordance with section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* for the year ended 30 June 2019 has been received and can be found on page 11 of the financial report.

Members' Guarantee

Open Minds Australia Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. Membership as at 30 June 2019 is as follows:

	Members	
	2019	2018
Individual Members (voting)	28	26
Life Members (voting)	7	7
Honorary Members (non-voting)	3	3
Total	38	36

Members will be eligible to vote at the 2019 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 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$380 (2018: \$360).

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



Ms Louise Cox
Chair

Dated this 4th day of October 2019

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

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 36 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 2019 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.



Ms Louise Cox
Chair



Mrs Claire Davis
Director

Dated this 4th day of October 2019

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

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60.40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
To the Directors of Open Minds Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas
Director
Brisbane
11 October 2019

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



Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Open Minds Limited (the "Company"), which comprises the statement of financial position as at 30 June 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 2013*.

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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



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



Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

A handwritten signature in blue ink that reads "Bentleys".

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

A handwritten signature in blue ink that reads "Stewart Douglas".

Stewart Douglas
Director
Brisbane
11 October 2019

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue and other income	2	36,462,950	37,794,114
Employee benefits expense		(28,531,651)	(28,406,158)
Service Delivery – Direct Clients’ expenses		(715,965)	(1,188,408)
Service Delivery – Partner Payments		(962,873)	(1,418,011)
Occupancy expenses		(1,615,944)	(1,448,734)
Motor vehicles leases and running costs		(1,138,322)	(1,107,437)
Other expenses	3	(3,644,597)	(3,929,235)
Depreciation and amortisation expenses	3	(957,169)	(864,499)
		<hr/>	<hr/>
Surplus/(deficit) before income tax expense		(1,103,571)	(568,368)
Income tax expense	1(j)	-	-
		<hr/>	<hr/>
Surplus/(deficit) for the year		(1,103,571)	(568,368)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Net increment/(decrement) on revaluation of non-current financial assets		31,741	(35,738)
Income tax effect		-	-
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		31,741	(35,738)
		<hr/>	<hr/>
Total comprehensive (loss) for the year		(1,071,830)	(604,106)
		<hr/>	<hr/>

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 2019

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,724,271	8,275,812
Trade and other receivables	5	2,069,928	1,222,532
Other assets	6	313,352	311,651
Financial assets	7	500,000	500,000
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		7,607,551	10,309,995
NON-CURRENT ASSETS			
Financial assets	7	391,615	344,109
Property, plant and equipment	8	2,413,409	2,071,009
Residential properties	9	865,226	877,467
Intangible assets	10	1,029,281	1,074,264
Work in progress	11	24,842	372,642
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		4,724,373	4,739,491
TOTAL ASSETS		<hr/> 12,331,924	<hr/> 15,049,486
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	4,864,777	6,755,124
Employee benefits	13	1,504,607	1,260,818
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		6,369,384	8,015,942
NON-CURRENT LIABILITIES			
Employee benefits	13	6,271	5,445
		<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES		6,271	5,445
TOTAL LIABILITIES		6,375,655	8,021,387
		<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		5,956,269	7,028,099
EQUITY			
Asset revaluation reserve	15	202,887	171,146
Retained earnings		5,753,382	6,856,953
		<hr/>	<hr/>
TOTAL EQUITY		5,956,269	7,028,099

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2017	<u>7,425,321</u>	<u>206,884</u>	<u>7,632,205</u>
Comprehensive income			
Deficit for the year	(568,368)	-	(568,368)
Other comprehensive income for the year	-	(35,738)	(35,738)
Total comprehensive income / (loss)	<u>(568,368)</u>	<u>(35,738)</u>	<u>(604,106)</u>
Balance at 30 June 2018	<u>6,856,953</u>	<u>171,146</u>	<u>7,028,099</u>
Comprehensive income			
Deficit for the year	(1,103,571)	-	(1,103,571)
Other comprehensive income for the year	-	31,741	31,741
Total comprehensive income / (loss)	<u>(1,103,571)</u>	<u>31,741</u>	<u>(1,071,830)</u>
Balance at 30 June 2019	<u>5,753,382</u>	<u>202,887</u>	<u>5,956,269</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 2019

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and from customers		38,153,056	37,030,176
Payments to suppliers and employees		(39,036,397)	(36,431,785)
Dividends received		13,299	12,211
Interest received		169,911	203,022
Grants refunded		(2,004,819)	-
Net cash provided by operating activities	14	(2,704,950)	813,624
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		49,587	-
Payment for property, plant and equipment		(539,278)	(268,331)
Payment for intangible assets		(356,900)	(764,027)
Redemption of financial assets		-	543,132
Net cash used in investing activities		(846,591)	(489,226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net (decrease) increase in cash held		(3,551,541)	324,398
Cash and cash equivalents at beginning of financial year		8,275,812	7,951,414
Cash and cash equivalents at end of financial year	4	4,724,271	8,275,812

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 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information

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

(b) Basis of Preparation

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

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

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

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

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

(c) Comparative Figures

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

(d) Intangibles

Software

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 33%	3 – 10 Years
Motor vehicles	20% to 25%	4 – 5 Years

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

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

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

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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) Income received in advance

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 income received in advance 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 but not yet 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 or AASB 1058 Income of Not-for-profit Entities to have any material impact on the financial statements in regards to the implementation of this standard. These standards are effective for all reporting periods commencing on or after 1 January 2019.

The company expects to adopt the "Modified Retrospective" approach on transition to AASB 16 *Leases*, which is effective for all reporting periods from 1 January 2019. This approach involves adjusting the Statement of Financial Position at transition date to include leases previously classified as operating leases. The lessee shall recognise a lease liability, measured at the present value of the remaining operating lease payments, discounted using the lessee's incremental borrowing rate, and a corresponding right-of-use asset. The company anticipates recognising the right-of-use asset at an amount equal to the lease liability (adjusted by the amount of any prepaid or accrued lease payments relating to those leases), as allowed by the transitional provisions of the standard.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The company is still completing a detailed review and computation of all lease arrangements necessary to comply with this standard, but anticipates the lease liability and right-of-use asset will be approximately \$2.7 million to \$3 million.

There is not expected to be any immediate impact on profit or loss on transition date, however once the standard is adopted, payments made on leases previously classified as operating leases will no longer be fully expensed as they were under AASB 117, but rather split between principal and interest components. In addition, Right-of-use assets will be depreciated over either the anticipated useful life of the asset, or the term of the lease.

(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.

(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, for example under the NDIS 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).

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

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

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

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

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

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

Financial liabilities

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

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

Employee benefits provision

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

Doubtful Debts

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

NOTE 2: REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
Operating activities:		
Grant income - State Government QLD	12,051,552	18,456,425
Grant income - State Government NSW	3,358,937	2,641,372
Grant and contract income – Federal Government	6,439,447	10,902,191
Grant income – Other NDIS	1,142,500	879,247
Other service income	11,411,013	2,477,603
Interest income	973,440	564,629
Dividend income	169,911	203,022
Rental income	29,064	27,057
Gain on disposal of plant and equipment	94,286	66,717
Other income	49,587	-
	<u>743,213</u>	<u>1,575,851</u>
Total revenue and other income	<u>36,462,950</u>	<u>37,794,114</u>

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: EXPENSES

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

	2019	2018
	\$	\$
<i>Depreciation and amortisation:</i>		
Buildings	42,298	42,298
Leasehold improvement	283,420	308,147
Plant and equipment	203,738	156,848
Residential properties	26,645	24,655
Computer software	401,068	332,551
	957,169	864,499
	2019	2018
	\$	\$
<i>Other expenses:</i>		
IT consulting and computer expenses	894,807	659,932
Telephone and internet charges	638,441	547,003
Electricity and gas	132,668	124,039
Legal costs	29,722	79,630
Permits, licences and fees	53,150	375,408
Consultancy costs	157,554	243,312
Staff conference, training, recruitment and rewards	359,209	491,503
Insurance	55,147	48,504
MBS Practitioner Payments and supplies	483,086	426,077
Project expenses	11,801	165,563
Other operating expenses	829,012	768,264
	3,644,597	3,929,235

The method of cost allocation for Other Expenses changed from 2018 to 2019. Costs in 2018 have been restated to provide a more meaningful comparison between the two years. 2018 costs were moved from Other operating expenses to IT consulting and computer expenses & Staff conference, training, recruitment and rewards.

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash on hand	3,261	4,659
Cash at bank	1,321,010	2,621,153
Short-term bank deposits	<u>3,400,000</u>	<u>5,650,000</u>
	<u>4,724,271</u>	<u>8,275,812</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>4,724,271</u>	<u>8,275,812</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
CURRENT		
Trade receivables	528,203	263,426
Provision for impairment of receivables	<u>-</u>	<u>(35,954)</u>
	528,203	227,472
Other receivables	<u>1,541,725</u>	<u>995,060</u>
	<u>2,069,928</u>	<u>1,222,532</u>

NOTE 6: OTHER ASSETS

	2019	2018
	\$	\$
Prepayments	<u>313,352</u>	<u>311,651</u>

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7: FINANCIAL ASSETS

	2019	2018
	\$	\$
CURRENT		
Term deposits	500,000	500,000
NON-CURRENT		
<i>Financial assets at fair value through other comprehensive income</i>		
Shares in listed corporations – at fair value:		
Shares in CBA – DUUS Estate	316,385	262,624
Shares Suncorp	75,230	81,485
	391,615	344,109
Total financial assets	891,615	844,109

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

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

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2018	2018
	\$	\$
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>(539,117)</u>	<u>(496,819)</u>
Total buildings	<u>769,155</u>	<u>811,453</u>
Total land and buildings	<u>1,249,155</u>	<u>1,291,453</u>
LEASEHOLD IMPROVEMENTS		
Leasehold improvements		
At cost	1,698,391	1,771,420
Less accumulated depreciation	<u>(1,039,873)</u>	<u>(1,453,670)</u>
Total leasehold improvements	<u>658,518</u>	<u>317,750</u>
PLANT AND EQUIPMENT		
Office equipment, furniture, fixtures and fittings		
At cost	1,287,094	1,139,919
Less accumulated depreciation	<u>(781,359)</u>	<u>(678,113)</u>
	<u>505,735</u>	<u>461,806</u>
Motor vehicles		
At cost	18,016	198,104
Less accumulated depreciation	<u>(18,016)</u>	<u>(198,104)</u>
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>505,735</u>	<u>461,806</u>
Total property, plant and equipment	<u><u>2,413,409</u></u>	<u><u>2,071,009</u></u>

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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	1,291,453	317,750	461,806	2,071,009
Additions	-	624,188	248,999	873,187
Disposals	-	-	(1,331)	(1,331)
Depreciation Expense	(42,298)	(283,420)	(203,738)	(529,456)
Carrying amount at end of the year	1,249,155	658,518	505,736	2,413,409

NOTE 9: RESIDENTIAL PROPERTIES

	2019	2018
	\$	\$
<i>At written down value:</i>		
1/61 Real St Annerley	148,475	151,235
1/146 Sexton St Tarragindi	93,955	92,646
4/146 Sexton St Tarragindi	90,836	90,673
6/370 Montague Rd West End	107,803	107,193
7/112 School Rd Yeronga	134,823	139,033
100 Chester Road Annerley	289,334	296,687
Total residential properties	865,226	877,467

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

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

OPEN MINDS AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9: RESIDENTIAL PROPERTIES (continued)

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

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

1/61 Real Street, Annerley	50%	Land and improvements
1/146 Sexton Street, Tarragindi	50%	Land and improvements
4/146 Sexton Street, Tarragindi	50%	Land and improvements
6/370 Montague Road, West End	46%	Land and improvements
7/112 School Road, Yeronga	46%	Land and improvements
100 Chester Road, Annerley	42%	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	151,236	92,646	90,673	107,192	139,034	296,687	877,468
Additions	-	3,733	2,207	2,624		5,839	14,403
Depreciation expense	(2,760)	(2,424)	(2,044)	(2,014)	(4,211)	(13,192)	(26,645)
Carrying amount at end of the year	148,476	93,955	90,836	107,802	134,823	289,334	865,226

NOTE 10: INTANGIBLE ASSETS

	2019	2018
	\$	\$
Computer software		
At cost	2,210,409	1,929,758
Less accumulated amortisation	(1,181,128)	(855,494)
Net carrying value	1,029,281	1,074,264

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NOTE 10: INTANGIBLE ASSETS (continued)

Movements in carrying amounts

	Intangible Assets
	\$
Balance at beginning of the year	1,074,264
Additions	356,901
Disposals	(816)
Amortisation	(401,068)
	1,029,281
Carrying amount at end of the year	1,029,281

NOTE 11: WORK IN PROGRESS

	2019	2018
	\$	\$
Work in progress – at cost	24,842	372,642

Movements in carrying amounts

	Work in Progress
	\$
Balance at beginning of the year	372,642
Additions	510,786
Transfers out	(858,586)
	24,842
Carrying amount at end of the year	24,842

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	370,963	660,271
Sundry payables and accrued expenses	1,858,205	1,831,884
Income received in advance	2,635,609	4,262,969
	4,864,777	6,755,124

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NOTE 13: PROVISIONS – EMPLOYEE BENEFITS

	2019	2018
	\$	\$
CURRENT		
Provision annual leave	1,270,411	1,051,458
Provision for long service leave	222,825	190,508
Provision for rostered day off	11,371	18,852
	<u>1,504,607</u>	<u>1,260,818</u>
NON-CURRENT		
Provision for long service leave	<u>6,271</u>	<u>5,445</u>
Total employee benefits	<u>1,510,878</u>	<u>1,266,263</u>
Movements in employee benefits		
Opening balance at 1 July 2018		1,266,263
Additional provisions raised during the year		1,607,331
Amounts used		<u>(1,362,716)</u>
Balance at 30 June 2019		<u>1,510,878</u>

NOTE 14: CASH FLOWS INFORMATION

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

	2019	2018
	\$	\$
Surplus/(deficit) for the year	(1,103,571)	(568,368)
Non-cash flows:		
Depreciation and amortisation	957,169	864,499
Movement in provision in doubtful debt	(35,954)	35,954
Dividend reinvestments	(15,765)	(14,846)
(Gains)/Losses on disposal of PPE	(49,587)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(813,143)	(506,949)
Increase/(decrease) in trade and other payables	(1,888,714)	764,565
Increase/(decrease) in provisions	244,615	238,769
Net cash provided/(used) by operating activities	<u>(2,704,950)</u>	<u>813,624</u>

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NOTE 15: RESERVES

Asset Revaluation Reserve

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

NOTE 16: MEMBERS' GUARANTEE

Open Minds Australia Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2019 the number of members was 38 (2018: 36).

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.

NOTE 18: FINANCIAL RISK MANAGEMENT

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

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

Net Fair Values

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

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.

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FOR THE YEAR ENDED 30 JUNE 2019

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 \$
2019				
Total compensation	<u>1,140,935</u>	<u>106,646</u>	<u>11,175</u>	<u>1,258,756</u>
2018				
Total compensation	<u>1,726,309</u>	<u>146,394</u>	<u>23,305</u>	<u>1,896,008</u>

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 or loans from, or trade payables or loans to related parties at the current and previous reporting date.

NOTE 23: CAPITAL AND LEASING COMMITMENTS

	2019 \$	2018 \$
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	1,338,728	1,574,172
- between 2 – 5 years	1,920,344	1,593,153
- greater than 5 years	<u>-</u>	<u>-</u>
	<u>3,259,072</u>	<u>3,167,325</u>

NOTE 24: COMPANY DETAILS

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