



Abridged Financial Report 2010/11



Minda was presented with challenges on many levels in 2010/11, as the organisation strived to achieve the revenue needed to provide essential services and support.

Financial Report

The costs involved in delivering high quality support to people with intellectual disability continued to escalate, while government funding for the disability sector became further stretched.

Minda again sought to meet its costs through a variety of sources, including government funding, sales from land holdings, a blue chip investment portfolio, fundraising and corporate support.

Unfortunately, the continued effects of the Global Financial Crisis led to a variety of economic pressures which had a significant impact on financial results. A net surplus of \$1.1 million was certainly below the organisation's expectations.

Much of the economic pressure we are experiencing is beyond our control. Despite this, Minda's Board and Executive Management team continue to devote their efforts to improving performance and achieving well against our Strategic Plan.

This year, our model of service underwent significant changes, with several people from the Brighton site moving to the community to experience greater connection and confidence.

To accommodate the moves, Minda opened and made ready for occupancy several community homes. Transitions to these homes needed to be carefully managed and adequately funded - and significant costs were involved in preparing the people we support, their families and our staff.

As a result, our Service area experienced an overrun of expenses against income, with an incurred deficit of \$1.8 million. A similar overrun occurred in Service in 2009/10. The result - a deficit of \$0.6 million - was assisted by a write back of \$1.6 million in Minda's workers compensation provision.

The Non Service area of Minda's operations (formerly known as the Foundation) reflects an operating surplus of \$2.9 million against the 2009/10 surplus of \$6.2 million.

Current economic conditions led to a slowdown in the local real estate market. Blackwood Park land sales were \$3.4 million below the previous year, with net income down by \$2.2 million.

Minda has a sound, blue chip, managed investment portfolio. While it is subject to the effects of stockmarket downturns, it is a portfolio that will recover as the market does. This year, we experienced a \$0.4 million write down in its value.

During the year, a calculation error was discovered in the leave accruing system. As a result, a recalculation was necessary to increase provisions by \$0.4 million. The adjustment had no effect upon the 2010/11 financial year, but did impact upon previous years' provisions. Leave provisions and retained equity reported in the 2009/10 comparative figures have been amended and the \$0.2 million loss reported for Service in the 2009/10 Annual Report was increased to \$0.6 million.

During 2011/12, Minda will embrace challenges including:

- Funding the Brighton Master Plan;
- Ageing residents with increased need for high care support;
- More people requiring specialist services; and
- Greater demand on services from the community.

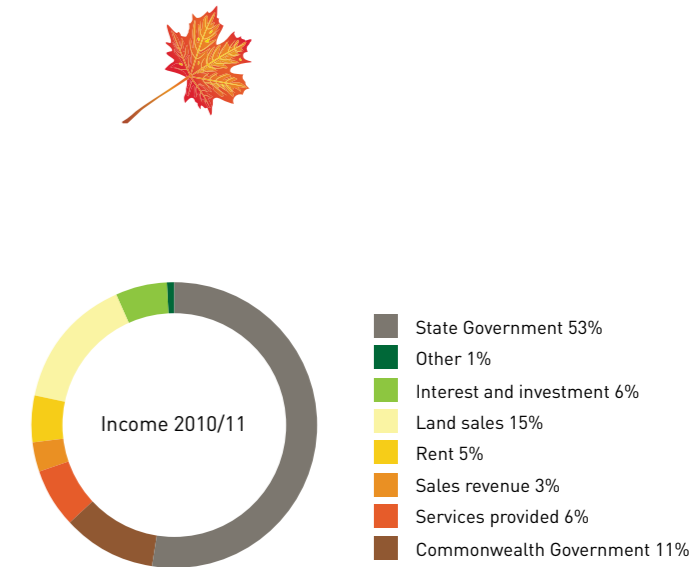
It will also be a year of significant change, as we begin to reveal the Brighton Master Plan to the wider community and invest substantial monies in the start-up stage.

Executive Management is well positioned to meet the challenges posed by 2011/12 and we look forward to a much improved financial position this time next year.

This Abridged Financial Report 2010/11 should be read in conjunction with the accompanying 2010/11 Annual Report.

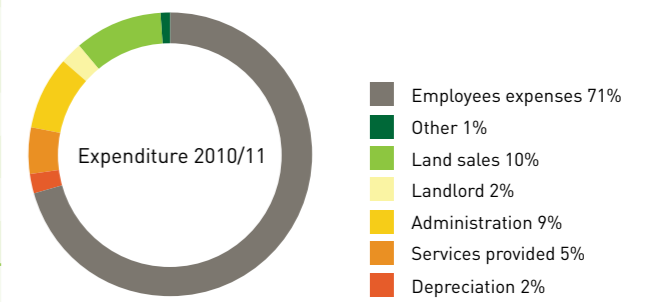
Income 2010/11

	\$'000
State Government	36,151
Commonwealth Government	7,281
Services provided	4,631
Sales revenue	2,235
Rent	3,552
Land sales	10,363
Interest and investment	3,903
Comprehensive income	-186
Other	427
TOTAL	68,357

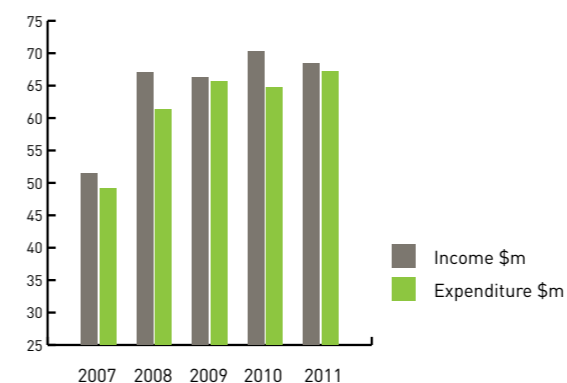


Expenditure 2010/11

	\$'000
Employees expenses	47,305
Depreciation	1,613
Services provided	3,504
Administration	5,731
Landlord	1,579
Land sales	6,819
Other	678
TOTAL	67,229



Total Income and Expenditure past five years



Statement of Comprehensive Income

	2011 \$'000	2010 \$'000
Operating Revenue		
Government funding	43432	41655
Other revenue	10845	11337
Total Operating Revenue	54277	52992
Operating Expenditure		
Employee expenses	47305	44691
Other expenditure	12995	10793
Total Operating Expenditure	60300	55484
Operating Surplus/(Deficit) before financing income	-6023	-2492
Financial income	14266	16641
Financial expenses	-6929	-9239
Net Financing Income	7337	7402
Operating Surplus/(Deficit)	1314	4910
Other comprehensive income		
Net change in fair value of available-for-sale investments	-186	681
Total Other Comprehensive Income	-186	681
Total Comprehensive Income	1128	5591

Statement of Cash Flows for year ended 30 June 2011

	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities		
Receipts - Grants, fees, sales etc	57731	52873
Payments - Employees, goods and services	-64529	-53501
Interest received	1664	1472
Net cash provided by/(used in) Operating Activities	-5134	844
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	-10715	-2396
Proceeds from sale of property, plant and equipment	477	270
Proceeds from sale of land held for resale	4252	5707
Acquisition of investments	-491	-1000
Dividends received from investments	2226	222
Net cash provided by/(used in) Investing Activities	-4251	2803
Net increase/(decrease) in cash held	-9385	3647
Add opening cash brought forward	29753	26106
Closing cash carried forward	20368	29753

Statement of Changes in Equity for year ended 30 June 2011

	2011 \$'000	2010 \$'000
Balance as at 1 July	72495	66904
Total Comprehensive Income for the Period		
Minda Surplus/Deficit	1314	4910
Other Comprehensive Income		
Net change in fair value of investments	-186	681
Total Other Comprehensive Income	-186	681
Total Comprehensive Income for the Period	1128	5591
Balance as at 30 June	73623	72495

Balance Sheet for year ended 30 June 2011

	2011 \$'000	2010 \$'000
Current Assets		
Cash and cash equivalents	20368	29753
Inventories	201	201
Receivables	1974	1598
Assets held for sale	275	55
Total Current Assets	22818	31607
Non Current Assets		
Available-for-sale investments	24923	23095
Fixed assets	40889	32106
Intangible assets	1200	1200
Total Non Current Assets	67012	56401
Total Assets	89830	88008
Current Liabilities		
Payables	5596	5079
Employee benefits	7281	7160
Total Current Liabilities	12877	12239
Non Current Liabilities		
Employee benefits	3330	3274
Total Non Current Liabilities	3330	3274
Total Liabilities	16207	15513
Net Assets	73623	72495
Equity		
Accumulated funds	73128	71814
Reserves	495	681
Total Equity	73623	72495



Independent audit report to the members of Minda Incorporated

Report on the financial report

We have audited the accompanying financial report of Minda Incorporated (the Association), which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes 1 to 26 comprising a summary of significant accounting policies and other explanatory information, and the statement by the board.

Directors' responsibility for the financial report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Associations Incorporation Act 1985, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Associations Incorporation Act 1985, a view which is consistent with our understanding of the Association's financial position, and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the financial report of Minda Incorporated is properly drawn up so as to present fairly, in all material respects, the financial position of the Association as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with the Associations Incorporation Act 1985 and Australian Accounting Standards – Reduced Disclosure Requirements.

KPMG

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Derek Meates
Partner

Adelaide 27 October 2011

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Statement by the Board of Directors

1. In the opinion of the Board of Directors of Minda Incorporated:

- (a) the financial statements, set out on pages 1 to 11, are drawn up so as to present fairly the results and cash flows for the financial year ended 30 June 2011, and the state of affairs as at 30 June 2011; and
- (b) at the date of this statement, there are reasonable grounds to believe that Minda Incorporated will be able to pay its debts as and when they fall due.

2. Since the end of the previous financial year no Officer of Minda Incorporated, no firm of which an Officer is a member, and no body corporate in which an Officer has a substantial financial interest, has received or become entitled to receive any benefit as a result of a contract between the Officer, firm or body corporate and Minda Incorporated.

3. Since the end of the previous financial year no Officer of Minda Incorporated has received directly or indirectly, any payment or other benefit of a pecuniary value.

4. The financial statements have been made out in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the provisions of the Associations Incorporation Act and the requirement of law.

Dated at Adelaide this 27th day of October 2011.

Signed in accordance with a resolution of the Board of Directors.

A. Harrison
President

W. Ashman
Vice President



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