



Consolidated Financial Statements

The Cairnmillar Institute

ABN 27 005 085 423

31 December 2015

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Directors' report

The Directors present their report on the Company and its Controlled Entities for the year ended 31 December 2015.

Directors

The names of the Directors in office at any time during, or since the end of the year are:

- Mr Clive Appleton
- Mr Ian Chisholm
- Mr Rowan Kennedy
- Ms Sarah Lowe
- Dr James Potter AM
- Mrs Jennifer Raper OAM
- Dr Julie Shaw
- Emeritus Professor Brian Smith AO

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

Objectives

Short term

To provide clinical services by way of psychotherapy in respect of psychological disorders, mental health problems, personality disorders and problems of living such as coping with loss and grief, breakdown of relationships in the family and work place problems;

To act as a Higher Education Provider in psychology, counselling and psychotherapy and professional education for health professionals;

To undertake research in specialist areas of counselling, psychotherapy and professional education including traumatised children, ageing and problem gambling;

To provide community education and awareness raising in relation to mental health and well-being.

Long term

To develop the specialisation and focus of clinical services and expand those services;

To expand the research profile and publications of Cairnmillar;

To consolidate the status of Cairnmillar as a specialist Higher Education Provider.

Strategy for achieving the objectives

By maintaining a high standard of specialist clinical service delivery;

By increasing the quality of the provision of Higher Education services provided by Cairnmillar;

By continuing to attract private and public funding to Cairnmillar.

Directors' report

Principal activities

The principal activities of the consolidated group during the year were the provision of professional psychological services, higher education, professional training for practitioners, and for academic research.

Performance measures

Treatment

Continue to build the reputation of the organisation as a centre known for excellence in the provision of professional psychological services, higher education, professional training for practitioners, and for academic research.

Education

Continue to build the reputation of the Cairnmillar School as a Higher Education provider with authorisation and accreditation to conduct the following programs:

- Graduate Diploma of Psychology
- Master of Counselling and Psychotherapy
- Graduate Diploma of Counselling and Psychotherapy
- Graduate Certificate of Counselling and Psychotherapy
- Master of Professional Psychology Practice
- Master of Psychology (Clinical Psychology)

The psychology programs have been accredited by The Australian Psychology Accreditation Council (APAC) as having university equivalence. The counselling and psychotherapy programs have been accredited by The Psychotherapists and Counsellors Federation of Australia (PACFA).

Research

To continue to apply for and attract private and public funding for research projects such as SAGE and The Big Tent Project.

Directors' report

Directors' Meetings

The number of meetings of the company's Board of Directors held during the year and the number of meetings attended by each Director were:

	Number of meetings eligible to attend	Number attended
Rowan Kennedy	7	7
Clive Appleton	7	4
Sarah Lowe	7	3
James Potter	7	7
Jennifer Raper	5	3
Brian Smith	7	6
Ian Chisholm	7	6
Julie Shaw	7	5

Qualification of Directors

Mr Rowan Kennedy LLB BCom, Chairman

Mr. Rowan Kennedy has had a distinguished career in the law and in his contribution to the community. He recently retired as a partner from the International law firm Mallesons Stephen Jaques after 37 years of service to the firm. He is a past president of the Victorian Division of the Heart Foundation and is the chairman of a charitable foundation. He is interested in environmentally sustainable industries, including water and natural pyrethrum. He is also a director of a number of companies. He has many interests, is involved in a number of organisations, charitable foundations and sporting activities.

Mr Clive Appleton Post Grad Dip Marketing MBA AMP/ISMP Harvard BEc

Mr Clive Appleton is the Executive Director of the Private Funds Division of APN Property Group. He has extensive experience in property investment, development, and funds management. During his career Mr Appleton has held senior executive roles in some of Australia's leading retail groups including the Gandel Group and Centro Properties. He is the current Chairman of AG Coombs Pty Limited. He holds a Bachelor of Economics, Master of Business Administration, Post Graduate Diploma of Marketing, and has completed Harvard University's Advanced Management Program.

Directors' report

Mr Ian Chisholm FAICD

Mr Ian Chisholm is a director of the Selectus Salary Packaging group and Professional Associations Super Fund and West Coast Novation. He was Managing Director of Weststaff 1990 – 2001, CEO of Selectus during 2009-2012, and General Manager of the Asia Pacific Region of McPherson's Limited. He has held senior marketing positions with Mars, Herbert Adams and Petersville. Ian has been a member of a number of industry councils. He has also held positions with the Lauriston Girls School Foundation, The Career Transition Consortium and Brand Value Audits. He has also been involved with Amcham, The Australian Chamber of Manufacturers, and The International Trade Council. He has been a member of the Cairnmillar Council since 1995.

Ms Sarah Lowe CA BCom (Accounting and Finance)

Ms Sarah Lowe is a partner in the Financial Services Audit Practice of a Big 4 Accounting Firm. She specialises in the provision of accounting and audit services, the majority of which is in relation to the banking and finance sectors. Sarah has also spent time in a technical accounting role where her specialisation was the interpretation and application of the International Financial Reporting Standards (IFRS) framework. Her current clients include financial services firms in the ASX Top 100 as well as non-listed financial services clients.

Dr James Potter AM BSc, MAppSc, (Hons) LLD (Melb)

Dr James Potter has had a distinguished career as an engineer, has worked as an academic in an engineering faculty and in academic management and governance. He originally studied engineering at RMIT, and has held the rank of Lieutenant Colonel in the Australian Armed forces. Dr Potter was Registrar at the University of Melbourne for many years, where he played a key administrative role, including responsibility for promulgation, and consistent application and compliance with policies and procedures relating to students, student discipline and grievances, and student services. He was a founding member of the Senatus (Academic Board) of The Cairnmillar Institute School of Psychology Counselling and Psychotherapy and now holds the position of Chair.

Mrs Jennifer Raper OAM BA MEd

Mrs Jennifer Raper of Brighton East is the deserved recipient of the Medal (OAM) of the Order of Australia in the General Division for service to the community, particularly in the field of mental health. Mrs Raper has had significant life-long involvement in the University of the Third Age (U3A) as well as the Southern Mental Health Association Inc. Mrs Raper's contribution has previously been recognised by the City of Glen Eira Volunteer Recognition Scheme.

Dr Julie Shaw PhD MBA MSc MA

Dr Julie Shaw had many years of experience as a clinical psychologist and academic when, following MBA studies, she changed focus to large scale education and training, service planning and workforce development projects in health-related areas including radiology, dental/oral health, newborn resuscitation, general practice and clinical placements. She is also the author of several management textbooks and a wide range of professional publications.

Directors' report

Emeritus Professor Brian Smith AO PhD FIEAust.

Emeritus Professor Brian Smith has had a career as an engineer and academic. He studied engineering at The University of Melbourne and completed his doctorate at the University of Cambridge. Following a number of years in Australian industry, he joined the faculty at the Royal Melbourne Institute of Technology where he held the position of Dean of Engineering before becoming Principal of RMIT in 1979. Professor Smith was the Foundation Vice-Chancellor of the University of Western Sydney.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 6.

Signed in accordance with a resolution of Directors:



Director



Director

Dated this 26 day of May 2016

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Auditor's Independence Declaration To the Directors of The Cairnmillar Institute and Controlled Entities

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of The Cairnmillar Institute and Controlled Entities for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 26 May 2016

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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2015

	Notes	Consolidated Group		Parent Entity	
		2015 \$	2014 \$	2015 \$	2014 \$
Revenue from ordinary activities	2	4,828,106	4,035,759	5,082,699	3,084,630
Bequest and other income	2	1,065,025	-	1,054,098	-
Employee benefits expense		(3,047,260)	(2,628,280)	(3,047,260)	(1,991,273)
Consultancy fees		(244,496)	(341,545)	(244,496)	(225,221)
Depreciation and amortisation expense	3	(49,924)	(50,236)	(49,924)	(43,319)
Statutory and grant audit fees		(25,383)	(28,000)	(25,383)	(28,000)
Other expenses from ordinary activities		(866,324)	(698,976)	(864,621)	(597,767)
Profit / (loss) from ordinary activities before income tax expense		1,659,744	288,722	1,905,113	199,050
Income tax expense		-	(113,548)	-	-
Net Profit from ordinary activities after income tax expense		1,659,744	175,174	1,905,113	199,050
Other comprehensive income / (loss):					
<i>Items that may be reclassified subsequently to profit or loss</i>					
- Current year (losses)/ gains		(27,218)	19,083	-	-
- Reclassification to profit or loss		(10,803)	-	-	-
Other comprehensive income/ (loss)		(38,021)	19,083	-	-
Total comprehensive income		1,621,723	194,257	1,905,113	199,050

Statement of Financial Position

as at 31 December 2015

	Notes	Consolidated Group		Parent Entity	
		2015	2014	2015	2014
		\$	\$	\$	\$
Assets					
Current					
Cash and cash equivalents	4	2,915,969	1,365,216	2,457,736	938,726
Trade and other receivables	5	172,506	63,790	371,152	80,337
Other financial assets	6	640,951	618,244	1,038,898	1,016,191
Other current assets	7	84,450	56,785	84,450	56,785
Total Current Assets		3,813,876	2,104,035	3,952,236	2,092,039
Non-Current					
Available-for sale securities	8	812,235	840,212	-	-
Property, plant and equipment	9	3,386,778	3,385,205	3,386,778	3,385,205
Intangible assets	10	-	-	-	-
Total Non-Current Assets		4,199,013	4,225,417	3,386,778	3,385,205
Total Assets		8,012,889	6,329,452	7,339,014	5,477,244
Liabilities					
Current					
Trade and other payables	11	204,335	153,226	217,949	385,445
Interest-bearing liabilities	12	-	9,908	-	9,908
Short-term provisions	13	449,919	408,774	449,919	408,774
Other current liabilities	14	46,010	19,678	46,010	19,678
Provision for income tax	20	-	113,548	-	-
Related party payable	17	640,951	618,244	640,951	618,244
Total Current Liabilities		1,341,215	1,323,378	1,354,829	1,442,049
Non-Current					
Long-term provisions	13	57,515	13,638	57,515	13,638
Total Non-Current Liabilities		57,515	13,638	57,515	13,638
Total Liabilities		1,398,730	1,337,016	1,412,344	1,455,687
Net Assets		6,614,159	4,992,436	5,926,670	4,021,557
Equity					
Reserves	16	3,772,711	3,810,732	3,180,239	3,180,239
Retained earnings		2,841,448	1,181,704	2,746,431	841,318
Total Equity		6,614,159	4,992,436	5,926,670	4,021,557

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2015

	Retained Earnings \$	Available-for-sale Securities Reserve \$	Revaluation Surplus \$	Other Reserves \$	Big Tent Reserve \$	Total Equity \$
CONSOLIDATED GROUP						
At 31 December 2013	1,110,369	202,005	2,629,762	416,630	439,413	4,798,179
Profit for the period:	175,174	-	-	-	-	175,174
Other comprehensive income for the period:						
- Change in fair value of AFS securities	-	19,083	-	-	-	19,083
- Write back investments sold	-	-	-	-	-	-
- Transfer to/(from) Big Tent reserve	(103,839)	-	-	-	103,839	-
At 31 December 2014	1,181,704	221,088	2,629,762	416,630	543,252	4,992,436
Profit for the period:	1,659,744	-	-	-	-	1,659,744
Other comprehensive income for the period:						
- Change in fair value of AFS securities	-	(27,218)	-	-	-	(27,218)
- Write back investments sold	-	(10,803)	-	-	-	(10,803)
- Transfer to/(from) Big Tent reserve	-	-	-	-	-	-
At 31 December 2015	2,841,448	183,067	2,629,762	416,630	543,252	6,614,159
PARENT ENTITY						
At 31 December 2013	746,107	-	2,629,762	7,225	439,413	3,822,507
Profit for the period:	199,050	-	-	-	-	199,050
- Transfer to Big Tent reserve	(103,839)	-	-	-	103,839	-
At 31 December 2014	841,318	-	2,629,762	7,225	543,252	4,021,557
Profit for the period:	1,905,113	-	-	-	-	1,905,113
At 31 December 2015	2,746,431	-	2,629,762	7,225	543,252	5,926,670

Statement of Cash Flows

for the year ended 31 December 2015

	Notes	Consolidated Group		Parent Entity	
		2015	2014	2015	2014
		\$	\$	\$	\$
Cash Flow from Operating Activities					
Receipts from tuition, bequest and fees		6,129,358	4,320,227	6,181,370	2,888,475
Interest received		53,194	49,877	43,855	36,265
Payments to employees and others		(4,632,211)	(4,133,750)	(4,868,456)	(2,436,924)
Payments for income tax		(113,548)	-	-	-
Net cash provided by operating activities	18(b)	1,436,793	236,354	1,356,769	487,816
Cash Flow from Investing Activities					
Purchase of available-for-sale securities		(39,165)	(197,516)	-	-
Proceeds on sale of available-for-sale securities		40,048	-	-	-
Dividends received		174,482	38,934	417,143	-
Payments for property, plant and equipment		(51,497)	(27,375)	(51,497)	(27,375)
activities		123,868	(185,957)	365,646	(27,375)
Cash Flow from Financing Activities					
Payments (to) / from subsidiaries		-	-	(193,497)	(421,422)
Repayment of hire purchase financing		(9,908)	(18,595)	(9,908)	(18,594)
Net cash used in financing activities		(9,908)	(18,595)	(203,405)	(440,016)
Net increase in cash held		1,550,753	31,802	1,519,010	20,425
Cash at beginning of year		1,365,216	1,333,414	938,726	918,301
Cash at end of year	18(a)	2,915,969	1,365,216	2,457,736	938,726

Notes to the Financial Statements

for the year ended 31 December 2015

1. Statement of significant accounting policies

The financial report includes the separate financial statements and notes of The Cairnmillar Institute and controlled entities ('Consolidated Group') and the separate financial statements and notes of The Cairnmillar Institute as an individual parent entity ('Parent Entity').

The Cairnmillar Institute is a public company limited by guarantee, incorporated in Australia and operating in Australia.

The Cairnmillar Institute has been assessed as a not-for-profit entity as its principal objective is not the generation of profit.

Basis of preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of 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.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under *the Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 26 May 2016 by the directors of the company.

Adoption of new and revised accounting standards

There are a number of standards and interpretations which have been issued but are not yet effective. The impact of these pronouncements on the company's reported financial position and performance has not yet been fully assessed, but the pronouncements are not likely to have a significant affect on reported performance or position of the Consolidated Group.

Management anticipate that all these pronouncements will be adopted in the Consolidated Group's financial statements for the first period beginning after the effective date of the pronouncement.

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

Notes to the Financial Statements

for the year ended 31 December 2015

1. Statement of significant accounting policies (continued)

Principles of Consolidation

A controlled entity is any entity that The Cairnmillar Institute has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a 31 December financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Income Tax

The Parent Entity, being a charitable institution, is exempt from income tax in accordance with Section 50-5 of the Income Tax Assessment Act.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs. Financial instruments are classified and measured as set out below:

Notes to the Financial Statements

for the year ended 31 December 2015

1. Statement of significant accounting policies (continued)

Financial Instruments (continued)

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the available-for-sale securities reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are brought to account at cost or at director valuation.

The valuation has taken into account the requirements of AASB 136 which defines 'fair value' and the concepts of 'market value'.

Increases in the carrying amount arising on revaluation of land and buildings are credited to equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Notes to the Financial Statements

for the year ended 31 December 2015

1. Statement of significant accounting policies (continued)

Property, Plant and Equipment (continued)

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the institute commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Plant and equipment	7.5% - 40%
Computer equipment & software	20%
Leasehold improvements	2.5% - 40%
Furniture, fixtures and fittings	7.5% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Impairment of Assets

At each reporting date, the Consolidated Group reviews the carrying values of its tangible 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 profit or loss and other comprehensive income.

Intangibles

Software

Externally developed software licences are measured at cost less amortisation and impairment losses.

Revenue

Revenue from clinical consultants, education courses and seminars is recognised upon delivery of the service to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of goods and services tax (GST).

Bequest and grants

Bequest and grants received or that are receivable at reporting date are measured by the Consolidated Group at fair value. Bequest and grants are recognised when the Consolidated Group obtains control or the right to receive the bequest or grant and it can be measured reliably.

Notes to the Financial Statements

for the year ended 31 December 2015

1. Statement of significant accounting policies (continued)

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Members Guarantees

The company is a public company limited by the guarantee of its members. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$20 (2014: \$20) each towards meeting any outstanding obligations of the company. At 31 December 2015, the number of members was 8 (2014: 8).

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 Tax 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 balance sheet are shown inclusive of GST.

Comparatives

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

Critical accounting estimates

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

Key judgements - provision for impairment of receivables

The Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the depreciated replacement cost of the asset is determined. Value-in-use calculations performed in assessing depreciated replacement cost incorporate further estimates.

Notes to the Financial Statements

for the year ended 31 December 2015

1. Statement of significant accounting policies (continued)

Critical accounting estimates (continued)

Key judgements - provision for doubtful debts

Periodically the Consolidated Group will individually assess the recoverability of each receivable and determine if amounts are recoverable. Receivables that are not considered recoverable are fully provided for.

Key judgements - revaluation of non-current assets

The Consolidated Group uses judgement in respect of the determination of the carrying value of land and buildings. Land and buildings are periodically revalued by independent valuers. The revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from the independent market valuation. The reported carrying value is reflective of the market conditions at the end of the reporting period. While this represents the best estimation of the value at the reporting date, the actual sale prices achieved (should Land and buildings be sold) may be higher or lower than the most recent valuation. This is particularly relevant in periods of market illiquidity or uncertainty.

Deed of guarantee

The Cairnmillar Institute has guaranteed all liabilities owing by The Cairnmillar Institute School of Counselling and Psychotherapy Pty Ltd to the Department of Education, Science and Training (DEST). Under the terms of the financial guarantee contract, The Cairnmillar Institute will make payments to settle liabilities with DEST if there were ever to be any failure of The Cairnmillar Institute School of Counselling and Psychotherapy Pty Ltd to make payments when due.

Notes to the Financial Statements

for the year ended 31 December 2015

2. Revenue

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Revenue from operating activities:				
Tuition and short course fees	3,692,567	2,892,413	3,692,567	1,629,119
Clinical fees and trust subsidies	601,401	646,637	643,260	667,754
Dividends	174,482	38,934	417,143	-
Marriage counselling grant	136,227	145,608	136,227	145,608
Big Tent donations	75,413	157,960	75,413	157,960
General donations, subsidies and scholarships	60,670	104,330	40,670	93,780
SAGE and other income	34,152	-	33,564	-
Total revenue from operating activities	4,774,912	3,985,882	5,038,844	2,694,221
Revenue from non-operating activities:				
Interest revenue	53,194	49,877	43,855	36,265
Administration salaries, rent and overheads recharged to subsidiary	-	-	-	354,144
Total revenue from non-operating activities	53,194	49,877	43,855	390,409
Total revenue from ordinary activities	4,828,106	4,035,759	5,082,699	3,084,630
Bequest and other income:				
Bequest income	1,054,098	-	1,054,098	-
Profit on sale of available-for-sale securities	10,927	-	-	-
Total other income	1,065,025	-	1,054,098	-

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3. Profit before tax

(a) Profit before tax has been arrived at after charging the following income and expenses:

Depreciation and amortisation				
- Depreciation of property, plant and equipment	42,942	26,957	42,942	20,040
- Amortisation of intangibles	6,982	23,279	6,982	23,279
Total depreciation and amortisation	49,924	50,236	49,924	43,319

(b) The following total remuneration was or is due and receivable, by the auditor of the company in respect of:

- Audit of financial statements	20,000	20,000	20,000	20,000
- Preparation of special purpose financial statements	5,000	5,000	5,000	5,000
- Audit services related to the family services grant	-	3,000	-	3,000
Total auditor remuneration	25,000	28,000	25,000	28,000

Notes to the Financial Statements

for the year ended 31 December 2015

4. Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash on hand	706	570	696	560
Cash on deposit	2,461,867	556,756	2,275,695	381,582
Term deposit	662,555	1,048,727	390,504	797,421
Bank Overdraft Secured (refer (a) below)	(209,159)	(240,837)	(209,159)	(240,837)
Total cash and cash equivalents	2,915,969	1,365,216	2,457,736	938,726

(a) The bank overdraft is secured by a registered mortgage over the property at 993 Burke Road Camberwell, Victoria.

5. Trade and other receivables

Trade receivables

Trade debtors	32,574	87,564	32,574	87,564
Provision for impairment of receivables	(25,400)	(40,700)	(25,400)	(40,700)
	7,174	46,864	7,174	46,864
Fee Help	142,857	-	142,857	-
Total trade receivables	150,031	46,864	150,031	46,864

Other receivables

Loan – The Cairnmillar Institute School of Psychology Counselling & Psychotherapy Pty Ltd			185,241	
Loan – Cairnmillar Trust			22,870	23,730
Other receivables	22,475	16,926	13,010	9,743
Total other receivables	22,475	16,926	221,121	33,473
Total trade and other receivables	172,506	63,790	371,152	80,337

6. Other financial assets

Investment on behalf of related party	640,951	618,244	640,951	618,244
Investment in controlled entities at cost (refer note 19)	-	-	397,947	397,947
Total other financial assets	640,951	618,244	1,038,898	1,016,191

7. Other current assets

Prepayments	84,450	56,785	84,450	56,785
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8. Available-for-sale securities

Available-for-sale financial assets at fair value

- Shares in listed entities	812,235	840,212	-	-
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Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. The fair value of listed available-for-sale investments, being publicly traded companies in Australia, has been determined directly by reference to published price quotations in an active market.

Notes to the Financial Statements

for the year ended 31 December 2015

9. Plant and equipment

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Equipment				
At valuation	-	-	-	-
At cost	203,655	166,884	203,655	166,884
Less accumulated depreciation	(154,351)	(114,785)	(154,351)	(114,785)
	<u>49,304</u>	<u>52,099</u>	<u>49,304</u>	<u>52,099</u>
Office Furniture				
At cost	112,627	97,901	112,627	97,901
Less accumulated depreciation	(96,100)	(92,724)	(96,100)	(92,724)
	<u>16,527</u>	<u>5,177</u>	<u>16,527</u>	<u>5,177</u>
Land and Buildings				
Freehold land at valuation	2,000,000	2,000,000	2,000,000	2,000,000
Buildings at valuation	1,300,000	1,300,000	1,300,000	1,300,000
	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>
Motor vehicles under hire purchase				
At cost	104,000	104,000	104,000	104,000
Less accumulated depreciation	(83,053)	(76,071)	(83,053)	(76,071)
	<u>20,947</u>	<u>27,929</u>	<u>20,947</u>	<u>27,929</u>
Total Plant and Equipment	<u>3,386,778</u>	<u>3,385,205</u>	<u>3,386,778</u>	<u>3,385,205</u>

The directors have assessed that the carrying value of freehold land and buildings at 993 Burke Road in Camberwell reflects the property's current market value.

10. Intangible assets

Software				
At cost	13,970	13,970	13,970	13,970
Less accumulated amortisation	(13,970)	(13,970)	(13,970)	(13,970)
Total intangible assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

11. Trade and other payables

Trade Payables	84,043	32,698	84,043	36,473
Sundry creditors and accruals	120,292	115,058	119,292	111,441
Loan - The Cairnmillar Institute School of Psychology Counselling & Psychotherapy Pty Ltd	-	-	-	231,511
The Cairnmillar Trust	-	-	14,614	550
Fee Help	-	5,470	-	5,470
Total trade and other payables	<u>204,335</u>	<u>153,226</u>	<u>217,949</u>	<u>385,445</u>

Notes to the Financial Statements

for the year ended 31 December 2015

12. Interest-bearing liabilities

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Current				
Hire purchase liability (refer Note 15)	-	9,908	-	9,908
	-	9,908	-	9,908
Non-current				
Hire purchase liability (refer Note 15)	-	-	-	-
	-	-	-	-
Total interest-bearing liabilities	-	9,908	-	9,908

13. Provisions

Current				
- Provision for Annual Leave	249,906	206,699	249,906	206,699
- Provision for Long Service Leave	200,013	202,075	200,013	202,075
	449,919	408,774	449,919	408,774
Non-current				
- Provision for Long Service Leave	57,515	13,638	57,515	13,638
	57,515	13,638	57,515	13,638
Total provisions	507,434	422,412	507,434	422,412

14. Other Current Liabilities

Income received in advance	46,010	19,678	46,010	19,678
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15. Capital and hire purchase commitments

Finance and hire purchase commitments				
- not longer than one year	-	10,157	-	10,157
- longer than one year but not longer than five years	-	-	-	-
Minimum hire purchase payments		10,157	-	10,157
Less : future finance charges	-	(249)	-	(249)
	-		-	
Total hire purchase liability		9,908	-	9,908
Current Liability (refer Note 12)	-	9,908	-	9,908
Non Current Liability (refer Note 12)	-	-	-	-
Total hire purchase Liability		9,908	-	9,908

Hire purchase commitments are in respect of a motor vehicle. The commitment expired in June 2015.

Notes to the Financial Statements

for the year ended 31 December 2015

16. Reserves

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Available-for-sale securities reserve (i)	183,067	221,088	-	-
Revaluation surplus (ii)	2,629,762	2,629,762	2,629,762	2,629,762
Other reserves				
- Special reserve (iii)	7,225	7,225	7,225	7,225
- Capital funds reserve (iv)	400,000	400,000	-	-
- Committed projects reserve (iv)	9,405	9,405	-	-
- Big Tent project reserve (v)	543,252	543,252	543,252	543,252
Total reserves	3,772,711	3,810,732	3,180,239	3,180,239

(i) The available-for-sale securities reserve represents unrealised fair value gains or losses on available-for-sale financial assets held by the consolidated entity.

(ii) The revaluation surplus represents the surplus arising from the revaluation of property.

(iii) Discretionary reserve held by The Cairnmillar Institute.

(iv) Discretionary reserves held by The Cairnmillar Trust.

(v) The Big Tent project reserves represents the cumulative excess of amounts collected over expenditure on this research project.

17. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Amounts recharged from CMI (parent entity) to CISPCP (school subsidiary):

Recognised expenses:

- Administration salaries	-	-	-	3,744
- Administration and operating expenses	-	-	-	233,598
- Rent and outgoings for premises	-	-	-	116,802
	-	-	-	354,144

Balance of related party payable at year end:

- Payable to Dr Macnab	640,951	618,244	640,951	618,244
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Notes to the Financial Statements

for the year ended 31 December 2015

18. Cash flow information

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
a) Reconciliation of cash				
Cash on hand and at bank (Note 4)	3,125,128	1,606,053	2,666,895	1,179,563
Bank overdraft (Note 4)	(209,159)	(240,837)	(209,159)	(240,837)
	2,915,969	1,365,216	2,457,736	938,726
b) Reconciliation of cash flow from operations with profit from ordinary activities				
Profit / (loss) from ordinary activities after income tax	1,659,744	175,174	1,905,113	199,050
Adjustments:				
Amortisation	6,982	23,279	6,982	23,279
Depreciation	42,942	26,957	42,942	20,040
Dividends received	(174,482)	(38,934)	(417,143)	-
Profit on sale of available-for-sale securities	(10,927)	-	-	-
Changes in assets and liabilities:				
(Increase) / decrease in trade receivables	(103,167)	6,126	(103,167)	(25,784)
(Increase) / decrease in prepayments & other receivables	(33,214)	7,133	(7,202)	(20,669)
Increase / (decrease) in trade creditors & accruals	77,441	(103,181)	(155,778)	245,854
Increase / (decrease) in employee entitlements	85,022	26,368	85,022	26,368
Increase / (decrease) in other liabilities	(113,548)	113,432	-	19,678
Cash flows from operations	1,436,793	236,354	1,356,769	487,816
c) Financing Facilities				

As at 31 December 2015, The Cairnmillar Institute has a credit stand-by facility of \$455,000 (2014: \$455,000) of which \$245,841 (2014: \$214,163) remains unused by the entity. The interest rate of the facility at 31 December 2015 is 10.82% (2014: 11.32%), however the facility is subject to an offset arrangement against a deposit account included within cash on deposit (note 4). This arrangement has resulted in an effective interest rate of 0% for the year ended 31 December 2015 (2014: 0%).

19. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

Name of Entity	Country of Incorporation	Equity Holding	
		2015	2014
The Cairnmillar Institute	Australia	n/a	n/a
Equity Interests in Subsidiaries			
The Cairnmillar Institute School of Psychology Counselling and Psychotherapy Pty Ltd (CISPCP)	Australia	100%	100%
The Cairnmillar Trust	Australia	n/a	n/a

Notes to the Financial Statements

for the year ended 31 December 2015

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
20. Provision for income tax				
Income tax expense payable		113,548		

21. Events subsequent to balance sheet date

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

22. Company details

The registered office of the company is:

The Cairnmillar Institute
993 Burke Road
Camberwell VIC 3124

Directors' Declaration

The Directors have determined that Cairnmillar Institute is not a reporting entity and that this Special Purpose Financial Report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the company declare that:

1. The consolidated financial statements and notes of Cairnmillar Institute, as set out on pages 6 to 23 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (a) Giving a true and fair view of the its financial position as at 31 December 2015 and of its performance for the year ended on that date; and
 - (b) Complying with Accounting Standards to the extend described in Note 1 to the financial statements and the *Australian Charities and Not-for-profit Commission Regulation 2013*.
2. In the Directors' opinion there are reasonable grounds to believe that Cairnmillar Institute 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.



Director



Director

Dated this 26 day of May 2016



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Independent Auditor's Report To the Members of The Cairnmillar Institute and Controlled Entities

We have audited the accompanying financial report, being a special purpose financial report, of The Cairnmillar Institute and Controlled Entities (the "Group"), which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other 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 to the financial report and the statement by the Directors.

Responsibility of the Directors for the financial report

The Directors of the Group are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the needs of the Members and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be 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 which require us to 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.

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In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion, the financial report of The Cairnmillar Institute and Controlled Entities:

- i presents fairly, in all material respects, the Group's financial position as at 31 December 2015 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- ii complies with Australian Accounting Standards to the extent described in Note 1, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Brock Mackenzie
Partner - Audit & Assurance

Melbourne, 26 May 2016