The Cairnmillar Institute

ABN 27005085423

Financial Statements - 31 December 2021

The Cairnmillar Institute
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31 December 2021

Directors

The Directors present their report on the Company and its Controlled Entities for the year ended 31 December 2021.

The names of the Directors in office at any time during, or since the end of the year are:
- Dr Coral Brown
- Prof John Catford
- Mr Ian Chisholm (resigned 8 December 2021)
- Ms Lisa Cusano
- Ms Carolyn Deveny
- Mr Rowan Kennedy
- Prof Marita McCabe
- Mr Les Posen (resigned 2 March 2022)
- Dr Julie Shaw (resigned 8 December 2021)
- Prof Kathryn von Treuer
- Ms Joanne Cameron (appointed 2 October 2021)
- Adjunct Professor George Habib (appointed 27 August 2021)
- Mr Terry Laidler (appointed 31 August 2021)
- Mr Robyn Seymour (appointed 19 October 2021)

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.

Principal activities

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

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)
Master of Professional Psychology
Doctor of Psychology (Clinical Psychology)
Master of Clinical Psychology (Post Registration)
Graduate Diploma of Psychological Science
Graduate Certificate of Counselling

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' 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:

	No. of meetings eligible attend	No. attended
Dr Coral Brown	8	8
Prof John Catford	8	8
Mr Ian Chisholm	8	8
Ms Lisa Cusano	8	7
Ms Carolyn Deveny	8	8
Mr Rowan Kennedy	8	8
Prof Marita McCabe		
Mr Les Posen	8	8
Dr Julie Shaw	8	8
Prof Kathryn von Treuer	8	8
Ms Joanne Cameron	2	1
Adjunct Professor George Habib	2	2
Mr Terry Laidler	2	1
Ms Robyn Seymour	2	2

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, (now King Wood Mallesons) after 37 years of service. He is a past president of the Victorian Division of the Heart Foundation. He is interested in environmentally sustainable industries, including the treatment of polluted water and the production of Natural Australian Pyrethrin. He is also a director of a number of companies. He is involved in a number of organisations, charitable foundations and sporting activities.

Dr Coral Brown PhD MA GDipEdCouns BA FAPS MACE
Dr Coral Brown is the former Assistant Director at Cairnmillar where she worked for many years in management and as a clinician. She was instrumental in establishing the Institute as a Higher Education Provider, and now plays an active role as a Member of the Council, the Academic Board, and The Human Research Ethics Committee. Dr Brown is a Fellow of the Australian Psychological Society and has lectured on brief therapy in Australia, the U.S.A. and Turkey. She currently consults, provides professional and thesis supervision, and writes.

Professor Emeritus John Charles Catford MA MSc MB BChir DM DCH FFPH FRCP FAFPHM FIPAA FAICD
Professor Emeritus John Catford has specialist medical qualifications in paediatrics and public health. He has been a Professor of Public Health for over thirty years and has held senior academic and health service management positions in Australia and the UK, and with the World Health Organisation. He trained in medicine at Cambridge University, paediatrics at the London Hospital, public health medicine at the London School of Hygiene and Tropical Medicine, and received his Doctorate of Medicine from the University of Southampton. He has been responsible for authoring, editing and/or publishing over 500 titles including 180 journal articles, books, and monographs. From 1998 to 2002 Professor Catford was the Chief Health/Medical Officer and Executive Director of Public Health for the State Government of Victoria, and served on the executive of the National Health and Medical Research Council. From 2002, as Dean of the Faculty of Health, Medicine, Nursing and Behavioural Sciences at Deakin University, he led the establishment of the Deakin Medical School which opened in Geelong in January 2008 as well as a number of other health related initiatives. During this time, he was also Board Chair of the Postgraduate Medical Council of Victoria.

In 2011 Professor Catford was appointed as Vice President and Deputy Vice Chancellor (Academic) of Deakin University and was awarded the title of Professor Emeritus in 2013. He has recently completed his five-year contract as Group Executive Director, Academic and Medical, for the Epworth HealthCare Group and continues providing support as Consultant Emeritus. Professor Catford has held a number of board and director positions including with the National Heart Foundation, Diabetes Australia, Australia New Zealand Food Authority, and Windermere Foundation. He was appointed by the Victorian Government as a Board Member to lead the health components of the 2014 and 2015/6 Board of Inquiries into the Hazelwood Mine Fire in the Latrobe Valley. Other recent appointments have been as Board Chairs of VicHealth/Victorian Health Promotion Foundation and the Youth Support and Advocacy Service (YSAS) which includes FebFast. Professor Catford was appointed as Board Director of the Cairnmillar Institute in 2018 and chairs its Academic Board. He is also Chair of the Latrobe Health Assembly, Chair of the Editorial Board of Health Promotion International, Member of the Clinical Council of the Melbourne Primary Health Network, and Member of the Victorian Government DHHS Voluntary Assisted Dying Implementation Taskforce. He is a founding Director of Eve Learning Pty Ltd a new Australian company, based in Melbourne Victoria, that partners with organisations to help them raise their ‘performance through learning exactly delivered’.

Ms Lisa Cusano BCom CA
Ms Lisa Cusano is a director in the Financial Services Tax practice at Ernst & Young specialising in banking and capital markets and wealth and asset management. Lisa is CA qualified with over 14 years experience in providing tax consulting and tax compliance services to businesses in the corporate and financial services industry. Areas of specialisation include the tax implications associated with Mutual Banks and credit unions, digital banks, ETF’s and LICs and AMITs. The application and reporting of operational taxes and obligations including withholding taxes.

Ms Carolyn Deveny BCom CA
Ms Carolyn Deveny joined the Council of the Cairnmillar Institute in October 2016. She is currently the Chief Financial Officer for Computershare’s Corporate and Global Technology divisions where she is a key member of the finance and technology leadership teams. Prior to her appointment as Chief Financial Officer, Carolyn was the Group Financial Controller with responsibility for the Group’s external statutory reporting and technical accounting guidance. Prior to commencing with Computershare in 2005, Carolyn began her career with Ernst & Young in external audit. This led to various financial accounting roles including working with UBS in London and Sydney before returning to Ernst & Young in financial services audit division in both Sydney and Melbourne.

Professor Marita McCabe PhD FAPS FCCLP FCHP
Professor Marita McCabe is a Research Professor in Psychological Sciences at Swinburne University. She is a highly regarded academic who conducts theoretical and applied research in the areas of ageing, body image disorders, depression and sexual health. Professor McCabe has a significant publication record, with more than 400 refereed articles in these areas. In the last 10 years, her research has attracted more than $12 million in Category One funding. She is a Fellow of the Australian Psychological Society and a member of the Clinical and Health Colleges of the APS. Professor McCabe is currently leading a NHMRC-funded project to train staff to implement consumer-directed care (CDC) in residential aged care facilities. With total funding to date of around $2.5 million, the CDC program is designed to improve the levels of choice, control and the quality of life for residents in residential care, as well as for staff members working at these facilities. She is Associate Editor of Journal of Sexual Medicine and Body Image and on the Editorial Board of the Journal of Sex Research as well as two other Journals.

M*s Robyn Seymour MBA BSocScPysch*
Ms Robyn Seymour is the CEO of the Surf Coast Shire Council; previously she was the Deputy Secretary Network Planning and Head of Road Safety Victoria in the Victorian Department of Transport, and the CEO of VicRoads.

Mr Terry Laidler LLB, BA (Hons) Psych
Mr Terry Laidler is a psychologist in forensic practice and a former ABC Melbourne broadcaster, Associate Professor of Communications at RMIT University, and Chair of the Victorian Mental Health Reform Council.

Professor Kathryn von Treuer DBA MBSc BBSc(Hons) DipAppSc GCHE FAPS MAICD FAHRI
Professor von Treuer commenced as Executive Director of the Cairnmillar Institute in April 2016. She is a registered psychologist and an endorsed health and organisational psychologist, and sits on the Psychology Board of Australia. Her post graduate studies in psychology together with her business qualifications complement extensive industry experience in senior management across various sectors. Because of her commitment to healthcare professions, psychology services, and education, she was invited to be an Honorary Associate Professor with the School of Medicine at Deakin University. Her research in education has been presented nationally and internationally, and she is a significant contributor to CMI, both locally and internationally.

Ms Joanne Cameron BA Arts/Law
Joanne Cameron worked for the Victorian Public Service in various roles including policy, programs in the Department of Premier and Cabinet and Public Service Board. Manager, Capital Budgets Victorian Ministry for Transport 1984-1988. She was articled to Mallesons Stephen Jaques (now King and Wood Mallesons)1989; a Partner at King and Wood Mallesons 1999-2015; a Partner in Charge at King and Wood Mallesons 2009-2015, and a Justice of the Supreme Court of Victoria between 2015 and 2020.

Adjunct Professor George Habib MPsych (Clin), Diploma Project Management, Grad Dip Psych, BComm
Adjunct Professor George Habib is a clinical psychologist. He is the current Associate Director of Wellbeing Services at the University of Melbourne. George also works in private practice and is a non-executive Director at Victorian Legal Aid.
Signed in accordance with a resolution of Directors:

Director

21 June 2022

Name: CAROLYN DEVENY

Grant Thornton

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Auditor's Independence Declaration

To the Directors of The Cairnmillar Institute

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of The Cairnmillar Institute for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 21 June 2022

The Cairnmillar Institute
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	Consolidated 2021 $	2020 $
Revenue and income	2	9,348,108	7,318,899
Total revenue and income		9,348,108	7,318,899
Expenses			
Employee benefits expense		(6,320,308)	(4,694,624)
Depreciation and amortisation expense	3	(338,636)	(335,247)
Finance costs		(261,893)	(314,398)
Other expenses from ordinary activities		(1,318,634)	(992,798)
Total expenses		(8,239,471)	(6,337,067)
Profit before income tax expense		1,108,637	981,832
Income tax expense		-	-
Profit after income tax expense for the year attributable to the owners of The Cairnmillar Institute		1,108,637	981,832
Other comprehensive income/(loss)			
Items that may not be subsequently reclassified to profit or loss.			
Gain (Loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		164,377	(31,695)
Other comprehensive income/(loss) for the year, net of tax		164,377	(31,695)
Total comprehensive income for the year attributable to the owners of The Cairnmillar Institute		1,273,014	950,137

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Cairnmillar Institute
Statement of financial position
As at 31 December 2021

	Note	Consolidated 2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	4	4,401,820	4,557,331
Trade and other receivables	5	1,339,388	141,196
Other	6	77,668	65,538
Total current assets		5,818,876	4,764,065
Non-current assets			
Financial assets	7	1,475,737	1,131,140
Property, plant and equipment	8	13,656,300	13,815,205
Right-of-use assets	9	175,155	241,033
Intangibles	10	25,580	42,633
Total non-current assets		15,332,772	15,230,011
Total assets		21,151,648	19,994,076
Liabilities			
Current liabilities			
Trade and other payables	11	723,913	689,930
Lease liabilities	12	67,026	63,589
Provisions	13	506,500	339,846
Other	14	1,252,907	765,917
Total current liabilities		2,550,346	1,859,282
Non-current liabilities			
Borrowings	15	6,750,000	7,500,000
Lease liabilities	16	117,997	185,022
Provisions	17	96,329	85,810
Total non-current liabilities		6,964,326	7,770,832
Total liabilities		9,514,672	9,630,114
Net assets		11,636,976	10,363,962
Equity			
Reserves	18	1,375,652	1,209,551
Retained profits		10,261,324	9,154,411
Total equity		11,636,976	10,363,962

The above statement of financial position should be read in conjunction with the accompanying notes

The Cairnmillar Institute
Statement of changes in equity
For the year ended 31 December 2021

Consolidated	Financial Assets Reserve $	Other Reserves $	Big Tent Reserve $	Retained profits $	Total equity $
Balance at 1 January 2020	281,365	416,630	543,252	8,172,578	9,413,825
Profit after income tax expense for the year	-	-	-	981,832	981,832
Other comprehensive loss for the year, net of tax	(31,695)	-	-	-	(31,695)
Total comprehensive income/(loss) for the year	(31,695)	-	-	981,832	950,137
Balance at 31 December 2020	249,670	416,630	543,252	9,154,410	10,363,962

Consolidated	Financial Assets Reserve $	Other Reserves $	Big Tent Reserve $	Retained profits $	Total equity $
Balance at 1 January 2021	249,670	416,630	543,252	9,154,410	10,363,962
Profit after income tax expense for the year	-	-	-	1,108,637	1,108,637
Other comprehensive income for the year, net of tax	164,377	-	-	-	164,377
Total comprehensive income for the year	164,377	-	-	1,108,637	1,273,014
Balance at 31 December 2021	414,047	416,630	543,252	10,263,047	11,636,976

The Cairnmillar Institute
Statement of cash flows
For the year ended 31 December 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from tuition, bequest and fees		9,443,966	8,470,710
Interest received		1,181	5,785
Payments to employees and others		(8,476,356)	(6,280,501)
Finance costs		(261,893)	(314,398)
Net cash from operating activities	19	706,898	1,881,596
Cash flows from investing activities			
Dividends received		47,981	56,444
Payments for property, plant and equipment		(98,937)	(32,364)
Net cash from/(used in) investing activities		(50,956)	24,080
Cash flows from financing activities			
Repayment of borrowings		(750,000)	-
Repayment of lease liabilities		(61,453)	(58,251)
Net cash used in financing activities		(811,453)	(58,251)
Net increase/(decrease) in cash and cash equivalents		(155,511)	1,847,425
Cash and cash equivalents at the beginning of the financial year		4,557,331	2,709,906
Cash and cash equivalents at the end of the financial year	4	4,401,820	4,557,331

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Statement of significant accounting policies

1.1 Basis of Preparation

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

In the directors' opinion, the company and Consolidated Entity are not reporting entities because there are no users dependent on 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 Cairnmillar Institute is an public company limited by guarantee, incorporated under the Corporations Act 2001 in Australia and operates within Australia.

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

The financial statements were authorised for issue on 16th June 2021 by the directors of the company.

Note 1. Statement of significant accounting policies (continued)

1.2 Significant accounting policies

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Note 1. Statement of significant accounting policies (continued)

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

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

The Company does not have any financial instruments in the category of debt FVOCI.

Impairment of financial assets

AASB 9's new forward-looking impairment model applies to the Company's trade receivables. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets

The Company uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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 21 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 Entity, 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.

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.

Note 1. Statement of significant accounting policies (continued)

Property, Plant and Equipment
Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Property
Freehold land and buildings are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Plant and equipment
Plant and equipment is measured on the cost basis less depreciation and impairment losses. 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:
Equipment 10% - 50%
Office furniture 10%
Building 2.5%

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

Leases
Right-of-use asset
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset,and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liability
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 1. Statement of significant accounting policies (continued)

Investment Properties
Investment properties are properties held to earn rentals and/or for capital appreciation, and are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively.

Impairments of Assets
At each reporting date, the Consolidated Entity 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.

Education development
The Company incurred costs in developing new undergraduate courses that will contribute to future economic financial benefits through revenue generation and are capitalised as intangibles. Costs capitalised include direct payroll and payroll related costs of employee time spent on the courses developments. Amortisation is calculated on a straight-line basis over 5 years.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. Amortisation expense is included in depreciation and amortisation expense in the Statement of profit or loss and other comprehensive income.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible assets.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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.

Revenue
Revenue from clinical consultants, education courses and seminars is recognised upon delivery of the service to customers when the specific performance obligations have been satisfied. The Company also earns rental income from operating leases of its investment property. Rental income is recognised on a straight-line basis over the term of the leases. 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 Entity at fair value. Bequest and grants are recognised as or when the Consolidated Entity satisfies the specific performance obligations associated with the bequest or grant.

Employee Benefits
Provision is made for the Consolidated Entity'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.

Note 1. Statement of significant accounting policies (continued)

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 (2019: $20) each towards meeting any outstanding obligations of the company. At 31 December 2020, the number of members was 8 (2019: 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 statement of financial position 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

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Useful lives of depreciable assets
Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Allowance for expected credit losses
The Group uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Provision for employee entitlements
The long service leave provision is calculated based upon the probability that staff will continue to be employed by the Group until such time as they are entitled to long service leave on a pro-rata basis. These probabilities are estimated based on past history of staff turn-over.

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.

Note 2. Revenue and income

	Consolidated 2021 $	Consolidated 2020 $
Revenue from contracts with customers		
Tuition and short course fees	8,066,160	5,888,109
Clinical fees and trust subsidies	919,927	666,252
Grant revenue	168,675	205,098
Dividends	2,579	2,163
	9,157,341	6,761,622
Other Income		
Dividends	44,323	54,281
Rental income	14,536	79,483
Interest income	1,180	5,785
Donation income	94,632	267,221
Other income	36,096	150,507
	190,767	557,277
Revenue and income	9,348,108	7,318,899

Note 3. Remuneration of auditors

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

Audit of financial statements	25,950	20,950
Preparation of special purpose financial statements	1,000	5,000
Total auditor remuneration	26,950	25,950

Note 4. Current assets - cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Cash on hand	17,321	188,802
Cash on deposit	4,384,499	4,368,529
	4,401,820	4,557,331

Note 5. Current assets - trade and other receivables

	Consolidated 2021 $	Consolidated 2020 $
Trade receivables	157,739	149,234
Less: Allowance for expected credit losses	(25,400)	(25,400)
	132,339	123,834
Fee Help	1,168,714	(7,653)
Other receivables	38,335	25,015
	1,339,388	141,196

Note 6. Current assets - other

	Consolidated 2021 $	Consolidated 2020 $
Prepayments	54,601	42,471
Other current assets	23,067	23,067
	77,668	65,538

Note 7. Non-current assets - Financial assets

	Consolidated 2021 $	Consolidated 2020 $
- Shares in listed entities	1,475,737	1,131,140

Financial assets comprise investments in the ordinary issued capital of various entities. The fair value of listed investments, being publicly traded companies in Australia, has been determined directly by reference to published price quotations in an active market.

Note 8. Non-current assets - property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Land and buildings - at cost*	13,500,000	13,500,000
Less: Accumulated depreciation	(540,000)	(360,000)
	12,960,000	13,140,000
Plant and equipment - at cost	1,130,470	1,107,613
Less: Accumulated depreciation	(547,464)	(487,418)
	583,006	620,195
Office equipment - at cost	211,512	137,471
Less: Accumulated depreciation	(98,218)	(82,461)
	113,294	55,010
	13,656,300	13,815,205

*Costs of the land and building are estimated to be $6,300,000 and $7,200,000 respectively. With a proportion of the building being sublet in prior years, management has allocated that portion of the total building to be deemed an investment property for disclosure in the financial statements.
As of June 2020, this property no longer sublet for investment purposes.

Note 9. Non-current assets - right-of-use assets

	Consolidated 2021 $	Consolidated 2020 $
Land and buildings - right-of-use	224,263	224,263
Less: Accumulated depreciation	(101,314)	(55,783)
	122,949	168,480
Office equipment - right-of-use	101,238	101,238
Less: Accumulated depreciation	(49,032)	(28,685)
	52,206	72,553
	175,155	241,033

Note 10. Non-current assets - intangibles

	Consolidated 2021 $	Consolidated 2020 $
Software - at cost	13,970	13,970
Less: Accumulated amortisation	(13,970)	(13,970)
	-	-
Education development - at cost	85,265	85,265
Less: Accumulated amortisation	(59,685)	(42,632)
	25,580	42,633
	25,580	42,633

Note 11. Current liabilities - trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	305,064	265,094
Other payables	418,849	424,836
	723,913	689,930

Note 12. Current liabilities - lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Lease liability	67,026	63,589

Note 13. Current liabilities - provisions

	Consolidated 2021 $	Consolidated 2020 $
Annual leave	410,742	259,425
Long service leave	95,758	80,421
	506,500	339,846

Note 14. Current liabilities - other

	Consolidated 2021 $	Consolidated 2020 $
Income received in advance	1,252,907	765,917

Note 15. Non-current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Bank loans	6,750,000	7,500,000

The Company has a secured bank loan with Bank West with a carrying amount of $7,500,000 in 2020. The loan is subject to annual review of financial covenants, being the 31st of May each year, or if an event of default occurs or such other times as reasonably determined by the bank. The loan is repayable in February 2022. Subsequent to year end, the loan has been refinanced until February 2027. The loan is secured over the property at 391-393 Tooronga Road, Hawthorn East.

The loan contains several debt covenants, which requires an interest coverage ratio of greater than 1.5 times and a loan to market value of property ratio of less than 60%. The Company was in compliance with its covenants as at 31 December 2021.

Note 16. Non-current liabilities - lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Lease liability	117,997	185,022

Note 17. Non-current liabilities - provisions

	Consolidated 2021 $	Consolidated 2020 $
Long service leave	96,329	85,810

Note 18. Equity - reserves

	Consolidated 2021 $	Consolidated 2020 $
Financial assets reserve (i)	415,771	249,670
Special reserve (ii)	7,225	7,225
Big Tent project reserve (iii)	543,252	543,252
Capital funds reserve (iv)	400,000	400,000
Committed projects reserve	9,404	9,404
	1,375,652	1,209,551

(i) The financial assets reserve represents unrealised fair value gains or losses on available-for-sale financial assets held by the Consolidated Entity.
(ii) Discretionary reserve held by The Cairnmillar Institute.
(iii) The Big Tent project reserves represents the cumulative excess of amounts collected over expenditure on this research project.
(iv) Discretionary reserves held by the Cairnmillar Trust.

Note 19. Cash flow information

Reconciliation of cash flow from operations with profit from ordinary activities:

	Consolidated 2021 $	Consolidated 2020 $
Profit/ (loss) from ordinary activities after income tax	1,108,638	981,832
Depreciation	321,583	318,194
Amortisation	17,053	17,053
Dividends received	(225,398)	(61,185)
Gain on disposal of financial assets	(1,079)	-
(Increase)/decrease in trade receivables	(1,187,193)	523,612
(Increase)/decrease in prepayments & other receivables	(23,130)	19,069
Increase/ (decrease) in trade creditors & accruals	519,251	(25,353)
Increase/ (decrease) in employee entitlements	177,173	108,374
Cash flows from operations	706,898	1,881,596

Note 20. 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.

	Country of Incorporation	Equity Holding	Equity Holding
Name of Entity		2021	2020
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

Note 21. Events subsequent to balance sheet date

On 18 January 2022, the loan facility agreement with Commonwealth Bank was renewed with the same limits of $6,800,000.

No other 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.

Note 22. Company details

The registered office of the company is:

The Cairnmillar Institute
391/393 Tooronga Rd
Hawthorn East VIC 3123

The Cairnmillar Institute
Directors' declaration
31 December 2021

The Directors have determined that The 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:

- The consolidated financial statements and notes of The Cairnmillar Institute, as set out on pages 7-23 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

  (a) Giving a true and fair view of its financial position as at 31 December 2020 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.

- In the Directors' opinion there are reasonable grounds to believe that The 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

Name: CAROLYN DEVENY

21 June 2022

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Melbourne VIC 3001

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Independent Auditor's Report

To the Members of The Cairnmillar Institute

Report on the audit of the financial report

Opinion

We have audited the financial report of The Cairnmillar Institute (the "Company") and its controlled entities ("the Group"), which comprises the statement of financial position as at 31 December 2021, 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, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the The Cairnmillar Institute:

- presents fairly, in all material respects, the Company's financial position as at 31 December 2021 and of its performance and cash flows for the year then ended; and
- complies with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of matter – basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the Company's financial reporting responsibilities under the Australian Charities and Not for Profits Commissions Act 2012. As a result the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 31 December 2021, 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 Group are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not for Profits Commissions Act 2012. This responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 Group or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 21 June 2022