

The Cairnmillar Institute

ABN 27005085423

Financial Statements - 31 December 2022

The Cairnmillar Institute

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31 December 2022

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Directors

The Directors present their report on the Company and its Controlled Entities for the year ended 31 December 2022.

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
- Ms Lisa Cusano
- Ms Carolyn Deveny
- Prof Marita McCabe
- Prof Kathryn von Treuer
- Ms Joanne Cameron
- Adjunct Professor George Habib
- Ms Robyn Seymour
- Mr Terry Laidler (resigned on 19 July 2022)
- Mr Rowan Kennedy (resigned on 30 November 2022)
- Mr Les Posen (resigned on 2 March 2022)

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.

The Cairnmillar Institute
Directors' report
31 December 2022

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)
 Bachelor of Psychology (Honours)
 Graduate Certificate of Counselling
 Bachelor of Psychology and Counselling
 Doctor of Philosophy

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	6	6
Prof John Catford	6	6
Ms Lisa Cusano	6	6
Ms Carolyn Deveny	6	6
Mr Rowan Kennedy	6	6
Prof Marita McCabe	6	5
Prof Kathryn von Treuer	6	6
Ms Joanne Cameron	6	4
Adjunct Professor George Habib	6	4
Mr Terry Laidler	3	2
Ms Robyn Seymour	6	6
Mr Les Posen	1	1

Qualification of Directors

Mr Rowan Kennedy LLB BCom, Chairman (until 30 November 2022)

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, Chairman (1 December 2022 to present)

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 partner at EY specialising in wealth and asset management and banking and capital markets. Lisa is a qualified CA with over 16 years experience in providing tax consulting and tax compliance services to businesses in the corporate and financial services industry. Lisa leads the wealth and asset management tax practice within EY. Lisa has experience in managing and leading large projects across multiple disciplines, with a strong focus on assurance and governance. Lisa's expertise in the financial services industry and the tax implications associated with investment functions includes distribution reviews, fund set up, structuring and tax advice, tax advice in respect of investment products, investment and tax due diligence and operational taxes and obligations including withholding taxes and reporting.

Ms Carolyn Deveny BCom CA

Ms Carolyn Deveny joined the Council of the Cairnmillar Institute in October 2016. She is a finance consultant to listed and large private companies in Australia. Prior to this she was the Chief Financial Officer for Computershare's Corporate and Global Technology divisions where she was a key member of the finance and technology leadership teams. At Computershare for 16 years, Carolyn gained extensive experience with external statutory reporting, technical accounting and management reporting. Prior to commencing with Computershare, Carolyn began her career with Ernst & Young in external audit.

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.

Ms Robyn Seymour MBA BSocScPsych

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.

**The Cairnmillar Institute
Directors' report
31 December 2022**

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

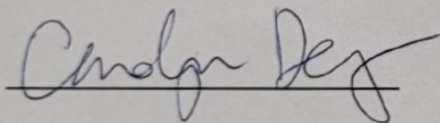
Professor von Treuer commenced as Executive Director of the Cairnmillar Institute in April 2016. She is a registered psychologist and an endorsed health and organisational psychologist, and sits on the Psychology Board of Australia. Her post graduate studies in psychology together with her business qualifications 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

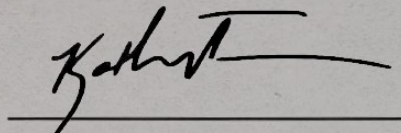
Joanne Cameron worked for the Victorian Public Service in various roles including policy, programs in the Department of Premier and Cabinet and Public Service Board. Manager, Capital Budgets Victorian Ministry for Transport 1984-1988. She was articulated to Mallesons Stephen Jaques (now King and Wood 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



Director

22 June 2023

Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of The Cairnmillar Institute

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 for the year ended 31 December 2022, 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



B A Mackenzie
Partner - Audit & Assurance
Melbourne, 22 June 2023

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The Cairnmillar Institute
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Revenue and income	2	9,873,741	9,348,108
Total revenue and income		<u>9,873,741</u>	<u>9,348,108</u>
Expenses			
Employee benefits expense		(7,872,416)	(6,320,308)
Depreciation and amortisation expense	3	(355,529)	(338,636)
Finance costs		(246,771)	(261,893)
Other expenses from ordinary activities		<u>(1,339,607)</u>	<u>(1,318,634)</u>
Total expenses		<u>(9,814,323)</u>	<u>(8,239,471)</u>
Profit before income tax expense		59,418	1,108,637
Income tax expense		<u>-</u>	<u>-</u>
Profit after income tax expense for the year attributable to the owners of The Cairnmillar Institute	19	59,418	1,108,637
Other comprehensive income/(loss)			
<i>Items that may not be subsequently reclassified to profit or loss.</i>			
Gain (Loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		<u>(178,541)</u>	<u>164,377</u>
Other comprehensive income/(loss) for the year, net of tax		<u>(178,541)</u>	<u>164,377</u>
Total comprehensive income/(loss) for the year attributable to the owners of The Cairnmillar Institute		<u><u>(119,123)</u></u>	<u><u>1,273,014</u></u>

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 2022

	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,261,954	4,401,820
Trade and other receivables	5	1,530,711	1,339,388
Other	6	239,491	77,668
Total current assets		<u>5,032,156</u>	<u>5,818,876</u>
Non-current assets			
Financial assets	7	1,296,050	1,475,737
Property, plant and equipment	8	13,576,162	13,656,300
Right-of-use assets	9	109,475	175,155
Intangibles	10	64,551	25,580
Total non-current assets		<u>15,046,238</u>	<u>15,332,772</u>
Total assets		<u>20,078,394</u>	<u>21,151,648</u>
Liabilities			
Current liabilities			
Trade and other payables	11	916,491	723,913
Lease liabilities	12	41,380	67,026
Provisions	13	666,743	506,500
Other	14	1,065,143	1,252,907
Total current liabilities		<u>2,689,757</u>	<u>2,550,346</u>
Non-current liabilities			
Borrowings	15	5,750,000	6,750,000
Lease liabilities	16	76,617	117,997
Provisions	17	44,167	96,329
Total non-current liabilities		<u>5,870,784</u>	<u>6,964,326</u>
Total liabilities		<u>8,560,541</u>	<u>9,514,672</u>
Net assets		<u>11,517,853</u>	<u>11,636,976</u>
Equity			
Reserves	18	1,195,387	1,373,928
Retained profits	19	<u>10,322,466</u>	<u>10,263,048</u>
Total equity		<u>11,517,853</u>	<u>11,636,976</u>

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 2022

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	<u>414,047</u>	<u>416,630</u>	<u>543,252</u>	<u>10,263,047</u>	<u>11,636,976</u>

Consolidated	Financial Assets Reserve \$	Other Reserves \$	Big Tent Reserve \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	414,047	416,630	543,252	10,263,047	11,636,976
Profit after income tax expense for the year	-	-	-	59,418	59,418
Other comprehensive loss for the year, net of tax	(178,541)	-	-	-	(178,541)
Total comprehensive income/(loss) for the year	(178,541)	-	-	59,418	(119,123)
Balance at 31 December 2022	<u>235,506</u>	<u>416,630</u>	<u>543,252</u>	<u>10,322,465</u>	<u>11,517,853</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Cairnmillar Institute
Statement of cash flows
For the year ended 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Receipts from tuition, bequest and fees		9,557,129	9,443,966
Interest received		6,399	1,181
Payments to employees and others		(9,200,484)	(8,476,356)
Finance costs		<u>(246,771)</u>	<u>(261,893)</u>
Net cash from operating activities		<u>116,273</u>	<u>706,898</u>
Cash flows from investing activities			
Dividends received		64,579	47,981
Payments for property, plant and equipment		(209,612)	(98,937)
Payments for intangibles		<u>(44,081)</u>	<u>-</u>
Net cash used in investing activities		<u>(189,114)</u>	<u>(50,956)</u>
Cash flows from financing activities			
Repayment of borrowings		(1,000,000)	(750,000)
Repayment of lease liabilities		<u>(67,025)</u>	<u>(61,453)</u>
Net cash used in financing activities		<u>(1,067,025)</u>	<u>(811,453)</u>
Net decrease in cash and cash equivalents		(1,139,866)	(155,511)
Cash and cash equivalents at the beginning of the financial year		<u>4,401,820</u>	<u>4,557,331</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>3,261,954</u></u>	<u><u>4,401,820</u></u>

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').

These financial statements are therefore general purpose financial statements - simplified disclosures 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 15th June 2023 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)

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.

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 (2021: \$20) each towards meeting any outstanding obligations of the company. At 31 December 2022, the number of members was 8 (2021: 8).

Note 1. Statement of significant accounting policies (continued)

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.

The Cairnmillar Institute
Notes to the financial statements
31 December 2022

Note 2. Revenue and income

	Consolidated	
	2022	2021
	\$	\$
<i>Revenue from contracts with customers</i>		
Tuition and short course fees	8,084,715	8,066,160
Clinical fees and trust subsidies	1,371,847	919,927
Grant revenue	100,202	168,675
Dividends	4,477	2,579
	<u>9,561,241</u>	<u>9,157,341</u>
<i>Other Income</i>		
Dividends	60,102	44,323
Rental income	6,750	14,536
Interest income	6,399	1,180
Donation income	5,825	94,632
Other income	233,424	36,096
	<u>312,500</u>	<u>190,767</u>
Revenue and income	<u><u>9,873,741</u></u>	<u><u>9,348,108</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2022	2021
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	1,476,526	1,091,181
Services transferred over time	8,084,715	8,066,160
	<u><u>9,561,241</u></u>	<u><u>9,157,341</u></u>

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	28,500	25,950
Preparation of special purpose financial statements	<u>3,000</u>	<u>1,000</u>
Total auditor remuneration	<u><u>31,500</u></u>	<u><u>26,950</u></u>

Note 4. Current assets - cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
Cash on hand	112,470	17,321
Cash on deposit	<u>3,149,484</u>	<u>4,384,499</u>
	<u><u>3,261,954</u></u>	<u><u>4,401,820</u></u>

Note 5. Current assets - trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
Trade receivables	190,205	157,739
Less: Allowance for expected credit losses	(45,400)	(25,400)
	<u>144,805</u>	<u>132,339</u>
Fee Help	<u>1,322,246</u>	<u>1,168,714</u>
Other receivables	<u>63,660</u>	<u>38,335</u>
	<u><u>1,530,711</u></u>	<u><u>1,339,388</u></u>

Note 6. Current assets - other

	Consolidated	
	2022	2021
	\$	\$
Prepayments	216,424	54,601
Other current assets	<u>23,067</u>	<u>23,067</u>
	<u><u>239,491</u></u>	<u><u>77,668</u></u>

Note 7. Non-current assets - Financial assets

	Consolidated	
	2022	2021
	\$	\$
- Shares in listed entities	<u>1,296,050</u>	<u>1,475,737</u>

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	
	2022	2021
	\$	\$
Land and buildings - at cost	13,500,000	13,500,000
Less: Accumulated depreciation	(720,000)	(540,000)
	<u>12,780,000</u>	<u>12,960,000</u>
Plant and equipment - at cost	1,223,733	1,130,470
Less: Accumulated depreciation	(547,054)	(547,464)
	<u>676,679</u>	<u>583,006</u>
Office equipment - at cost	237,898	211,512
Less: Accumulated depreciation	(118,415)	(98,218)
	<u>119,483</u>	<u>113,294</u>
	<u><u>13,576,162</u></u>	<u><u>13,656,300</u></u>

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

	Consolidated	
	2022	2021
	\$	\$
Land and buildings - right-of-use	224,263	224,263
Less: Accumulated depreciation	<u>(146,846)</u>	<u>(101,314)</u>
	<u>77,417</u>	<u>122,949</u>
Office equipment - right-of-use	101,238	101,238
Less: Accumulated depreciation	<u>(69,180)</u>	<u>(49,032)</u>
	<u>32,058</u>	<u>52,206</u>
	<u><u>109,475</u></u>	<u><u>175,155</u></u>

Note 10. Non-current assets - intangibles

	Consolidated	
	2022	2021
	\$	\$
Software - at cost	53,951	13,970
Less: Accumulated amortisation	<u>(2,347)</u>	<u>(13,970)</u>
	<u>51,604</u>	<u>-</u>
Education development - at cost	90,365	85,265
Less: Accumulated amortisation	<u>(77,418)</u>	<u>(59,685)</u>
	<u>12,947</u>	<u>25,580</u>
	<u><u>64,551</u></u>	<u><u>25,580</u></u>

Note 11. Current liabilities - trade and other payables

	Consolidated	
	2022	2021
	\$	\$
Trade payables	238,158	305,064
Other payables	<u>678,333</u>	<u>418,849</u>
	<u><u>916,491</u></u>	<u><u>723,913</u></u>

Note 12. Current liabilities - lease liabilities

	Consolidated	
	2022	2021
	\$	\$
Lease liability	<u>41,380</u>	<u>67,026</u>

Note 13. Current liabilities - provisions

	Consolidated	
	2022	2021
	\$	\$
Annual leave	513,577	410,742
Long service leave	153,166	95,758
	<u>666,743</u>	<u>506,500</u>

Note 14. Current liabilities - other

	Consolidated	
	2022	2021
	\$	\$
Income received in advance	<u>1,065,143</u>	<u>1,252,907</u>

Note 15. Non-current liabilities - borrowings

	Consolidated	
	2022	2021
	\$	\$
Bank loans	<u>5,750,000</u>	<u>6,750,000</u>

The Company has a secured bank loan with Bank West with a carrying amount of \$5,750,000 in 2022. 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 has been refinanced until February 2027 with a facility limit of \$6,750,000. 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 2022.

Note 16. Non-current liabilities - lease liabilities

	Consolidated	
	2022	2021
	\$	\$
Lease liability	<u>76,617</u>	<u>117,997</u>

Note 17. Non-current liabilities - provisions

	Consolidated	
	2022	2021
	\$	\$
Long service leave	<u>44,167</u>	<u>96,329</u>

Note 18. Equity - reserves

	Consolidated	
	2022	2021
	\$	\$
Financial assets reserve (i)	235,506	414,047
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
	<u>1,195,387</u>	<u>1,373,928</u>

(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. Equity - retained profits

	Consolidated	
	2022	2021
	\$	\$
Retained profits at the beginning of the financial year	10,263,048	9,154,411
Profit after income tax expense for the year	59,418	1,108,637
Retained profits at the end of the financial year	<u>10,322,466</u>	<u>10,263,048</u>

Note 20. Key management personnel disclosures

Compensation

Compensation made to Directors and other Committee Members: J Catford \$35,000 (2021), \$15,000 (2022) for services provided with Government liaison and Ben Richardson \$20,000 (2022) for Software development.

There was no other remuneration paid for other key management personnel during the year.

Note 21. 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		2022	2021
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 22. Events subsequent to balance sheet date

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 23. 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 2022

The Directors have determined that The Cairnmillar Institute is not a reporting entity and that this General 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:

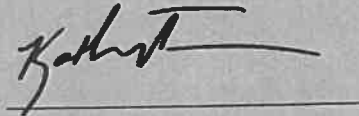
- The consolidated financial statements and notes of The Cairnmillar Institute, as set out on pages 7-22 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (a) Giving a true and fair view of its financial position as at 31 December 2022 and of its performance for the year ended on that date; and
 - (b) Complying with Accounting Standards to the extent 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

22 June 2023



Director

22 June 2023

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 2022, and the statement of 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 financial report of The Cairnmillar Institute has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Group 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, 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 and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for 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 have 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 22 June 2023