The Cairnmillar Institute

ABN 27005085423

Financial Statements - 31 December 2018

The Cairnmillar Institute
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31 December 2018

The Cairnmillar Institute
Directors' report
31 December 2018

Directors

The Directors present their report on the Company and its Controlled Entities for the year ended 31 December 2018.

The names of the Directors in office at any time during, or since the end of the year are:
- Dr Coral Brown
- Mr Prof John Catford (appointed 1 August 2018)
- Mr Ian Chisholm
- Ms Carolyn Deveny
- Mr Rowan Kennedy
- Assoc Prof David Loader
- Prof Marita McCabe (appointed 9 March 2018)
- Mr Les Posen
- Ms Julie Shaw
- Prof Kathryn von Treuer

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:

Bachelor of Psychology (Honours)
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)

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	4	3
Prof John Catford	2	2
Mr Ian Chisholm	4	4
Ms Carolyn Deveny	4	4
Mr Rowan Kennedy	4	4
Assoc Prof David Loader	4	3
Prof Marita McCabe	3	2
Mr Les Posen	4	3
Ms Julie Shaw	4	4
Prof Kathryn von Treuer	4	4

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’.

Mr Ian Chisholm FAICD FCMI

Mr Ian Chisholm is a director of the Selectus Salary Packaging group, Professional Associations Super Fund and West Coast Innovation. He was Managing Director of Westaff 1991-2001, CEO of Selectus during 2009-2012, and General Manager of the Asia Pacific Region of McPherson’s Limited. He has held senior marketing positions with Mars, Herbert Adams and Petersville. Ian has been a member of a number of industry councils. He has also held positions with the Lauriston Girls School Foundation, The Career Transition Consortium and Brand Value Audits. He has also been involved with Amcham, The Australian Chamber of Manufacturers, and The International Trade Council.

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.

Associate Professor David Loader OAM MEd BSc(Gen)

Associate Professor David Loader has been a Principal Fellow in the Melbourne Graduate School of Education, Melbourne University since 2002. Prior to 2002, David was an innovative School Principal for 32 years. David is the author of two books; The Inner Principal and Jousting for the New Generation: Challenges to contemporary schooling and co-author of a third with Professor Brian Caldwell, Our School, Our Future David was a Board member of Swinburne University (2005-2013) and of the National Institute of Circus Arts (NICA) (2009-2012). He chairs the Research Committee for the de Bono Institute (now Elevo) and The Academic Board of The Cairnmillar Institute and is a Council Member of Cairnmillar Institute. In 1999, the Australian College of Education awarded him the Sir James Darling Medal and in 2008, David received the Gold Medal from the Australian Council for Educational Leaders. In 2000, he was awarded the Centenary Medal ‘for outstanding services to education’ and in 2010 was awarded the Medal of the Order of Australia (OAM) for distinguished services to education, as a principal, mentor and author.

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.

Mr Les Posen MedPsych
Les Posen is a Clinical Psychologist in independent practice and a Fellow of the Australian Psychological Society, with whom he has held elected positions and Advisory Group memberships. He is also in his third term as President of a Melbourne-based Macintosh User Group. Les specialises in the application of cutting edge technologies to the assessment and treatment of anxiety disorders, and was one of the first to introduce Virtual reality treatments into psychological practice in the world (2001). He also trains workshops for professional on bets practices using technologies to enhance psychological work, as well as training in presentation skills for those in the sciences and research to bring their often complex messages to lay audiences in persuasive and engaging means. For this, he has given presentations to Apple staff in the US using the very same software they have developed. Les was in the teaching faculty for Macworld in San Francisco for several years, commencing in 2008. In his spare time, he teaches folk dance, and for holidays he can be found on South Sea Cruises guest lecturing on subject as diverse as "how your brain works" to "The latest tech gizmos and gadgets".

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

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.

Signed in accordance with a resolution of Directors:

Director

12 June 2019

Director

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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 and Controlled Entities for the year ended 31 December 2018, 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, 12 June 2019

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The Cairnmillar Institute
Statements of profit or loss and other comprehensive income
For the year ended 31 December 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Revenue	2	5,667,537	5,297,771	5,611,779	5,241,603
Other income	3	37,467	4,278,970	-	4,278,970
Total revenue		5,705,004	9,576,741	5,611,779	9,520,573
Expenses					
Employee benefits expense		(3,911,045)	(3,743,949)	(3,911,045)	(3,743,949)
Depreciation and amortisation expense	4	(251,348)	(57,450)	(251,348)	(57,450)
Finance costs		(382,601)	(509,663)	(382,601)	(509,663)
Consultancy fees		(28,250)	(23,776)	(28,250)	(23,776)
Other expenses from ordinary activities		(1,055,266)	(1,080,429)	(1,048,378)	(1,080,547)
Total expenses		(5,628,510)	(5,415,267)	(5,621,622)	(5,415,385)
Profit/(loss) before income tax expense		76,494	4,161,474	(9,843)	4,105,188
Income tax expense		-	-	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of The Cairnmillar Institute		76,494	4,161,474	(9,843)	4,105,188
Other comprehensive income					
Items that may not be subsequently reclassified to profit or loss.					
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(87,289)	32,284	-	-
Other comprehensive income for the year, net of tax		(87,289)	32,284	-	-
Total comprehensive income for the year attributable to the owners of The Cairnmillar Institute		(10,795)	4,193,758	(9,843)	4,105,188

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

The Cairnmillar Institute
Statements of financial position
As at 31 December 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Assets					
Current assets					
Cash and cash equivalents	5	1,620,926	1,310,754	1,346,839	950,077
Trade and other receivables	6	305,049	481,115	358,216	457,585
Other financial assets	7	-	-	397,947	397,947
Other	8	68,703	54,290	68,703	54,290
Total current assets		1,994,678	1,846,159	2,171,705	1,859,899
Non-current assets					
Financial assets	9	985,673	825,338	-	-
Property, plant and equipment	10	14,245,108	14,474,620	14,245,108	14,474,620
Intangibles	11	76,739	-	76,739	-
Total non-current assets		15,307,520	15,299,958	14,321,847	14,474,620
Total assets		17,302,198	17,146,117	16,493,552	16,334,519
Liabilities					
Current liabilities					
Trade and other payables	12	584,932	447,061	586,464	446,593
Provisions	13	207,106	200,454	207,106	200,454
Other	14	211,152	183,352	211,152	183,352
Total current liabilities		1,003,190	830,867	1,004,722	830,399
Non-current liabilities					
Borrowings	15	7,500,000	7,500,000	7,500,000	7,500,000
Provisions	16	70,453	75,900	70,453	75,900
Total non-current liabilities		7,570,453	7,575,900	7,570,453	7,575,900
Total liabilities		8,573,643	8,406,767	8,575,175	8,406,299
Net assets		8,728,555	8,739,350	7,918,377	7,928,220
Equity					
Reserves	17	1,068,826	1,156,116	550,477	550,477
Retained profits		7,659,729	7,583,234	7,367,900	7,377,743
Total equity		8,728,555	8,739,350	7,918,377	7,928,220

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

The Cairnmillar Institute
Statements of changes in equity
For the year ended 31 December 2018

Consolidated	**Financial Assets Reserve $**	**Revaluation Surplus $**	**Other Reserves $**	**Big Tent Reserve $**	**Retained profits $**	**Total equity $**
Balance at 1 January 2017	163,950	4,329,762	416,630	543,252	3,421,760	8,875,354
Profit after income tax expense for the year	-	-	-	-	4,161,474	4,161,474
Other comprehensive income for the year, net of tax	32,284	(4,329,762)	-	-	-	(4,297,478)
Total comprehensive income for the year	32,284	(4,329,762)	-	-	4,161,474	(136,004)
Balance at 31 December 2017	196,234	-	416,630	543,252	7,583,234	8,739,350

Consolidated	**Financial Assets Reserve $**	**Revaluation Surplus $**	**Other Reserves $**	**Big Tent Reserve $**	**Retained profits $**	**Total equity $**
Balance at 1 January 2018	196,234	-	416,630	543,252	7,583,234	8,739,350
Profit after income tax expense for the year	-	-	-	-	76,494	76,494
Other comprehensive income for the year, net of tax	(87,289)	-	-	-	-	(87,289)
Total comprehensive income for the year	(87,289)	-	-	-	76,494	(10,795)
Balance at 31 December 2018	108,945	-	416,630	543,252	7,659,728	8,728,555

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

The Cairnmillar Institute
Statements of changes in equity
For the year ended 31 December 2018

Parent	Financial Assets Reserve $	Revaluation Surplus $	Other Reserves $	Big Tent Reserves $	Retained profits $	Total equity $
Balance at 1 January 2017	-	4,329,762	7,225	543,252	3,272,555	8,152,794
Profit after income tax expense for the year	-	-	-	-	4,105,188	4,105,188
Other comprehensive income for the year, net of tax	-	(4,329,762)	-	-	-	(4,329,762)
Total comprehensive income for the year	-	(4,329,762)	-	-	4,105,188	(224,574)
Balance at 31 December 2017	-	-	7,225	543,252	7,377,743	7,928,220

Parent	Financial Assets Reserve $	Revaluation Surplus $	Other Reserves $	Big Tent Reserves $	Retained profits $	Total equity $
Balance at 1 January 2018	-	-	7,225	543,252	7,377,743	7,928,220
Loss after income tax expense for the year	-	-	-	-	(9,843)	(9,843)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(9,843)	(9,843)
Balance at 31 December 2018	-	-	7,225	543,252	7,367,900	7,918,377

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

The Cairnmillar Institute
Statements of cash flows
For the year ended 31 December 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Cash flows from operating activities					
Receipts from tuition, bequest and fees		6,394,988	5,216,490	6,381,856	5,740,560
Interest received		7,527	6,772	-	(509,663)
Payments to employees and others		(5,451,260)	(4,695,648)	(5,441,179)	(5,222,960)
Finance costs		(382,601)	(509,663)	(382,601)	-
Net cash from operating activities	18	568,654	17,951	558,076	7,937
Cash flows from investing activities					
Proceeds on sale of property		-	5,000,000	-	5,000,000
Dividends received		50,251	48,895	-	-
Payments for property, plant and equipment		(13,310)	(13,111,809)	(13,310)	(13,111,809)
Payments for financial assets		(277,275)	-	-	-
Payments for intangibles		(85,265)	-	(85,265)	-
Proceeds from disposal of financial assets		67,117	-	-	-
Net cash used in investing activities		(258,482)	(8,062,914)	(98,575)	(8,111,809)
Cash flows from financing activities					
Payments (to) / from subsidiaries		-	-	(62,739)	30,124
Proceeds from borrowings		-	12,500,000	-	12,500,000
Repayment of borrowings		-	(5,000,000)	-	(5,000,000)
Net cash from/(used in) financing activities		-	7,500,000	(62,739)	7,530,124
Net increase/(decrease) in cash and cash equivalents		310,172	(544,963)	396,762	(573,748)
Cash and cash equivalents at the beginning of the financial year		1,310,754	1,855,717	950,077	1,523,825
Cash and cash equivalents at the end of the financial year	5	1,620,926	1,310,754	1,346,839	950,077

The above statements 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 in Australia and operating in Australia.

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

The financial statements were authorised for issue on 12 June 2019 by the directors of the company.

1.2 New and amended standards adopted by the Company

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

This standard has not impacted on the transactions and balances in the financial statements. No restatement is made to the prior year comparatives. Changes to the Company's accounting policies are summarised in note 1.4.

Classification and measurement of the Company's financial assets

Listed equity investments – Available for sale financial assets under AASB 139 included listed equity investments of $825,338 at 31 December 2017. The Company has made an irrecoverable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of profit or loss), that is, accounting for the investments as "fair value through other comprehensive income (FVTOCI)".

Changes in classification on transition to AASB 9

			Consolidated Group		Parent Entity	
Financial Instrument as at 31/12/2017	**AASB 139 Measurement**	**AASB 9 Classification**	**Carrying amount as at 31/12/2017 under AASB 139**	**Carrying amount as at 1/1/2018 under AASB 9**	**Carrying amount as at 31/12/2017 under AASB 139**	**Carrying amount as at 1/1/2018 under AASB 9**
			$	$	$	$
Financial assets	Available for sale financial assets	Assets held at FVOCI	825,338	825,338	-	-
Trade and other receivables	Loans and receivables	Amortised cost	481,116	481,116	457,585	457,585
Trade and other payables	Amortised cost	Amortised cost	447,063	447,063	446,593	446,593
Borrowings	Amortised cost	Amortised cost	7,500,000	7,500,000	7,500,000	7,500,000

Note 1. Statement of significant accounting policies (continued)

1.3 Accounting standards and interpretations issued but not yet effective which have not been early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting period. The Company's assessment of the impact of these new standards and interpretations is set out below.

AASB 16 Leases
AASB 16 replaces AASB 117 Leases and some lease-related Interpretations. It requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases, provides new guidance on the application of the definition of lease and on sale and lease back accounting, largely retains the existing lessor accounting requirements in AASB 117 and requires new and different disclosures about leases. When this standard is first adopted for the year ending 31 December 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

No other accounting standards issued but not yet effective are expected to impact the Company.

1.4 Significant accounting policies

Financial Instruments

Recognition, initial measurement and derecognition

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. The Company's trade and most other receivables fall into this category of financial instruments that were previously classified as loans and receivables under AASB 139.

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. This category includes listed equity investments that that were previously classified as 'available-for-sale' under AASB 139.

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

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

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 18 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.

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.

Note 1. Statement of significant accounting policies (continued)

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. 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 when the Consolidated Entity obtains control or the right to receive the bequest or grant and it can be measured reliably.

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 (2017: $20) each towards meeting any outstanding obligations of the company. At 31 December 2018, the number of members was 8 (2017: 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.

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

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Tuition and short course fees	4,523,949	4,290,492	4,523,949	4,290,492
Clinical fees and trust subsidies	567,799	541,900	570,319	541,900
General donations, subsidies and scholarships	291,508	292,383	291,508	292,383
Dividends	50,251	48,896	-	-
SAGE and other income	47,093	40,328	46,593	39,828
Rental income	179,410	77,000	179,410	77,000
Interest income	7,527	6,772	-	-
Revenue	5,667,537	5,297,771	5,611,779	5,241,603

Note 3. Other income

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Net gain on disposal of financial assets	37,467	-	-	-
Profit on sale of property net of agent's commission	-	4,273,970	-	4,273,970
Bequest income	-	5,000	-	5,000
Other income	37,467	4,278,970	-	4,278,970

Note 4. Profit before tax

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

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Depreciation and amortisation				
- Depreciation of property, plant and equipment	242,822	57,450	242,822	57,450
- Amortisation of intangibles	8,526	-	8,526	-
Total depreciation and amortisation	251,348	57,450	251,348	57,450
Loss on disposal of property, plant and equipment	-	1,793	-	1,793
Gain on disposal of financial assets	(36,594)	-	(36,594)	-

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

- Audit of financial statements	20,950	20,750	20,950	20,750
- Preparation of special purpose financial statements	5,000	5,000	5,000	5,000
Total auditor remuneration	25,950	25,750	25,950	25,750

Note 5. Current assets - cash and cash equivalents

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Cash on hand	83,211	6,517	12,658	6,507
Cash on deposit	1,524,937	1,291,459	1,321,403	930,792
Term deposit	12,778	12,778	12,778	12,778
	1,620,926	1,310,754	1,346,839	950,077

Note 6. Current assets - trade and other receivables

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Trade receivables	146,837	129,535	146,837	129,535
Less: Allowance for expected credit losses	(25,400)	(25,400)	(25,400)	(25,400)
	121,437	104,135	121,437	104,135
Fee Help	174,040	353,450	174,040	353,450
Other receivables	9,572	23,530	-	-
Loan - The Cainmillar Institute School of Psychology Counselling & Psychotherapy Pty Ltd	-	-	62,739	-
	9,572	23,530	62,739	-
	305,049	481,115	358,216	457,585

Note 7. Current assets - Other financial assets

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Investment in controlled entities at cost (refer note 18)	-	-	397,947	397,947

Note 8. Current assets - other

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Prepayments	68,703	54,290	68,703	54,290

Note 9. Non-current assets - Financial assets

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
- Shares in listed entities	985,673	825,338	-	-

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 10. Non-current assets - property, plant and equipment

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Land and buildings - at cost*	13,500,000	13,500,000	13,500,000	13,500,000
Less: Accumulated depreciation	(180,000)	-	(180,000)	-
	13,320,000	13,500,000	13,320,000	13,500,000
Plant and equipment - at cost	1,066,669	1,062,850	1,066,669	1,062,850
Less: Accumulated depreciation	(183,836)	(128,465)	(183,836)	(128,465)
	882,833	934,385	882,833	934,385
Office equipment - at cost	104,044	94,553	104,044	94,553
Less: Accumulated depreciation	(61,769)	(54,318)	(61,769)	(54,318)
	42,275	40,235	42,275	40,235
	14,245,108	14,474,620	14,245,108	14,474,620

* Costs of the land and building costs are estimated to be $6,300,000 and $7,200,000 respectively. With a proportion of the building being sublet, management has allocated that portion of the total building to be deemed an investment property for disclosure in the financial statements.

Split of land and building of the investment property balance at year end:

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Land	1,984,500	-	1,984,500	-
Building	2,211,300	-	2,211,300	-
Total	4,195,800	-	4,195,800	-

Note 11. Non-current assets - intangibles

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Software - at cost	13,970	13,970	13,970	13,970
Less: Accumulated amortisation	(13,970)	(13,970)	(13,970)	(13,970)
	-	-	-	-
Education development - at cost	85,265	-	85,265	-
Less: Accumulated amortisation	(8,526)	-	(8,526)	-
	76,739	-	76,739	-
	76,739	-	76,739	-

Note 12. Current liabilities - trade and other payables

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Trade payables	216,365	81,136	216,365	81,136
The Cairnmillar Trust	-	-	2,050	2,050
Other payables	368,567	365,925	368,049	363,407
	584,932	447,061	586,464	446,593

Note 13. Current liabilities - provisions

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Annual leave	160,851	166,667	160,851	166,667
Long service leave	46,255	33,787	46,255	33,787
	207,106	200,454	207,106	200,454

Note 14. Current liabilities - other

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Income received in advance	211,152	183,352	211,152	183,352

Note 15. Non-current liabilities - borrowings

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Bank loans	7,500,000	7,500,000	7,500,000	7,500,000

The Company has a secured bank loan with Bank West with a carrying amount of $7,500,000 in 2017. The loan is subject to annual review, 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 and the interest rate is BBSY +2.55%. The loan is secured over the property at 391-393 Tooronga Road.

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 2018.

Note 16. Non-current liabilities - provisions

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Long service leave	70,453	75,900	70,453	75,900

Note 17. Equity - reserves

	Consolidated		Parent	
	2018 $	2017 $	2018 $	2017 $
Financial assets reserve (i)	108,945	196,235	-	-
Special reserve (ii)	7,225	7,225	7,225	7,225
Big Tent project reserve (iii)	543,252	543,252	543,252	543,252
Capital funds reserve (iv)	400,000	400,000	-	-
Committed projects reserve	9,404	9,404	-	-
	1,068,826	1,156,116	550,477	550,477

(i) The available-for-sale 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 18. Cash flow information

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

	Consolidated 2018 $	Consolidated 2017 $	Parent 2018 $	Parent 2017 $
Profit/ (loss) from ordinary activities after income tax	76,497	4,161,473	(9,843)	4,105,188
Depreciation	242,822	57,450	242,822	57,450
Amortisation	8,526	-	8,526	-
Dividends received	(50,251)	(48,896)	-	-
Loss on disposal of property, plant and equipment	-	1,793	-	1,793
Gain on disposal of property	-	(4,329,762)	-	(4,329,762)
Gain on disposal of financial assets	(37,467)	-	-	-
(Increase)/decrease in trade receivables	162,108	(66,284)	162,108	(66,348)
(Increase)/decrease in prepayments & other receivables	(455)	7,099	(14,413)	10,521
Increase/ (decrease) in trade creditors & accruals	165,669	183,353	167,671	177,370
Increase/ (decrease) in employee entitlements	1,205	51,725	1,205	51,725
Cash flows from operations	568,654	17,951	558,076	7,937

Note 19. Controlled Entities

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

	Country of Incorporation	Equity Holding	Equity Holding
Name of Entity		2018	2017
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 20. Events subsequent to balance sheet date

Ms Lowe Sarah was appointed as director on 20 February 2019. 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 21. 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 2018

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 2018 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

12 June 2019

Director

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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 accompanying 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 2018, 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 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 2018 and of its financial performance for the year then ended; and

b complying 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 Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – basis of accounting

We draw attention to Note 1 to 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 ACNC Act. As a result the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation 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 ACNC Act. The Directors' 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 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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, 12 June 2019