

# **Penington Institute**

ABN 23 005 070 102

## **FINANCIAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2016

**PENINGTON INSTITUTE  
ABN 23 005 070 102**

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**PENINGTON INSTITUTE**  
**ABN 23 005 070 102**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2016.

The names of the directors in office at anytime during or since the end of the year are:

Professor Steve Wesselingh (Chair )  
The Hon. Robert Knowles AO  
The Hon. David White (resigned March 2016)  
Mr Terry Scanlon (resigned August 2015)  
Mr Scott Wilson  
Professor Ian Gust AO  
Kathryn Greiner AO  
Professor David Castle (from March 2016)  
Lucinda Nolan PSM (from March 2016)

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

The net Profit of the company for the financial year amounted to \$8,066 (2015: Deficit of \$29,054).

No significant changes in the company's state of affairs occurred during the financial year.

The principal activities of the company during the financial year were:

Training and workforce development support to frontline health service staff working with people who use drugs.

Policy advice to government on approaches to address drug use and related issues.

Research on drug-related issues and recommended solutions.

Raising funds through government and philanthropic grants for specific drug use related projects

No significant change in the nature of these activities occurred during the financial year.

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

The Directors are not aware of any specific developments that are likely to have a material effect on the operations of the company or the expected results of those operations in future financial years.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.

# PENINGTON INSTITUTE

## DIRECTORS' REPORT

### Information on Directors

#### Steve Wesselingh

Experience: Specialist in infectious diseases, immunology and public health.  
Director since March 2007 (Chairman from February 2011)  
Research Advisory Committee Chair

#### Robert Knowles

Experience: Consultant/advisor in the health sector and previous Victorian Health Minister.  
Director since June 2009.

#### David White

Experience: Minister in the Victorian Government for more than 10 years.  
Director since September 2009 (resigned March 2016)  
Audit Risk Management and Compliance Committee

#### Terry Scanlon

Experience: Private sector and business development  
Director since August 2011(resigned August 2015)  
Audit Risk Management and Compliance Committee

#### Scott Wilson

Experience: Drug and alcohol, and Aboriginal affairs  
Director since October 2011

#### Ian Gust

Experience: Medical researcher, virologist, and former science administrator  
Director since November 2012  
Audit, Finance and Risk Management Committee Chair

#### Kathryn Greiner

Experience: Chair/advisor in the health and education sector  
Director since July 2014

#### Lucinda Nolan

Experience: Emergency Services Executive  
Director since March 2016

#### David Castle

Experience: Professor of Psychiatry  
Director since March 2016

# PENINGTON INSTITUTE

## DIRECTORS' REPORT

During the financial year, three meetings of directors were held. Attendances by each director were as follows:

|  | Date Appointed | Meetings Attended |
|--|----------------|-------------------|
| Professor Steve Wesselingh (Chair )        | March 2007     | 3 of 3            |
| The Hon. Robert Knowles AO                 | June 2009      | 2 of 3            |
| The Hon. David White (resigned March 2016) | September 2009 | 2 of 2            |
| Mr Terry Scanlon (resigned August 2015)    | August 2011    | 0 of 0            |
| Mr Scott Wilson                            | October 2011   | 2 of 3            |
| Professor Ian Gust AO                      | November 2012  | 2 of 3            |
| Kathryn Greiner AO                         | July 2014      | 2 of 3            |
| Lucinda Nolan PSM                          | March 2016     | 1 of 1            |
| Professor David Castle                     | March 2016     | 1 of 1            |

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors:

Director 

Dated this 21 day of SEPTEMBER 2016

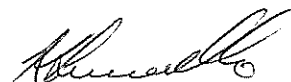
**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE  
PENINGTON INSTITUTE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



**Haines Muir Hill  
Chartered Accountants  
Level 1, 888 Doncaster Road  
DONCASTER EAST VIC 3109**



**Kristian Lunardello  
Partner**

Dated this *20* day of *September* 2016.

**PENINGTON INSTITUTE**  
**ABN 23 005 070 102**

**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

|  | Note | 2016<br>\$          | 2015<br>\$             |
|--|------|---------------------|------------------------|
| Revenue  | 2    | 1,144,276           | 1,285,217              |
| Other revenue  | 2    | 349,002             | 450,834                |
| Employee expenses  |      | (965,070)           | (1,127,209)            |
| Depreciation expense                                     |      | (22,194)            | (30,606)               |
| Finance expenses   |      | (15,955)            | (20,119)               |
| Project expenses   |      | (291,503)           | (472,377)              |
| Other expenses   | 3    | <u>(170,330)</u>    | <u>(188,016)</u>       |
| <b>Profit / (loss) for the year</b>                      |      | <u>28,226</u>       | <u>(102,276)</u>       |
| <br><b>Other comprehensive income:</b>                   |      |                     |                        |
| Fair value losses on available-for-sale financial assets |      | <u>(20,160)</u>     | <u>73,222</u>          |
| Other comprehensive income for the year                  |      | <u>(20,160)</u>     | <u>73,222</u>          |
| <b>Total comprehensive income for the year</b>           |      | <u><u>8,066</u></u> | <u><u>(29,054)</u></u> |

The accompanying notes form part of these financial statements.

**PENINGTON INSTITUTE**  
**ABN 23 005 070 102**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2016**

|                                      | Note | 2016<br>\$              | 2015<br>\$              |
|--------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |      |                         |                         |
| <b>CURRENT ASSETS</b>                |      |                         |                         |
| Cash and cash equivalents            | 4    | 471,207                 | 302,033                 |
| Trade and other receivables          | 5    | 14,832                  | 16,869                  |
| Other current assets                 | 6    | 16,881                  | 1,837                   |
| Financial assets                     | 7    | 1,063,437               | 1,050,293               |
| <b>TOTAL CURRENT ASSETS</b>          |      | <u>1,566,357</u>        | <u>1,371,032</u>        |
| <b>NON-CURRENT ASSETS</b>            |      |                         |                         |
| Financial assets                     | 7    | 1,266,479               | 1,221,368               |
| Plant and equipment                  | 8    | 65,162                  | 81,530                  |
| Intangibles                          | 9    | 8,181                   | 13,634                  |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <u>1,339,822</u>        | <u>1,316,532</u>        |
| <b>TOTAL ASSETS</b>                  |      | <u><u>2,906,179</u></u> | <u><u>2,687,564</u></u> |
| <b>LIABILITIES</b>                   |      |                         |                         |
| <b>CURRENT LIABILITIES</b>           |      |                         |                         |
| Trade and other payables             | 10   | 554,217                 | 306,532                 |
| Borrowings                           | 11   | 4,594                   | 1,135                   |
| Short-term provisions                | 12   | 116,033                 | 138,532                 |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <u>674,844</u>          | <u>446,199</u>          |
| <b>NON-CURRENT LIABILITIES</b>       |      |                         |                         |
| Long-term provisions                 | 12   | -                       | 18,096                  |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <u>-</u>                | <u>18,096</u>           |
| <b>TOTAL LIABILITIES</b>             |      | <u>674,844</u>          | <u>464,295</u>          |
| <b>NET ASSETS</b>                    |      | <u><u>2,231,335</u></u> | <u><u>2,223,269</u></u> |
| <b>EQUITY</b>                        |      |                         |                         |
| General reserve                      | 15   | 83,551                  | 83,551                  |
| Financial assets reserve             | 15   | 67,287                  | 87,447                  |
| Retained earnings                    |      | 2,080,497               | 2,052,271               |
| <b>TOTAL EQUITY</b>                  |      | <u><u>2,231,335</u></u> | <u><u>2,223,269</u></u> |

The accompanying notes form part of these financial statements.



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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | Retained<br>Earnings<br>\$ | Financial Asset<br>Reserve<br>\$ | General<br>Reserve<br>\$ | Total<br>\$ |
|---|----------------------------|----------------------------------|--------------------------|-------------|
| <b>Balance at 30 June 2014</b>          | 2,154,547                  | 14,225                           | 83,551                   | 2,252,323   |
| Profit (Loss) for year                  | (102,276)                  | -                                | -                        | (102,276)   |
| Other comprehensive income for the year | -                          | 73,222                           | -                        | 73,222      |
| <b>BALANCE AT 30 JUNE 2015</b>          | 2,052,271                  | 87,447                           | 83,551                   | 2,223,269   |
| Profit (Loss) for year                  | 28,226                     | -                                | -                        | 28,226      |
| Other comprehensive income for the year | -                          | (20,160)                         | -                        | (20,160)    |
| <b>BALANCE AT 30 JUNE 2016</b>          | 2,080,497                  | 67,287                           | 83,551                   | 2,231,335   |

For a description of each reserve, refer to Note 15.

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|  | Note      | 2016<br>\$            | 2015<br>\$            |
|--|-----------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>                |           |                       |                       |
| Received from grants and activities                        |           | 1,446,810             | 1,582,055             |
| Donations  |           | 216,020               | 140,650               |
| Interest received  |           | 95,444                | 102,768               |
| Payments to suppliers and employees                        |           | <u>(1,588,728)</u>    | <u>(1,901,422)</u>    |
| <b>Net cash provided by/(used in) operating activities</b> | <b>13</b> | <u>169,546</u>        | <u>(75,949)</u>       |
| <b>Cash flows from investing activities</b>                |           |                       |                       |
| Investment in UCA Funds Management Portfolio               |           |                       | (58,443)              |
| Proceeds from sale of plant and equipment                  |           | -                     | 9,255                 |
| Payments for property, plant and equipment                 |           | <u>(372)</u>          | <u>(22,112)</u>       |
| <b>Net cash (used in) investing activities</b>             |           | <u>(372)</u>          | <u>(71,300)</u>       |
| Net increase (decrease) in cash held                       |           | 169,174               | (147,249)             |
| Cash and cash equivalents at beginning of year             |           | <u>302,033</u>        | <u>449,282</u>        |
| <b>Cash and cash equivalents at end of year</b>            | <b>4</b>  | <u><u>471,207</u></u> | <u><u>302,033</u></u> |

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

The financial report covers Penington Institute as an individual entity. Penington Institute is a company limited by guarantee, incorporated and domiciled in Australia on the 26th day of October 2009. Penington Institute was formerly known as Association for Prevention and Harm Reduction Programs Australia.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

Penington Institute applies Australian Accounting Standards - Reduced Disclosure Requirements. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(a) Intangibles**

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and five years. It is assessed annually for impairment.

**(b) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(c) Revenue**

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**Accounting Policies**

**(d) Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated 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 those assets. The recoverable amount is assessed on the basis of 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 present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets are depreciated on a diminishing value basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| <b>Class of Fixed Asset</b> | <b>Depreciation Rate</b> |
|-----------------------------|--------------------------|
| Office equipment            | 20 - 33%                 |
| Motor vehicles              | 25%                      |
| Furniture and fittings      | 5 - 10%                  |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

**(e) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**(f) Financial Instruments (continued)**

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value or cost. Where available, quoted market prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Fair value is determined based on current bid prices for all quoted investments.

*(i) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

*(ii) Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified to profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

**Impairment**

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

## PENINGTON INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### **(g) Impairment of assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (for example in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other standard.

#### **(h) Employee Benefits**

##### **Short-term employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

##### **Other long-term employee benefits**

The company classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within the 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

#### **(i) 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

Note

**(j) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

**(k) Comparative Figures**

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

**(l) Income Tax**

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**(m) Critical accounting estimates and adjustments**

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

|           |                                 |                  |                  |
|-----------|---------------------------------|------------------|------------------|
| <b>2.</b> | <b>REVENUE AND OTHER INCOME</b> | <b>2016</b>      | <b>2015</b>      |
|           | Revenue                         | \$               | \$               |
|           | Grants Received                 |                  |                  |
|           | Fee for services - Government   | 895,659          | 1,029,980        |
|           | Fee for services - Other        | 248,617          | 255,237          |
|           |                                 | <u>1,144,276</u> | <u>1,285,217</u> |
|           | <b>Other revenue</b>            |                  |                  |
|           | Donations                       | 216,020          | 140,650          |
|           | Other Income                    | 37,538           | 209,023          |
|           | Interest received               | 95,444           | 101,161          |
|           |                                 | <u>349,002</u>   | <u>450,834</u>   |
|           | Total revenue                   | <u>1,493,278</u> | <u>1,736,051</u> |
| <b>3.</b> | <b>PROFIT FOR THE YEAR</b>      |                  |                  |
|           | <b>Expenses:</b>                |                  |                  |
|           | Other expenses include:         |                  |                  |
|           | - Board of directors expenses   | 2,075            | 3,136            |
|           | - Equipment maintenance expense | 22,820           | 24,182           |
|           | - Memberships/Subscriptions     | 5,679            | 4,906            |
|           | - Audit fees                    | 6,500            | 3,100            |
|           | - Motor vehicle expenses        | 6,504            | 4,899            |
|           | - Occupancy expenses            | 96,166           | 98,651           |
|           | - Office/Stationery expenses    | 29,717           | 45,507           |
|           | - Sundry                        | 869              | 3,635            |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | Note | 2016<br>\$  | 2015<br>\$  |
|---|------|-------------|-------------|
| <b>4. CASH AND CASH EQUIVALENTS</b>   |      |             |             |
| Cash on hand  |      | 500         | 500         |
| Cash at bank  |      | 470,707     | 301,533     |
|   |      | <hr/>       | <hr/>       |
| Total cash and cash equivalents as stated in the statement of cash flows  |      | 471,207     | 302,033     |
|   |      | <hr/> <hr/> | <hr/> <hr/> |
| <b>5. TRADE AND OTHER RECEIVABLES</b>   |      |             |             |
| <b>CURRENT</b>  |      |             |             |
| Trade receivables   |      | 8,109       | 8,407       |
| Accrued income  |      | 6,723       | 8,462       |
|   |      | <hr/>       | <hr/>       |
|   |      | 14,832      | 16,869      |
|   |      | <hr/> <hr/> | <hr/> <hr/> |
| <b>(i) Provision for Impairment of Receivables</b>  |      |             |             |
| Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. |      |             |             |
| <b>(ii) Credit Risk — Trade and Other Receivables</b>   |      |             |             |
| The company does not have any material credit risk exposure to any single receivable or group of receivables.   |      |             |             |
| The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.   |      |             |             |
| There are no balances within trade receivables that contain assets that are impaired and are past due. It is expected that these balances will be received when due.  |      |             |             |
| <b>6. OTHER ASSETS</b>  |      |             |             |
| <b>CURRENT</b>  |      |             |             |
| Prepayments   |      | 16,881      | 1,837       |
|   |      | <hr/>       | <hr/>       |
|   |      | 16,881      | 1,837       |
|   |      | <hr/> <hr/> | <hr/> <hr/> |



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|                                     | Note | 2016<br>\$ | 2015<br>\$ |
|-------------------------------------|------|------------|------------|
| <b>7. FINANCIAL ASSETS</b>          |      |            |            |
| <b>CURRENT</b>                      |      |            |            |
| Held-to-maturity investments        |      |            |            |
| - Term deposits at bank             |      | 1,063,437  | 1,050,293  |
| Total Current                       |      | 1,063,437  | 1,050,293  |
| <b>NON-CURRENT</b>                  |      |            |            |
| Available-for-sale financial assets |      |            |            |
| - UCA domestic equities             |      | 1,266,479  | 1,221,368  |
| Total Non Current                   |      | 1,266,479  | 1,221,368  |
| <b>Total financial assets</b>       |      | 2,329,916  | 2,271,661  |
| <b>8. PLANT AND EQUIPMENT</b>       |      |            |            |
| Office equipment at cost            |      | 41,741     | 41,741     |
| Less accumulated depreciation       |      | (17,476)   | (11,089)   |
|                                     |      | 24,265     | 30,652     |
| Motor vehicles at cost              |      | 90,477     | 90,477     |
| Less accumulated depreciation       |      | (64,150)   | (55,374)   |
|                                     |      | 26,327     | 35,103     |
| Furniture and fittings at cost      |      | 22,404     | 22,033     |
| Less accumulated depreciation       |      | (7,834)    | (6,258)    |
|                                     |      | 14,570     | 15,775     |
| <b>Total plant and equipment</b>    |      | 65,162     | 81,530     |

|                                | Office<br>Equipment | Motor Vehicles | Furniture &<br>Fittings | Total  |
|--------------------------------|---------------------|----------------|-------------------------|--------|
| Movements in Carrying Amounts  |                     |                |                         |        |
| Balance at beginning of year   | 30,652              | 35,103         | 15,775                  | 81,530 |
| Additions at Cost              |                     |                | 371                     | 371    |
| Disposals                      |                     |                |                         | 0      |
| Depreciation Expense           | 6,388               | 8,776          | 1,578                   | 16,742 |
| Carrying amount at end of year | 24,265              | 26,327         | 14,570                  | 65,162 |

**PENINGTON INSTITUTE**  
**ABN 23 005 070 102**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | Note | 2016<br>\$     | 2015<br>\$      |
|---|------|----------------|-----------------|
| <b>9. INTANGIBLE ASSETS</b>   |      |                |                 |
| Overdose Awareness Software at cost   |      | 16,100         | 16,100          |
| Accumulated Amortisation  |      | (7,919)        | (2,466)         |
|   |      | 8,181          | 13,634          |
| <b>10. TRADE AND OTHER PAYABLES</b>   |      |                |                 |
| <b>CURRENT</b>  |      |                |                 |
| Deferred grant revenue  |      | 458,280        | 230,000         |
| Creditors and Accrued expenses  |      | 50,840         | 20,918          |
| Superannuation and Withholding taxes payable  |      | 20,361         | 32,661          |
| GST payable   |      | 24,736         | 22,953          |
|   |      | 554,217        | 306,532         |
| <b>11. BORROWINGS</b>   |      |                |                 |
| <b>CURRENT</b>  |      |                |                 |
| Credit Card   |      | 4,594          | 1,135           |
|   |      | 4,594          | 1,135           |
| <b>12. PROVISIONS</b>   |      |                |                 |
| Provision for long service leave  |      | 54,212         | 66,654          |
| Provision for annual leave  |      | 61,821         | 89,974          |
|   |      | 116,033        | 156,628         |
| <b>Analysis of Total Provisions</b>   |      |                |                 |
| Current   |      | 116,033        | 138,532         |
| Non-current   |      | -              | 18,096          |
|   |      | 116,033        | 156,628         |
| <b>13. CASH FLOW INFORMATION</b>  |      |                |                 |
| Reconciliation of net surplus for the year to net cashflow from operating activities: |      |                |                 |
| Net surplus for the year  |      | 28,226         | (102,276)       |
| Add/(subtract)  |      |                |                 |
| Depreciation of plant and equipment   |      | 22,194         | 30,606          |
| Loss/(profit) on sale of assets   |      | -              | (6,169)         |
| (Increase)/decrease in assets   |      |                |                 |
| Trade and other receivables   |      | 2,037          | 83,085          |
| Other current assets  |      | (15,044)       | (1,837)         |
| Financial assets  |      | (78,415)       |                 |
| Increase/(decrease) in liabilities  |      |                |                 |
| Borrowings  |      | 3,459          |                 |
| Trade creditors and other payables  |      | 247,684        | (140,088)       |
| Provisions for employee benefits  |      | (40,595)       | 60,730          |
| <b>Net cashflow from operating activities</b>   |      | <b>169,546</b> | <b>(75,949)</b> |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>14. LEASING COMMITMENTS</b>                    |                |                |
| Operating lease commitments                       |                |                |
| Payable:  |                |                |
| - Not later than 12 months                        | 68,257         | 66,269         |
| - later than 12 months but not later than 5 years | 198,242        | 285,563        |
| - greater than 5 years                            | -              | 57,189         |
|   | <u>266,500</u> | <u>409,021</u> |

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a seven-year term. Increase in lease commitments may occur in line with CPI.

**15. RESERVES**

**General reserve**

The surplus for the year ended 30 June 2016 was transferred to retained earnings for future use.

**Financial asset reserve**

The financial asset reserve consists of all realised and unrealised gains and losses on available-for-sale financial assets.

**16. COMPANY DETAILS**

The registered office and principal place of business of the company is:

95 Drummond Street  
CARLTON VIC 3053

**17. MEMBERS' GUARANTEE**

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee.


**PENINGTON INSTITUTE  
ABN 23 005 070 102**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Penington Institute, the directors of the company declare that:

1. The financial statements and notes as set out on pages 6 to 18, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the company's financial position as at 30 June 2016 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

  
\_\_\_\_\_

Dated this

21 day of SEPTEMBER 2016

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE  
PENINGTON INSTITUTE**

**Report on the Financial Report**

We have audited the accompanying financial report of the Penington Institute, which comprises the statement of financial position as at 30 June 2016, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the Penington Institute are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Penington Institute, would be in the same terms if given to the directors as at the time of this auditor's report.

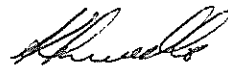
### **Opinion**

In our opinion the financial report of the Penington Institute is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Penington Institute's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001;



**Haines Muir Hill**  
**Chartered Accountants**  
**Level 1, 888 Doncaster Road**  
**DONCASTER EAST VIC 3109**



**Kristian Lunardello**  
**Partner**

Dated this *22* day of *September* 2016