Penington Institute

ABN 23 005 070 102

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

PENINGTON INSTITUTE
ABN 23 005 070 102

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ABN 23 005 070 102

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2015.

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
The Hon. David White
Mr Terry Scanlon
Dr Ingrid van Beek (resigned May 2015)
Mr Scott Wilson
Professor Ian Gust AO
Kathryn Greiner (from July 2014)

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

The net deficit of the company for the financial year amounted to $29,054 (2014: Profit of $56,402).

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.

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

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
Audit Risk Management and Compliance Committee

Terry Scanlon
Experience: Private sector and business development
Director since August 2011
Audit Risk Management and Compliance Committee

Ingrid van Beek
Experience: Public health and addiction medicine
Director since August 2011

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

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

PENINGTON INSTITUTE

DIRECTORS' REPORT

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

	Date Appointed	Meetings Attended
Professor Steve Wesselingh (Chair)	March 2007	4 of 4
The Hon. Robert Knowles	June 2009	3 of 4
The Hon. David White	September 2009	4 of 4
Mr Terry Scanlon	August 2011	2 of 4
Dr Ingrid van Beek (resigned May 2015)	August 2011	2 of 3
Mr Scott Wilson	October 2011	2 of 4
Professor Ian Gust AO	November 2012	4 of 4
Kathryn Greiner (from July 2014)	July 2014	2 of 4

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 ______________________

The Hon. David White

Dated this 15th **day of September 2015**

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 2015 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

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

Alan J Muir
Partner

Dated this 11 September 2015

Haines Muir Hill Represented in all states and associated offices throughout the world Telephone +613 9840 2200 Fax +613 9840 1188
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ABN 23 005 070 102

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Revenue	2	1,285,217	1,220,139
Other revenue	2	450,834	511,772
Employee expenses		(1,127,209)	(1,143,192)
Depreciation expense		(30,606)	(26,354)
Finance expenses		(20,119)	(28,889)
Project expenses		(472,377)	(280,783)
Other expenses	3	(188,016)	(212,669)
Profit / (loss) for the year		(102,276)	40,024
Other comprehensive income:			
Fair value gains on available-for-sale financial assets		73,222	16,378
Other comprehensive income for the year		73,222	16,378
Total comprehensive income for the year		(29,054)	56,402

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	302,033	475,634
Trade and other receivables	5	16,869	99,954
Other current assets	6	1,837	-
Financial assets	7	1,050,293	1,023,941
TOTAL CURRENT ASSETS		1,371,032	1,599,529
NON-CURRENT ASSETS			
Financial assets	7	1,221,368	1,089,702
Plant and equipment	8	81,530	91,500
Intangibles	9	13,634	15,244
TOTAL NON-CURRENT ASSETS		1,316,532	1,196,446
TOTAL ASSETS		2,687,564	2,795,975
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	306,532	447,754
Borrowings	11	1,135	-
Short-term provisions	12	138,532	83,004
TOTAL CURRENT LIABILITIES		446,199	530,758
NON-CURRENT LIABILITIES			
Long-term provisions	12	18,096	12,894
TOTAL NON-CURRENT LIABILITIES		18,096	12,894
TOTAL LIABILITIES		464,295	543,652
NET ASSETS		**2,223,269**	**2,252,323**
EQUITY			
General reserve	15	83,551	83,551
Financial assets reserve	15	87,447	14,225
Retained earnings		2,052,271	2,154,547
TOTAL EQUITY		**2,223,269**	**2,252,323**

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Retained Earnings	Financial Asset Reserve	General Reserve	Total
	$	$	$	$
Balance at 1 July 2013	2,114,523	(2,153)	83,551	2,195,921
Profit (Loss) for year	40,024	-	-	40,024
Other comprehensive income for the year		16,378	-	16,378
Balance at 30 June 2014	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
BALANCE AT 30 JUNE 2015	2,052,271	87,447	83,551	2,223,269

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

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Received from grants and activities		1,582,055	1,329,291
Donations		140,650	127,460
Interest received		102,768	63,586
Payments to suppliers and employees		(1,901,422)	(1,684,241)
Net cash provided by/(used in) operating activities	13	(75,949)	(163,904)
Cash flows from investing activities			
Investment in UCA Funds Management Portfolio		(58,443)	(418,001)
Proceeds from sale of plant and equipment		9,255	-
Payments for property, plant and equipment		(22,112)	(90,880)
Net cash (used in) investing activities		(71,300)	(508,881)
Net increase (decrease) in cash held		(147,249)	(672,785)
Cash and cash equivalents at beginning of year		1,499,575	2,172,360
Cash and cash equivalents at end of year	4	1,352,326	1,499,575

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 Baord (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 of 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

(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.

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 straight line 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:

Class of Fixed Asset	Depreciation Rate
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.

(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 in 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(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.

2. REVENUE AND OTHER INCOME

	2015	2014
Revenue	$	$
Grants received	1,285,217	1,220,139
Other revenue		
Sundry income	349,673	462,389
Interest received	101,161	49,383
	450,834	511,772
Total revenue	1,736,051	1,731,911

3. PROFIT FOR THE YEAR

Expenses:

Other expenses include:		
- Board of directors expenses	3136	349
- Equipment maintenance expenses	24,182	31,223
- Memberships/Subscriptions	4,906	14,999
- Audit fees	3,100	7,799
- Motor vehicle expenses	4,899	10,160
- Occupancy expenses	98,651	83,572
- Office/Stationery expenses	45,507	63,098
- Sundry	3,635	1,468

	2015 $	2014 $

4. CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash on hand	500	500
Cash at bank	301,533	475,134
Term deposits at bank	1,050,293	1,023,941
Total cash and cash equivalents as stated in the statement of cash flows	1,352,326	1,499,575

5. TRADE AND OTHER RECEIVABLES

	2015 $	2014 $
CURRENT		
Trade receivables	8,407	89,887
Sundry debtor	-	3,548
Accrued income	8,462	6,519
	16,869	99,954

(i) Provision for Impairment of Receivables

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.

(ii) Credit Risk — Trade and Other Receivables

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 not impaired and are past due. It is expected that these balances will be received when due.

6. OTHER ASSETS

	2015 $	2014 $
CURRENT		
Prepayments	1,837	-
	1,837	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7. FINANCIAL ASSETS

	2015 $	2014 $
CURRENT		
Held-to-maturity investments		
- Term deposits at bank	1,050,293	1,023,941
- UCA cash portfolio	-	-
Total Current	1,050,293	1,023,941
NON-CURRENT		
Available-for-sale financial assets		
- UCA domestic equities	1,221,368	1,089,702
Total Non Current	1,221,368	1,089,702
Total financial assets	2,271,661	2,113,643

8. PLANT AND EQUIPMENT

	2015 $	2014 $
Office equipment at cost	41,741	122,256
Less accumulated depreciation	(11,089)	(93,976)
	30,652	28,280
Motor vehicles at cost	90,477	111,595
Less accumulated depreciation	(55,374)	(54,331)
	35,103	57,264
Furniture and fittings at cost	22,033	13,256
Less accumulated depreciation	(6,258)	(7,300)
	15,775	5,956
Total plant and equipment	81,530	91,500

Movements in Carrying Amounts	Office Equipment	Motor Vehicles	Furniture & Fittings	Total
Balance at the beginning of Year	28,280	57,264	5,956	91,500
Additions at Cost	10,648	-	11,463	22,111
Disposals	-	3,086	-	3,086
Depreciation Expense	8,276	19,076	1,644	28,996
Carrying amount at end of year	30,652	35,103	15,775	81,530

		2015 $	2014 $
9.	**INTANGIBLE ASSETS**		
	Overdose Awareness Software at cost	16,100	16,100
	Accumulated Amortisation	(2,466)	(856)
		13,634	15,244
10.	**TRADE AND OTHER PAYABLES**		
	CURRENT		
	Deferred grant revenue	230,000	355,500
	Creditors and Accrued expenses	20,918	46,205
	Superannuation and Witholding taxes payable	32,661	31,526
	GST payable	22,953	14,523
		306,532	447,754
11.	**BORROWINGS**		
	CURRENT		
	Credit Card	1,135	-
		1,135	-
12.	**PROVISIONS**		
	Provision for long service leave	66,654	45,924
	Provision for annual leave	89,974	49,974
		156,628	95,898
	Analysis of Total Provisions		
	Current	138,532	83,004
	Non-current	18,096	12,894
		156,628	95,898

13. CASH FLOW INFORMATION

Reconciliation of net surplus for the year to net cashflow from operating activities:

	2015 $	2014 $
Net surplus for the year	(102,276)	40,024
Add/(subtract)		
Depreciation of plant and equipment	30,606	26,354
Loss/(Profit on sale)	(6,169)	(73,006)
(Increase)/Decrease in assets		
Trade receivables	83,085	(46,604)
Other current assets / receivables	(1,837)	636
Increase/(Decrease) in Liabilities		
Trade creditors	(140,088)	(93,737)
Provisions for employee benefits	60,730	(17,570)
Net cashflow from operating activities	**(75,949)**	**(163,904)**

14. LEASING COMMITMENTS

Operating lease commitments

	2015 $	2014 $
Payable:		
- Not later than 12 months	66,269	64,339
- later than 12 months but not later than 5 years	285,563	277,245
- greater than 5 years	57,189	55,523
	409,021	397,107

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 2008 was transferred to a reserve for future expenditure should budgeted figures be exceeded.

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 2015 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 ______________________

The Hon. David White

Dated this 15th **day of September 2015**

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 2015, the statement of 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.

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888 Doncaster Road, Doncaster East, Victoria 3109 Australia PO Box 1385 Doncaster East, Victoria 3109 Australia www.hmh.com.au

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 2015 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

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

Alan J Muir
Partner

Dated in Doncaster East 15 September 2015