



2016 Financial Report

*Celebrating
50 years*

DIRECTORS' REPORT

The Directors present their report on the results of The Australian Psychological Society Limited (the APS) ABN 23 000 543 788 for the financial year ended 31 May 2016 and the state of affairs of the APS at that date.

The Board

The following persons were directors of the APS during the whole of the financial year and up to the date of this report, or for a lesser time period as indicated:

Professor Mike Kyrios FAPS – commenced his term as a General Director following the 2011 AGM held on 6 October 2011 and part way through that term was elected as President-Elect effective from the conclusion of the 2013 AGM held on 10 October 2013. He commenced his two year term as President following the 2014 AGM held on 2 October 2014. Mike is Director, Research School of Psychology at the Australian National University. He has been a member of the APS since 1984.

Mr Anthony Cichello MAPS – commenced his term as a General Director following the 2014 AGM held on 2 October 2014 and part way through that term was elected as President-Elect effective from the conclusion of the 2015 AGM held on 1 October 2015. He will commence his two year term as President following the 2016 AGM. Anthony has many years of experience as a psychologist across the broad primary, secondary and tertiary public mental health/hospital and independent private practice sectors, across three Australian States within both rural and metropolitan areas. He has been a member of the APS since 2003.

Professor Lyn Littlefield OAM FAPS – was appointed as Executive Director of the APS in 2001. Lyn was previously the Head of the School of Psychological Science at La Trobe University and was the inaugural Director of the Victorian Parenting Centre. She has been a member of the APS since 1980.

Dr Felicity Allen MAPS – commenced her term as a General Director at the 2015 AGM held on 1 October 2015 and will complete her term at the conclusion of the 2017 AGM. Felicity works as a consultant in her own business and was an Associate Professor at Monash University. She has been a member of the APS since 1975.

Mr Michael Burge OAM FAPS – commenced his term as a General Director at the 2012 AGM held on 29 September 2012 and completed his term at the conclusion of the 2015 AGM held on 1 October


2015. Michael is currently Director of the Australian College of Trauma Treatment and has many years of experience in counselling, education and training. He has been a member of the APS since 1990.

Professor Tim Carey MAPS – commenced his term as a General Director following the 2013 AGM held on 10 October 2013 and will complete his term at the conclusion of the 2016 AGM. Tim is Professor of Mental Health at the Centre for Remote Health in Alice Springs, a joint centre of Flinders University and Charles Darwin University. He has been a member of the APS since 2007.

Dr Michael Carr-Gregg MAPS – commenced his term as a General Director at the 2015 AGM held on 1 October 2015 and will complete his term at the conclusion of the 2018 AGM. He is a nationally registered child and adolescent psychologist working in private practice in Melbourne. Michael previously worked as the Managing Director of The Young and Well Cooperative Research Centre, established by the Australian Government Initiative administered by the Department of Innovation, Industry, Science and Research. He has been a member of the APS since 1997.

Ms Sue Carter – commenced her term as an Additional Director on 3 November 2015 and will complete her term at the conclusion of the 2016 AGM. Sue is a professional non-executive director, and a consultant in corporate governance and board effectiveness. She is an Australian Institute of Company Directors facilitator in directors' duties, financial reporting, decision making and board processes. She was previously a director of the APS and Chair of the Finance, Investment and Audit Committee from 2010 to 2013, and prior to that she was an external member of the Governance Committee.

Dr Judith Gullifer MAPS – commenced her term as an Additional Director on 5 November 2015 and will complete her term at the conclusion of the 2016 AGM. Judith is the Associate Dean (Academic) in the Faculty of Business, Justice and Behavioural Sciences at Charles Sturt University. She is a registered psychologist with a background in professional counselling in rural and remote Australia. She has been a member of the APS since 1998.



Ms Debbie Hsu MAPS – commenced her term as an Additional Director on 26 October 2014 and completed her term at the conclusion of the 2015 AGM held on 1 October 2015. She was re-appointed as an Additional Director on 10 November 2015 for a further one year term. Debbie resigned as an Additional Director on 22 December 2015, to take up the position of Executive Officer in the APS National Office. She has worked in the WA public sector for nearly 20 years in health and child protection settings, in both clinical and senior leadership roles, across rural and metropolitan settings. She has been a member of the APS since 1992.

Ms Mary Magalotti MAPS – commenced her term as a General Director at the 2014 AGM held on 2 October 2014 and will complete her term at the conclusion of the 2017 AGM. Mary is the Founder, Director and Principal Psychologist of Life Resolutions and Virtual Briefcase which include approximately 30 branded Life Resolutions practices and support to a further 140 independently branded practices across Australia. She has been a member of the APS since 1995.

Professor Kate Moore FAPS – commenced a term as an Additional Director on 22 November 2013 and completed that term at the 2014 AGM held on 2 October 2014. She was re-appointed on 3 October 2014 for a further one year term as an Additional Director and completed that term at the conclusion of the 2015 AGM held on 1 October 2015. Prior to 2010, Kate was an APS Director for a number of years. Kate is Professor of Psychology at Federation University of Australia. She has been a member of the APS since 1985.

Dr Nicholas Reynolds FAPS – commenced his term as a General Director following the 2013 AGM held on 10 October 2013 and will complete his term at the conclusion of the 2016 AGM. He was previously an Additional Director from 8 October 2011 and completed that term at the conclusion of the 2012 AGM held on 29 September 2012. For many years he has practised as an organisational psychologist based in Sydney and undertakes consultancy work nationwide. He has been a member of the APS since 1977.

Professor Debra Rickwood FAPS – commenced her one year term as a General Director following the

2013 AGM held on 10 October 2013 and completed that term at the conclusion of the 2014 AGM held on 2 October 2014. She was re-appointed on 26 October 2014 for a further one year term as an Additional Director and completed that term at the conclusion of the 2015 AGM held on 1 October 2015. Debra is currently the head of clinical leadership and research for the headspace National Youth Mental Health initiative. She has been a member of the APS since 1995.

Dr Deborah Wilmoth FAPS – commenced her term as a General Director following the 2015 AGM held on 1 October 2015 and will complete her term at the conclusion of the 2018 AGM. Previously she was an Additional Director from 1 January 2011 and completed that term at the conclusion of the 2011 AGM held on 6 October 2011. Deborah is the Clinic Director at Bond University with responsibility for the practical training (internship and externship) for the Masters in Clinical Psychology and Masters in Forensic Psychology. She has been a member of the APS since 1997.

Mrs Jill Wright MAPS – commenced her term as a General Director in May 2013 and completed her term at the conclusion of the 2015 AGM held on 1 October 2015. Jill is the Founder, Principal Psychologist and Executive Director of Psychology Melbourne and has worked in private practice as a psychologist for many years. She has been a member of the APS since 1993.

All of those who were APS Directors during the financial year covered by this report, as listed above, have completed the Australian Institute of Company Directors (AICD) *Company Directors Course* or have extensive experience as a Director that has been formally recognised by the AICD.

Principal activities

The principal activities of the APS during the year were the advancement of the scientific study and the professional practice of psychology. There were no significant changes in the nature of these activities during that period.

Operating and financial review

The surplus from the continuing operations for the year ended 31 May 2016 is \$639,563 excluding other

DIRECTORS' REPORT continued

comprehensive income and \$781,739 including other comprehensive income (2015: \$257,627 deficit, there was no other comprehensive income).

The review of the operations during the financial year and the results of those operations are noted elsewhere in the Annual Report.

Risk management

The APS takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the APS' objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has established a separate Risk Management Committee to assist the Board to manage risk. From time to time the Board may also convene separate committees to further examine specific issues and risks, and have that committee report back to the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a Strategic Plan, which encompasses the APS' vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk;
- Implementation of Board-approved operating plans and budgets and Board monitoring of progress against these budgets;
- The establishment of the Finance, Investment and Audit Committee, which assists in meeting the Board's responsibility to manage the APS' financial risks.

Dividends

No portion of surplus in any year shall be paid to members by way of dividends, bonus or otherwise.

Significant changes in the state of affairs

Towards the end of the 2014-15 APS financial year the Board approved an Investment Policy which established a governance framework for investing the APS' accumulated reserves in Cash and Listed Securities. The broad aim of investing in accordance with this policy is to provide improved investment returns compared to returns provided through the previous practice of

limiting investments to short-term deposits with major Australian banks.

This policy broadened the range of investment types that can be considered, in particular to include shares as well as infrastructure and property funds listed on the Australian Securities Exchange. The Board considers its investment philosophy to be conservative and reflects financial prudence. It is founded on capital preservation being a primary goal, whilst aiming to achieve improved positive returns through investment in a diversified range of quality assets. The Policy also sets out the types of entities that are not acceptable for the APS to invest in including those whose business activities: are focussed on gambling, or the production of tobacco or alcohol; are carbon intensive or environmentally destructive; or produce products which are reasonably proven detrimental to the physical or mental health of an individual or the public.

Perpetual Trustee Company Limited was appointed to assist the APS to implement the policy, specifically to provide advice on investment portfolio design and construction, the implementation of the investment strategies and an ongoing investment selection. During the 2015-16 financial year, the APS invested \$8m in accordance with the investment policy. Details related to these investments are set out elsewhere in this report.

Likely developments and expected results

The APS intends to continue with its existing activities and consider possible new activities that are consistent with its objectives.

Significant matters subsequent to the end of the financial year

No matters or circumstances have arisen since 31 May 2016 that have significantly affected or may significantly affect:

- a. The APS' operations in future financial years, or
- b. The results of those operations in future financial years, or
- c. The APS' state of affairs in future financial years.

Indemnification and insurance of Directors and officers

During or since the financial year, the APS has paid premiums in respect of a contract insuring all Directors, office bearers and employees of the APS against costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in

their capacity as officers, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving:

- a. A wilful breach of duty; and
- b. A contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums paid was \$16,810 (2015: \$15,740).

Indemnification of auditors

The APS has entered into an agreement to indemnify their auditor, PricewaterhouseCoopers, against any claims or liabilities (including legal costs) asserted by third parties arising out of their services as auditor of the APS, where the liability arises as a direct result of the APS' breach of its obligations to the auditor, unless prohibited by the *Corporations Act 2001*.

Environmental regulation

The APS is not subject to any significant environmental regulation.

Registered Office

The registered office of The Australian Psychological Society Limited is located at:

Level 13, 257 Collins Street
Melbourne VIC 3000

Employees

The APS employed 76 full time equivalent employees (including staff contracted to work on various externally funded projects) as at 31 May 2016 (2015: 78).

Corporate governance

The Board of Directors governs the APS and has overall responsibility for pursuing the APS' mission, determining the Strategic Plan and priorities, monitoring implementation and developing a resource base to support the APS' activities. The Board is the ultimate decision-making and policy-setting body. It is also responsible for the financial viability of the APS and ensuring compliance with statutory requirements applicable to a company limited by guarantee. To assist the Board to fulfill its role and responsibilities various Board Committees, Advisory Groups, Reference Groups and Member Forums are appointed each year.

The APS' Constitution provides for the Board of Directors to be comprised of the President, Executive Director, six elected General Directors and up to three Directors appointed by the Board. The Executive Director is appointed by the Board. Every second year a President-Elect is elected to the Board to assume the role of President for a term of two years commencing at the end of their one year term as President-Elect. Each General Director is elected for a term of three years and each Additional Director appointed by the Board is appointed for a term of one year.

All Directors must comply with the Board's code of conduct. This code covers issues such as the requirement to act in good faith, duties of due care and diligence, conflict of interest, proper use of power and information, independence, confidentiality and the obligation to comply with the APS' governing documents.

The Board meets at least six times a year for scheduled meetings. The Board is committed to holding at least two of these meetings outside of Melbourne, with the remaining meetings held at the APS' National Office in Melbourne.

Day-to-day management of the organisation's affairs and implementation of corporate strategy and policy initiatives are the responsibility of the APS' Executive Director, Professor Lyn Littlefield. The APS' company secretary is Barry Whitmore who has been a member of both Chartered Accountants Australia and New Zealand and CPA Australia for more than 25 years, and is a graduate member of the Australian Institute of Company Directors.

**Directors' meetings including Committee meetings
(1 June 2015 to 31 May 2016)**

	Committees							
	Directors' Meetings		Finance, Investment and Audit		Governance		Risk Management and Compliance	
	H	A	CMH	A	CMH	A	CMH	A
Mike Kyrios	9	9	4	3	4	4	-	-
Anthony Cichello	9	8	1	0	4	3	-	-
Lyn Littlefield	9	9	4	4	4	4	1	1
Felicity Allen	6	5	-	-	-	-	-	-
Michael Burge	3	3	-	-	-	-	-	-
Tim Carey	9	8	-	-	4	3	-	-
Michael Carr-Gregg	6	4	-	-	-	-	-	-
Sue Carter	4	4	2	2	1	1	-	-
Judith Gullifer	4	4	-	-	-	-	-	-
Debbie Hsu	4	4	-	-	3	3	-	-
Mary Magalotti	9	8	4	1	-	-	-	-
Kate Moore	3	3	2	2	-	-	1	1
Nicholas Reynolds	9	8	-	-	-	-	1	1
Debra Rickwood	3	3	-	-	-	-	-	-
Deborah Wilmoth	6	4	-	-	-	-	-	-
Jill Wright	3	3	-	-	-	-	1	1

H = Number of meetings held whilst in office
 CMH = Number of committee meetings held whilst a member of that committee
 A = Number of meetings attended

Auditor's Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 7.

Signed in accordance with a resolution of the Directors.



Mike Kyrios
President



Sue Carter
Director

Melbourne 29 July 2016

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of The Australian Psychological Society Limited for the year ended 31 May 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Amanda Campbell'.

Amanda Campbell
Partner
PricewaterhouseCoopers

Melbourne
29 July 2016

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ANNUAL ACCOUNTS 2016

STATEMENT OF COMPREHENSIVE INCOME -
Year ended 31 May 2016

	NOTE	2016 \$	2015 \$
REVENUE			
Revenue from operating activities	3	18,557,333	18,794,125
Finance income	3	524,761	579,584
Other gains	3	11,326	-
TOTAL REVENUE FROM CONTINUING OPERATIONS		19,093,420	19,373,709
EXPENSES			
Marketing and media		(881,012)	(675,611)
Resources, services and benefits for APS members including continuing professional development		(8,724,990)	(8,996,824)
Supporting the discipline and profession		(928,346)	(1,123,190)
Enhancement of community wellbeing (includes expenditure on externally funded projects)		(3,095,800)	(3,915,513)
Governance, management and administration		(4,823,709)	(4,920,198)
TOTAL EXPENSES		(18,453,857)	(19,631,336)
SURPLUS/(DEFICIT) FOR THE YEAR		639,563	(257,627)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit and loss:			
Changes in the fair value of equity investments at FVOCI*	17	142,176	-
TOTAL COMPREHENSIVE INCOME		781,739	(257,627)

*Fair value through other comprehensive income.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION -
As at 31 May 2016**

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	5	8,567,505	15,205,338
Trade and other receivables	7	1,036,558	446,564
Prepayments	8	361,256	646,457
TOTAL CURRENT ASSETS		9,965,319	16,298,359
NON CURRENT ASSETS			
Property, plant and equipment	9	832,186	957,783
Financial assets at fair value through other comprehensive income (FVOCI)	17	2,582,529	-
Financial assets at fair value through profit and loss (FVPL)	17	4,566,819	-
TOTAL NON CURRENT ASSETS		7,981,534	957,783
TOTAL ASSETS		17,946,853	17,256,142
CURRENT LIABILITIES			
Trade and other payables	10	3,899,217	3,979,164
Provisions	11	1,146,643	1,104,271
TOTAL CURRENT LIABILITIES		5,045,860	5,083,435
NON CURRENT LIABILITIES			
Provisions	11	481,149	534,602
TOTAL NON CURRENT LIABILITIES		481,149	534,602
TOTAL LIABILITIES		5,527,009	5,618,037
NET ASSETS		12,419,844	11,638,105
MEMBERS' EQUITY			
Retained earnings	13	12,277,668	11,638,105
Other reserves	13	142,176	-
TOTAL MEMBERS' EQUITY		12,419,844	11,638,105

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

ANNUAL ACCOUNTS 2016 continued**STATEMENT OF CHANGES IN EQUITY -
Year ended 31 May 2016**

	2016 \$	2015 \$
OPENING RETAINED EARNINGS	11,638,105	11,895,732
Surplus/(deficit) for the period	639,563	(257,627)
CLOSING RETAINED EARNINGS AT YEAR END	12,277,668	11,638,105
OPENING OTHER RESERVES	-	-
Other comprehensive income (OCI)	142,176	-
CLOSING OTHER RESERVES AT YEAR END	142,176	-
TOTAL EQUITY	12,419,844	11,638,105

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS -
Year ended 31 May 2016**

	NOTE	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and members (inclusive of goods and services tax)		19,329,386	20,779,292
Payments to suppliers, employees and others (inclusive of goods and services tax)		(18,812,887)	(21,072,595)
Interest and other costs of finance paid		(219,179)	(216,579)
NET CASH FROM OPERATING ACTIVITIES	6	297,320	(509,882)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		23,848	-
Interest received from long term investments		86,716	-
Interest received from short term deposits		384,522	666,262
Payments for acquisition of financial assets		(7,045,013)	-
Payments for Investment adviser fees		(29,275)	-
Proceeds from sale of financial assets		49,167	-
Payments for property, plant and equipment	9	(405,118)	(291,848)
NET CASH FROM INVESTING ACTIVITIES		(6,935,153)	374,414
Net (decrease) in cash held		(6,637,833)	(135,468)
Cash at beginning of financial year		15,205,338	15,340,806
CASH AT THE END OF THE FINANCIAL YEAR	5	8,567,505	15,205,338

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

ANNUAL ACCOUNTS 2016 *continued*NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS -
Year ended 31 May 2016**NOTE 1: Corporate information**

The financial statements of The Australian Psychological Society Limited (the APS) for the year ended 31 May 2016 were authorised for issue in accordance with a resolution of the Directors dated 29 July 2016.

The APS is a company limited by guarantee, does not have share capital and is incorporated in Australia.

The nature of the operations and principal activities of the APS are described in the Directors' Report.

NOTE 2: Statement of significant accounting policies**(a) Basis of preparation**

The financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards-Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations. The APS is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

- (i) **Compliance with Australian Accounting Standards**
The financial statements comply with Australian Accounting Standards-Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).
- (ii) **Adoption of standards - new and amended**
The company has elected to apply AASB 9 *Financial Instruments* as issued in December 2014 for the accounting of investments in equity and debt securities, which the company has acquired during the year. Due to the acquisition of the investment portfolio in the current year, there are no comparative figures requiring re-statement in accordance with the transitional provisions in AASB 9, and there is no impact on the company's retained earnings as a result of adopting this standard.

The company has assessed its impairment methodology for financial assets under the new expected credit loss model under AASB 9 and concluded there is no impact from this model.

- (iii) **Historical cost convention**
These financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value.

(b) Income tax

The Commissioner of Taxation has ruled that all income derived is exempt from income tax.

(c) Property, plant and equipment

Property, plant and equipment, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on a straight line basis on all property, plant and equipment. Depreciation periods are:

- Plant and equipment: 3 to 8 years
- Leasehold Improvements: Lease term

(i) Impairment of non-financial assets

Impairment of all assets is assessed at each reporting date by evaluating conditions specific to them and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined.

(ii) Make good provisions

Provisions for make good obligations are recognised when the APS has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(d) Leases

Operating leases are leases under which the lessors effectively retain substantially all of the risks and benefits of ownership of leased items. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

(e) Branches, Colleges and Interest Groups

The financial result of the activities of the APS' Branches, Colleges and Interest Groups is included within the APS' surplus or deficit for the year.

(f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is

probable that the economic benefit will flow to the APS and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised.

(i) Membership subscriptions

Subscriptions related to the reporting period are recognised when these have been received from members.

(ii) Rendering of services

Revenue is recognised by reference to the stage of completion of a contract or contracts in progress at balance date or at the time of completion. Stage of completion is measured by reference to total cost incurred to date as a percentage of total estimated cost for each contract which is determined by a set quotation with the customer. This policy is also applied to the fee for service contracts with the Australian Government and related bodies.

(iii) Interest revenue

Revenue is recognised as interest accrues, using the effective interest method.

(iv) Sale of goods

Revenue from the sale of goods is recognised when goods are shipped to the customer.

(g) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Superannuation contributions are made for employees at 10% (9.5% for 'casual' employees) in compliance with government legislation.

Liabilities arising in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity instruments

The company subsequently measures all equity investments at fair value. The company has elected to present fair value gains and losses on equity instruments in other comprehensive income, with no subsequent reclassification of fair value gains or losses to profit and loss. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

ANNUAL ACCOUNTS 2016 continued

NOTE 2: Statement of significant accounting policies continued

There are no impairment requirements for equity investments measured at fair value through other comprehensive income.

Debt Instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss statement within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.

Based on the cash flow characteristics of the current instruments and the APS' business model

for managing the assets, the measurement of debt instruments is at fair value through profit and loss.

(iii) Impairment

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(k) Trade and other receivables

Trade receivables, which generally have 14 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Given the short term nature of these assets fair value on recognition generally remains the fair value until these are extinguished.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified.

(l) Revenue received in advance

As identified in Note 2(f)(i), membership subscription revenue must be recognised in the relevant reporting year it relates to. Therefore, any membership subscription revenue received on or prior to 31 May 2016 which relates to the membership subscription period 1 June 2016 to 31 May 2017 is recognised as Revenue received in advance at 31 May 2016.

The timing of the receipt of payments for work undertaken on externally funded projects is typically set out in the project contract. Payments received, up to 31 May 2016 which have not been earned are recognised as revenue received in advance at 31 May 2016, and will only be recognised as revenue when the APS has met the conditions set out in the project contract.

(m) Other creditors

Other creditors are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the APS prior to the end of the financial year that are unpaid at the end of the financial year and arise when the APS becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 3: Revenue

	2016 \$	2015 \$
(a) Revenue from operating activities:		
Member Subscriptions and Segmented Fees	9,174,626	8,825,320
Externally funded projects	2,617,505	3,421,270
APS Member Groups [Branches, Colleges and Interest Groups]	2,128,501	2,426,204
Continuing Professional Development (including events run by the APS Institute but excluding events run by APS Member Groups which are shown above):		
- Conferences	548,916	405,200
- Workshops, eLearning, webinars	1,279,960	997,614
Advertising and Commission	1,450,161	1,284,083
Assessment of Qualifications	458,742	427,834
'Find a Psychologist'	370,670	370,481
Income from other sources	528,252	636,119
	18,557,333	18,794,125
(b) Revenue from non-operating activities:		
Finance Income:		
Interest revenue from short term deposits	350,079	579,584
Dividends and Interest from long term investments	174,682	-
(c) Other gains:		
Fair value gains on financial assets at fair value through profit and loss (FVPL)	11,326	-
TOTAL REVENUE FROM CONTINUING OPERATIONS	19,093,420	19,373,709

NOTE 4: Expenses

	2016 \$	2015 \$
The operating surplus/(deficit) includes the following expenses:		
Depreciation and amortisation of property, plant and equipment	530,715	529,587
Wages and salaries	7,422,751	7,170,778
Superannuation costs	745,215	729,388
Provisions:		
- Long service leave	117,327	79,454
- Annual leave	82,483	132,289

ANNUAL ACCOUNTS 2016 continued

NOTE 5: Cash and cash equivalents

	2016 \$	2015 \$
Cash at bank	907,505	805,338
Short Term deposits	7,660,000	14,400,000
TOTAL CASH AND CASH EQUIVALENTS (a)	8,567,505	15,205,338

Cash at bank earns interest at floating rates on daily deposits rates. Term deposits are made for 30 to 180 days and earn interest on the respective short term deposit rates.

For details on Long Term investments please refer to Note 17.

The total shown in this note equates to the Statement of Cash Flows.

(a) The Commonwealth of Australia developed the KidsMatter initiative and subsequently appointed *beyondblue* to act as the contract manager. A KidsMatter services agreement between the APS and *beyondblue* provides for *beyondblue* to fund the APS to deliver services in support of the KidsMatter initiative for a period including the 2015-16, 2014-15 and 2013-14 APS financial years.

Funds received from *beyondblue* to deliver services in support of the KidsMatter initiative are maintained in a separate bank account and not invested in short term deposits, as required under the signed service agreement between *beyondblue* and the APS. The KidsMatter bank account balance of \$40,943 is included in cash at bank at 31 May 2016 (\$282,485 at 31 May 2015).

Each APS Member Group receives an annual allocation of funds based on a funding formula. Member Groups may generate additional revenue by conducting activities such as Professional Development workshops or conferences. Funds from both of these sources, as well as any grant money provided from general APS revenue, become part of each Member Group's 'accumulated funds' available for use for the benefit of members of the Member Group. Member Groups do not maintain separate bank accounts, with a record of each Member Group's 'accumulated funds' being maintained within the National Office finance system. Total Member Groups accumulated funds are part of the 'Total Cash and Cash Equivalents' amount shown above and held, along with other APS funds, in appropriate term deposit accounts. APS Member Groups funds of \$1,614,187 are included in the total cash and cash equivalents at 31 May 2016 (\$1,573,551 at May 2015). 186 Member Groups were active at May 2016 (191 at May 2015).

NOTE 6: Reconciliation of cash flows

	2016 \$	2015 \$
Reconciliation of surplus/(deficit) for the period to net cash flows from operating activities		
Surplus/(deficit) for the period	639,563	(257,627)
Plus/(minus) non-cash items and investing activities cash items:		
Depreciation and amortisation	530,715	529,587
Carrying amount of written off assets	-	13
Interest received from short term deposits	(384,522)	(666,262)
Dividends and interest received from long term investments	(110,564)	-
Payments for investment adviser fees	29,275	-
Fair value gains on financial assets through profit and loss (FVPL)	(11,326)	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(589,994)	306,210
Decrease/(increase) in prepayments	285,201	(70,535)
(Decrease) in trade and other payables	(79,947)	(332,935)
(Decrease) in provisions for employee benefits and make good	(11,081)	(18,333)
NET CASH FLOW FROM OPERATING ACTIVITIES	297,320	(509,882)

ANNUAL ACCOUNTS 2016 continued

NOTE 7: Trade and other receivables

	2016 \$	2015 \$
Advertising, products, sponsorship and commission (trade debtors)	38,975	52,692
Externally funded projects	599,249	38,250
	638,224	90,942
The Australian Psychology Accreditation Council Limited (APAC) - refer Notes 15 and 18	20,139	69,277
Other debtors and accrued revenue	378,195	286,345
TOTAL TRADE AND OTHER RECEIVABLES	1,036,558	446,564

Trade debtors are non-interest bearing and have payment terms of 14 days.

Amounts shown as 'Externally funded projects' have been invoiced by the APS at year end and are based on contractual arrangements with the Australian Government or *beyondblue*.

Due to the short term nature of these receivables, their carrying amounts approximate their fair value and all amounts are considered collectable.

NOTE 8: Prepayments

	2016 \$	2015 \$
Prepayments	361,256	646,457

NOTE 9: Property, plant and equipment

	2016 \$	2015 \$
Plant and Equipment		
At cost	2,435,158	3,155,646
Accumulated depreciation	(1,789,523)	(2,413,583)
	645,635	742,063
Leasehold Improvements		
At cost	1,521,091	1,618,425
At cost- Make good provision (a)	270,434	324,539
Accumulated depreciation and amortisation	(1,604,974)	(1,727,244)
	186,551	215,720
Total Property, Plant and Equipment		
Cost	4,226,683	5,098,610
Accumulated depreciation and amortisation	(3,394,497)	(4,140,827)
	832,186	957,783
Reconciliation		
Plant and Equipment		
Carrying amount at beginning	742,063	
Additions	327,611	
Depreciation expense	(424,039)	
	645,635	
Leasehold Improvements		
Carrying amount at beginning	215,720	
Additions	77,507	
Depreciation and amortisation expense	(106,676)	
	186,551	
Total Property, Plant and Equipment movements		
Carrying amount at beginning	957,783	
Additions	405,118	
Depreciation and amortisation expense	(530,715)	
TOTAL PROPERTY, PLANT AND EQUIPMENT	832,186	

(a) The APS is required to restore Collins St leased premises (levels 8, 11 and 13) to their original condition at the end of the respective lease terms, as per a lease agreement commencing 1 January 2013 (Note 10). These costs also have been capitalised as part of the cost of leasehold improvements along with a corresponding provision (Note 11) and are amortised over the lease period. Level 7 was required to be restored to the original condition when the APS ceased to rent the half floor on that level effective from 31 December 2015. The 2015 make good provision for level 7 was reversed in 2016, net of costs incurred for the work done to restore the premises to their original condition.

The APS assessed at 31 May 2016 whether there is any indication that an asset may be impaired. There is no indication that an impairment loss is present, that is where the carrying amount of an asset exceeds its recoverable amount.

ANNUAL ACCOUNTS 2016 continued

NOTE 10: Trade and other payables

	2016 \$	2015 \$
Revenue received in advance:		
- Membership subscriptions	1,457,073	1,088,653
- Event income (conferences and workshops)	415,658	1,063,110
- Externally funded projects	463,099	690,204
- Other	90,977	83,132
	2,426,807	2,925,099
Other creditors and accruals	1,472,410	1,054,065
TOTAL TRADE AND OTHER PAYABLES	3,899,217	3,979,164

Other creditors are non-interest bearing and are settled within 30 days. The APS pays within the allocated settlement period when prompt payment discounts are available.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

The APS has issued a bank guarantee to a maximum amount of \$229,416, related to the lease of its National Office premises at 257 Collins Street, Melbourne under a lease agreement commencing 1 January 2013 for a term of five years. The lease agreement is with RAM Investments No.1 Pty Ltd.

NOTE 11: Provisions

	2016 \$	2015 \$
Current		
Employee benefits- Annual leave (a)	592,895	641,443
- Long service leave (a)	553,748	462,828
	1,146,643	1,104,271
Non-current		
Employee benefits- Long service leave	164,166	170,277
Make good provision to restore premises (b)	316,983	364,325
	481,149	534,602
TOTAL PROVISIONS	1,627,792	1,638,873
Total employee benefit provisions	1,310,809	1,274,548

(a) The provision for employee benefits classified as ‘current’ includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service (10 years) and also those where employees are entitled to pro-rata payments in certain circumstances, including termination of employment (completed at least seven years service). However, based on past experience, the APS does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

(b) Costs required to return the APS’ leased premises to their original condition as set out in the lease agreements are recognised as a make good provision in the financial statements. The provision has been calculated as an estimate of future costs discounted to a present value and will be revised on an annual basis.

NOTE 12: Lease commitments

The APS leases office premises and office equipment under non-cancellable operating leases expiring within one to five years.

	2016 \$	2015 \$
Operating leases - the APS as Lessee		
Commitments are as follows:		
Not later than one year	1,226,080	1,369,472
Later than one year and not later than five years	703,951	1,899,024
TOTAL OPERATING LEASE COMMITMENTS	1,930,031	3,268,496
Operating lease expenses recognised as an expense during the period	1,415,858	1,408,110

ANNUAL ACCOUNTS 2016 continued

NOTE 13: Retained earnings and other reserves

	2016 \$	2015 \$
Retained earnings		
Balance at the beginning of the financial year	11,638,105	11,895,732
Surplus/(deficit) for the year	639,563	(257,627)
Retained earnings at the end of the financial year	12,277,668	11,638,105
Other reserves		
Balance at the beginning of the financial year	-	-
Other comprehensive income (OCI)	142,176	-
Other reserves at the end of the financial year	142,176	-
TOTAL MEMBERS' EQUITY AT THE END OF THE FINANCIAL YEAR	12,419,844	11,638,105

The APS is a company limited by guarantee and accordingly each Member of the APS undertakes to contribute to the assets of the APS in the event of the same being wound up during the time that he or she is a Member, or within one year after he or she ceases to be a Member, for payment of debts and liabilities that the APS contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves such amount as may be required, not exceeding 20 dollars.

NOTE 14: Key management personnel disclosures*

(a) Key management personnel compensation

	2016 \$	2015 \$
Key management personnel compensation	969,524	884,201

(b) Transactions with key management personnel

The following amounts were recognised during the reporting period arising from other transactions with key management personnel:

	2016 \$	2015 \$
Expenses		
Provision of professional development services to the APS-presenter fees	6,195	7,125

* Key management personnel includes Directors and Senior Executives.

NOTE 15: Related party transactions

The Australian Psychology Accreditation Council Limited (APAC) and Mental Health Professionals Network (MHPN) refer Note 18 – Throughout the reporting period the APS provided a limited range of support services to APAC and MHPN including office space, certain IT support, as well as accounting services.

The following transactions occurred with APAC:

	2016 \$	2015 \$
- Receivables at year end, GST inclusive	20,139	69,277
- Received from APAC during the financial year, GST inclusive	122,737	62,140
- Revenue, as recognised in the APS' Statement of Comprehensive Income	64,244	81,311

The following transactions occurred with MHPN:

	2016 \$	2015 \$
- Receivables at year end, GST inclusive	12,238	11,736
- Received from MHPN during the financial year, GST inclusive	142,859	166,866
- Revenue, as recognised in the APS' Statement of Comprehensive Income	142,192	154,997

NOTE 16: Contingent assets and liabilities

There are no contingent assets or contingent liabilities of a material nature as at the end of the reporting period.

ANNUAL ACCOUNTS 2016 continued

NOTE 17: Financial instruments and risk management

This note provides information about the company's financial instruments.

Financial assets

The company's financial instruments resulted in the following income, expenses and gains and losses recognised as finance income:

	2016 \$	2015 \$
Interest from short term deposits	350,079	579,584
Dividends from equity investments held at FVOCI	72,165	-
Interest from debt investments held at FVPL	102,517	-
Fair value gains (net) on debt investments at FVPL	11,326	-
TOTAL	536,087	579,584

The company's financial instruments resulted in the following income, expenses and gains and losses recognised in other comprehensive income (OCI):

	2016 \$	2015 \$
Fair value gains (net) on equity investments at FVOCI	146,949	-
Net loss on sale of equity investments held as FVOCI	(4,773)	-
TOTAL	142,176	-

(a) Financial assets at fair value through other comprehensive income (FVOCI)*(i) Classification of financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income comprise:

- equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss.

(ii) Equity investments at fair value through other comprehensive income

Equity investments at fair value through other comprehensive income (FVOCI) comprise the following individual investment groups:

	2016 \$	2015 \$
Financial assets at fair value through OCI	Non-current	Non-current
Equity investments-listed	1,245,030	-
Property Securities and Infrastructure Funds - managed investments	1,337,499	-
TOTAL	2,582,529	-

- Upon disposal of these equity investments, any balance within the OCI reserve for these equity investments is reclassified within equity and is not reclassified to profit or loss.

(b) Financial assets at fair value through profit and loss (FVPL)

(i) Classification of financial assets at fair value through profit and loss

The APS classifies the following financial assets at fair value through profit or loss:

- debt investments that do not qualify for measurement at amortised cost, and
- debt investments that do not qualify for measurement at fair value through other comprehensive income.

Financial assets mandatorily measured at fair value through profit or loss include the following classes of financial assets:

	2016 \$	2015 \$
	Non-current	Non-current
Money market funds*	4,566,819	-

* This investment consists of a holding of redeemable units in money market funds. The company's investment in these funds does not meet the criteria for classification at amortised cost as the contractual cash flows are not solely payments of principal and interest. The investment also does not qualify as equity due to the redeemable nature of the units. Accordingly, this investment is carried at fair value through profit or loss.

(ii) Amounts recognised in profit or loss

	2016 \$	2015 \$
Fair value gains/(losses) on debt instruments at fair value through profit or loss recognised in other gains/(losses)	11,326	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument, will fluctuate due to changes in interest rates. The APS' exposure to interest rate risk arises due to its deposits with financial institutions and investments in certain debt securities.

The financial assets and financial liabilities of the APS that are not included in the tables below are non-interest bearing and are therefore not subject to interest rate risk. This includes Trade and other receivables, Trade and other payables and equity securities.

The objective of managing interest rate risk is to minimise the APS' exposure to fluctuations in interest rates that might impact its interest revenue and cash flow. To manage interest rate risk, the APS invests the majority of its cash in short-term deposits for varying periods of between 30 days and 180 days, depending on the short and long-term cash requirements of the APS which is determined based on the APS' cash flow forecast. This consideration also takes into account the costs associated with breaking a term deposit should early access to cash and cash equivalents be required. Cash is not locked into long-term deposits at fixed rates so as to mitigate the risk of earning interest below the current floating rate. The company also invests in certain debt securities which have an interest return.

The APS does not have any borrowings.

ANNUAL ACCOUNTS 2016 continued

NOTE 17: Financial instruments and risk management continued

The following table sets out the carrying amount and effective interest rate, by contractual maturity, of the financial instruments that are exposed to interest rate risk:

Year ended 31 May 2016	< 1 year \$	> 1 year \$	Total \$	Weighted average effective interest rate for the year
Financial assets				
Short term deposits NAB				
Fixed rate	6,600,000	-	6,600,000	2.98%
Cash at bank				
Floating rate (a)	907,505	-	907,505	1.74%
Short term deposits ANZ				
Fixed rate	1,060,000	-	1,060,000	3.04%
Debt Investments				
Fixed/Floating rate	-	4,566,819	4,566,819	3.95%

Year ended 31 May 2015	< 1 year \$	> 1 year \$	Total \$	Weighted average effective interest rate for the year
Financial assets				
Short term deposits NAB				
Fixed rate	14,400,000	-	14,400,000	3.55%
Cash at bank				
Floating rate (a)	805,338	-	805,338	2.09%

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year.

Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

(a) The KidsMatter bank account balance of \$40,943 is included in ' < 1 year \$ Floating rate ' at 31 May 2016 (\$282,485 at 31 May 2015). Funds received from *beyondblue* to deliver services in support of the KidsMatter initiative are maintained in a separate bank account and not invested in short term deposits, as required under the signed service agreement between *beyondblue* and the APS.

Price risk

The APS exposure to equity securities price risk arises from investments held by the APS and classified in the balance sheet as financial assets at fair value through OCI.

To manage its price risk arising from investments in equity securities, the APS diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Investment Policy of the APS.

All of the APS equity investments are publicly traded and are included either in the Australian Securities Exchange 200 Index or the NYSE International 100 Index.

Note 18: Interest in associated entities

The Australian Psychology Accreditation Council Limited (APAC), a public company limited by guarantee, was incorporated on 24 November 2005 with two members, The Australian Psychological Society Limited (the APS) and The Council of Psychologists Registration Boards [Australia] Inc (CPRB). APAC was formed to establish standards of education for the training and registration of psychologists throughout Australia, and to assess whether Schools of Psychology of Australian universities and non-university providers meet these standards. Effective 1 July 2010 national registration for the health professions including psychologists was introduced triggering the wind-up of one of the members of APAC, the CPRB. As a result, the APS was the sole member of APAC until 29 May 2014 when a new APAC Constitution was adopted.

Under the new Constitution APAC has three members, each with equal voting rights – the APS, the Psychology Board of Australia (PsyBA) Member [the PsyBA may appoint an individual to be a member of APAC], and the Heads of Departments and Schools of Psychology Association (HODSPA).

Key aspects of the APS’ membership of APAC as set out in APAC’s Constitution are:

- If APAC is wound up the maximum amount the APS may be required to contribute is \$20;
- No income or property of APAC can be paid or transferred directly or indirectly to the APS, except in a limited number of prescribed situations which broadly cover commercial transactions for the supply of goods and services to APAC; and
- The right to appoint up to four Directors to the APAC Board (of a maximum of 12 Directors) as nominees of the APS, with each of the PsyBA and HODSPA also having the right to appoint up to four Directors to the APAC Board.

The Mental Health Professionals’ Network (MHPN), is a not-for-profit public company limited by guarantee and funded by the Australian Government Department of Health, was incorporated on 12 June 2008 with four members; The Australian Psychological Society Limited (the APS), The Royal Australian College of General Practitioners (RACGP), The Royal Australian and New Zealand College of Psychiatrists (RANZCP) and the The Australian College of Mental Health Nurses (ACMHN). MHPN was formed to establish and promote the quality of patient care through: supporting and sustaining across Australia clinical interdisciplinary groups of mental health professionals working in the primary care sector; and development of a national interactive website that provides online professional development to practitioners working in community mental health.

MHPN also have three partner organisations actively supporting MHPN’s company objectives and principal activities being; The Australian Association of Social Workers (AASW), Occupational Therapy Australia (OTA) and The Australian College of Rural and Remote Medicine (ACRRM).

The APS’ membership as set out in the MHPN constitution states that if MHPN is wound up, each member is required to contribute a maximum of \$100 towards meeting any outstanding debts and obligations of the Company.

NOTE 19: Auditor’s remuneration

	2016 \$	2015 \$
During the year the following fees were paid or payable for services provided by the auditors of the APS, PricewaterhouseCoopers Australia:		
- audit and review of financial statements	42,440	41,200
- audit or review of various externally funded projects (as required by project contracts)	5,740	15,739
- accounting advice	8,000	4,299
TOTAL AUDITOR’S REMUNERATION	56,180	61,238

DIRECTORS' DECLARATION 2016

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 27 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards-Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the entity's financial position as at 31 May 2016 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company 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 Directors.



Mike Kyrios
President



Sue Carter
Director

Melbourne 29 July 2016

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the members of The Australian Psychological Society Limited

Report on the financial report

We have audited the accompanying financial report of The Australian Psychological Society Limited (the company), which comprises the statement of financial position as at 31 May 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility 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 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 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 and fair presentation of the financial report 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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INDEPENDENT AUDITOR'S REPORT continued



Auditor's opinion

In our opinion, the financial report of The Australian Psychological Society Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 May 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Amanda Campbell

Amanda Campbell
Partner

Melbourne
29 July 2016

A decorative border at the bottom of the page consisting of a dense pattern of stylized leaves in various shades of brown and tan. The leaves are scattered and overlap, creating a textured, organic look.

FSC



APS

Australian
Psychological
Society

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