

Financial report

Australian Psychological Society
30 June 2022



The Australian Psychological Society Limited
Directors report
30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Principal activities

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.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Tamara Cavenett
Andrew Chua
Anthony Cichello
Emeritus Professor Simon Crowe
Michael Di Mattia (retired on 21 October 2021)
Paul Flanagan (retired on 21 October 2021, re-appointed on 17 November 2021)
Kathrine Johansen (retired on 21 October 2021)
Elizabeth Kennedy
Mark McEnallay
Dr Sara Quinn
Dr Catriona Davis-McCabe (elected on 21 October 2021)
Stacy Bell (elected on 21 October 2021)
Michael Burge OAM (resigned on 3 June 2022)

Objectives

The Australian Psychological Society's objectives are to advance psychological health in the Australian community by:

- a) advancing the science of psychology and contributing to the betterment of human health, welfare and/or performance through psychological research, education, care, support and practice;
- b) establishing and promoting high standards of training, education and conduct in psychology to prevent and treat mental health conditions and improve human functioning;
- c) encouraging the development and application of psychological knowledge and science to improve individual lives and support the community in responding to increasingly complex societal issues;
- d) promoting or opposing change to law, policy or practice relating to psychology;
- e) publishing, distributing and providing a collaborative and authoritative repository for psychological knowledge to increase the quality of care and safe practice of psychology; and
- f) encouraging collegiate training, support and advancement to promote excellence and high standards of care in the community.

Strategy for achieving the objectives

The APS Board has established a strategy and an implementation plan to ensure APS objectives are achieved. The APS implementation plan includes 127 deliverables across 2020 - 2023. Of those deliverables, 80% have been achieved and the remaining 20% are on track for completion in 2022/2023.

Performance measures

The Australian Psychological Society's management monitors and reports on performance to the Board through established governance reporting procedures during regular:

- Meetings of the Board of Directors
- Finance Investment and Audit Committee meetings, and
- Governance and Risk Committee meetings

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Review of operations

The Australian Psychological Society reported a net deficit of \$682,599 for the financial year (comparative period of 1 June 2021 to 30 June 2021: \$160,313 surplus and the year ended 31 May 2021: \$2,746,979 surplus). A number of factors have contributed to the operating result for the year including continued growth in membership numbers with a 6% increase in fees and subscriptions; a return to face-to-face conferences and events using hybrid modes of delivery; continuing positive contributions from Professional Development with a 13% increase in gross revenue coming from webinars, Supervisor training and eLearning offerings to members; and finally, management of operating costs with overall costs being kept below CPI rates.

Volatility in financial markets had a negative impact on the value of our investment portfolio with a net loss in the value of the portfolio reported in the accounts of \$899,057 (\$261,482 gain for the period 1 June 2021 to 30 June 2021 and \$1,043,422 gain for the year ended 31 May 2021). The portfolio continues to be managed along strong Environmental, Social and Corporate Governance (ESG) principles and is subject to close monitoring by the Finance Investment and Audit Committee and the Board.

Change in accounting standards interpretation: Digital Transformation

The major impact on the operating result was the expensing of Digital Transformation costs of \$2,418,748 due to a change in accounting interpretations by the Australian Accounting Standards Review Board. In the past, these expenses would have been capitalised and depreciated once they were installed and ready for use. Had the revised interpretation not been implemented, we estimate that the operating result would have been a surplus of approximately \$1.74m.

Dividends

The Society is a company limited by guarantee, and its Constitution precludes the payment of dividends.

Information on Directors

Name:	Tamara Cavenett
Title:	President
Qualifications:	FAPS, GAICD
Experience and expertise:	Tamara was elected as President-Elect effective from the conclusion of the 2019 AGM held on 26 October 2019 and commenced her term as President following the 2020 AGM held on 16 October 2020. Tamara is an experienced practitioner with substantial experience in both professional and organisational leadership. Currently in private practice, she previously held senior management positions, including managing Adelaide's leading private outpatient psychiatric hospital. This included supervision of, and responsibility for a multidisciplinary team, as well as full responsibility for all operations, managing all non-clinical staff departments, corporate governance and accreditation. In addition to post-graduate training in psychology, Tamara has undertaken formal training in executive leadership. She has been a member of the APS since 2011.
Special responsibilities:	None
Name:	Anthony Cichello
Title:	General Director
Qualifications:	FAPS
Experience and expertise:	Anthony commenced his term as a General Director following the 2020 AGM held on 16 October 2020 and will complete that term at the conclusion of the 2023 AGM. Anthony is a Clinical, Health and Counselling Psychologist in private practice in the Melbourne CBD. He has served as a Past President of The Australian Psychological Society (APS: 2016-2018), on the APS Board of Directors (2014-2018), and in senior leadership roles on the APS College of Clinical Psychologists as National Chair (2010-2014), National Secretary (2006-2010) and Victorian Section Chair (2009-2012). He is a Fellow of the APS and a Fellow of the APS Colleges of Clinical Psychologists, Health Psychologists and Counselling Psychologists. He has been awarded the Clinical College's Award of Distinction (National) and Significant Contribution Award (Victoria) in recognition of his leadership history in the profession. He has been a member of the APS since 2003.
Special responsibilities:	None

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Name: **Andrew Chua**
Title: General Director
Qualifications: FAPS, GAICD
Experience and expertise: Andrew commenced his term as a General Director following the 2020 AGM held on 16 October 2020 and will complete that term at the conclusion of the 2023 AGM. Andrew is a psychologist and has been an APS member for over 20 years. His broad range of qualifications and experiences across many different disciplines and settings, including navigating various intersectionality issues in a diversity of contexts, provides innovative lenses to facilitate individuals and teams apply and integrate psychology beyond clinical paradigms. He has extensive working experience in community, secondary and tertiary educational contexts, and leadership roles in various multicultural and spiritual/religious spheres. He is a past recipient of the Division of General Psychological Practice Significant Contribution Award in psychology education, sexuality education, leadership, and innovative member engagement. He has been a member of the APS since 1994.

Special responsibilities: None

Name: **Emeritus Professor Simon Crowe**
Title: General Director
Qualifications: Hon FAPS, FAICD
Experience and expertise: Simon commenced his term as a General Director following the 2019 AGM held on 26 October 2019 and will complete that term at the conclusion of the 2022 AGM. Simon is an Emeritus Professor of Neuroscience and Clinical Neuropsychology in the School of Psychology and Public Health, La Trobe University. He is a past President of The Australian Psychological Society (APS: 2010-2012) and was on the Board of the APS from 2006-2010. Emeritus Professor Crowe has been extensively involved in the psychology curriculum for upper secondary education and was Chief examiner for year 12 Psychology in Victoria from 2003-2004. He has been a member of the APS since 1986.

Special responsibilities: None

Name: **Michael Di Mattia (retired on 21 October 2021)**
Title: General Director
Qualifications: FAPS, GAICD
Experience and expertise: Michael commenced his term as a General Director following the 2018 AGM held on 28 September 2018 and completed his term at the conclusion of the 2021 AGM. Michael is a Fellow of the APS and a Fellow of the College of Counselling Psychologists and member of DPRET. Michael has been actively involved in the APS throughout his career, including serving as National Chair of the Counselling College for five years. In 2019 he received the Counselling College's Award of Distinction in recognition of his contribution to the field. Michael has been a practicing psychologist for over 20 years, working in settings including community health, tertiary counselling, and private practice. In recent years, Michael has moved into academia and currently works as a Senior Lecturer at the Cairnmillar Institute while maintaining a small private practice. He has been a member of the APS since 1996.

Special responsibilities: None

Name: **Paul Flanagan (retired on 21 October 2021, re-appointed on 17 November 2021)**
Title: Additional Director
Qualifications: MAPS, GAICD
Experience and expertise: Paul commenced his term as an Additional Director on 7 February 2020 and was re-appointed by the Board to serve on 17 November 2021. Paul will complete that term at the conclusion of the 2022 AGM. Paul is a Psychologist with Organisational endorsement and has 20 years' experience as a company director in private sector companies. Paul was a founder of Davidson Trahaire Corpsych, a national EAP and Consulting firm, and the Employee Assistance Professionals Association of Australia. During his career Paul has also been on government advisory bodies and has worked internationally in employee psychological health. He is currently a Director of Executive Health Solutions, a corporate health service, and Life Street, an employee assistance and wellbeing company. He has been a member of the APS since 1979.

Special responsibilities: None

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Name: **Kathrine Johansen (retired on 21 October 2021)**
Title: General Director
Qualifications: MAPS
Experience and expertise: Kathrine commenced her term as a General Director following the 2018 AGM held on 28 September 2018 and completed her term at the conclusion of the 2021 AGM. Kathrine runs two private psychological clinics in Perth. Kathrine's special practice interests are assessment and therapy of adult Attention Deficit Hyperactivity Disorder (ADHD) and Autism Spectrum Disorder (ASD) and healing from developmental trauma. She has been a member of the APS since 1996.

Special responsibilities: None

Name: **Elizabeth Kennedy**
Title: Additional Director
Qualifications: B.A LL.B (Hons), LL.M (Melb), Grad Dip (Health and Medical Law), GAICD
Experience and expertise: Elizabeth commenced her term as an Additional Non Psychology Director on 1 December 2020 and will complete that term at the conclusion of the 2023 AGM. Elizabeth is a practising lawyer with expertise in health and medical law. She has worked as a lawyer in the health sectors - both public and private - for many years and has advised and acted for hospitals and health professionals in that capacity. She is also a Director of Western Health, East Melbourne Primary Health Network, the legal member of the Victorian Pharmacy Authority and a member of the Council of Janet Clarke Hall.

Special responsibilities: Chair of the Governance & Risk Committee

Name: **Mark McEnallay**
Title: Additional Director
Qualifications: FCPA, FAICD, FGIA
Experience and expertise: Mark commenced his term as an Additional Non Psychology Director on 23 November 2020 and will complete that term at the conclusion of the 2023 AGM. Mark is an experienced senior finance executive and Non-Executive Director. He spent much of his early executive career in financial positions within manufacturing operations in Australia and internationally. After returning to Australia, he worked with Reckitt & Colman (now Reckitt Benckiser), Hitachi Data systems, Victa lawnmowers and ASX listed Medical Australia Limited. More recently, Mark has focused on governance roles, being the Company Secretary and Executive General Manager of Governance, Risk and Compliance of RSL LifeCare Limited, an Australian top 100 aged care provider, from 2017 until 2019. He sits on the board of Link Wentworth Housing Limited, a social and affordable housing provider, chaired their Risk and Audit committee from 2013 until 2021 and was their Company Secretary from 2016-2017.

Special responsibilities: Chair of the Finance, Investment and Risk Committee.

Name: **Dr Sara Quinn**
Title: General Director
Qualifications: MAPS, GAICD
Experience and expertise: Sara commenced her term as a General Director following the 2020 AGM held on 16 October 2020 and will complete that term at the conclusion of the 2023 AGM. Dr Sara Quinn is an Early Career Clinical Psychologist with experience working at an individual, organisational, and community level. She currently works for Federal Government and the Australian Federal Police and is the owner of a small private practice. She won the APS Student Prize for the College of Clinical Psychologists for her PhD in Clinical Psychology. Until recently, she has been a post-graduate lecturer at the Australian National University (ANU) and has held a research role with the ANU Language Lab - her research in cognitive development is published in peer-reviewed journals and has been presented internationally. She has been a member of the APS since 2015.

Special responsibilities: None

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Name: **Stacy Bell**
 Title: Director
 Qualifications: MAPS, GAICD
 Experience and expertise: Stacy commenced her term as a General Director following the 2021 AGM held on 21 October 2021 and will complete that term at the conclusion of the 2024 AGM. Stacy runs a private practice in South Australia and has a particular interest in veteran mental health, current serving members and first responders. Stacy has significant leadership experience, having managed an outpatient psychiatric hospital for ten years.
 Special responsibilities: None

Name: **Michael Burge OAM (resigned on 3 June 2022)**
 Title: General Director
 Qualifications: FAPS
 Experience and expertise: Michael's term as a General Director commenced following the 2021 AGM held on 21 October 2021 and concluded on 3 June 2022. Michael is a Fellow of the APS College of Counselling Psychology and was awarded the Order of Australia Medal in 2020 for his service to psychology and communication in developing training and treatment protocols for trauma. Michael was on the Board of the APS from 2012 to 2015.
 Special responsibilities: None

Name: **Dr Catriona Davis-McCabe**
 Title: President-Elect
 Qualifications: MAPS, GAICD
 Experience and expertise: Catriona was elected as President-Elect effective from the conclusion of the 2021 AGM held on 21 October 2021 and will commence her term as President following the 2022 AGM. Catriona is a Counselling Psychologist and Fellow of the APS College of Counselling Psychologists. She has worked as an academic for the last 12 years, as a Senior lecturer and then Program Director of postgraduate psychology programs, training future psychologists in both the UK and Australia. Catriona is an active researcher in her field and has published in peer-reviewed journals. She supervises psychology honours and PhD students. Catriona also runs a private clinical practice offering psychological assessment and treatment
 Special responsibilities: None

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Finance, Investment and Audit Committee		Governance and Risk Committee	
	H	A	H	A	H	A
Tamara Cavenett	7	7	6	6	4	4
Stacy Bell	5	4	-	-	-	-
Andrew Chua	7	7	-	-	-	-
Anthony Cichello	7	5	-	-	-	-
Simon Crowe	7	6	-	-	4	3
Catriona Davis-McCabe	5	5	3	2	2	1
Paul Flanagan	5	5	5	5	4	4
Elizabeth Kennedy	7	7	-	-	4	4
Mark McEnallay	7	7	6	6	-	-
Sara Quinn	7	7	-	-	-	-
Michael Burge	5	4	-	-	-	-
Michael Di Mattia	2	2	3	1	-	-
Kathrine Johansen	2	1	-	-	-	-

H: represents the number of meetings held during the time the director held office or was a member of the relevant committee.
 A: represents the number of meetings attended during the period

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Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Tamara Cavenett
President

19 October 2022
Adelaide

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of The Australian Psychology Society Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Rsm

RSM AUSTRALIA PARTNERS



K J DUNDON
Partner

Dated: 19 October 2022
Melbourne, Victoria

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General information

The financial statements cover The Australian Psychological Society Limited as an individual entity. The financial statements are presented in Australian dollars, which is The Australian Psychological Society Limited's functional and presentation currency.

The Australian Psychological Society Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

The Australian Psychological Society
11th Floor
257 Collins Street
Melbourne VIC 3000

Principal place of business

The Australian Psychological Society
11th Floor
257 Collins Street
Melbourne VIC 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 October 2022. The directors have the power to amend and reissue the financial statements.

The Australian Psychological Society Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	For the period from 1 June 2021 to 30 June 2021 \$
Revenue from operating activities	3	17,929,485	1,323,479
Finance income	3	224,962	9,890
Fair value gain/(loss) on financial assets at fair value through profit and loss		(899,057)	261,482
Other income	3	91,779	3,668
Total Revenue From Continuing Operations		17,347,169	1,598,519
Expenses from continuing operations			
Governance, management and administration expense		(4,144,159)	(473,619)
Information technology expense		(1,676,602)	(193,264)
Policy expense		(727,915)	(49,278)
Professional Standards and Funded Projects expense		(1,928,982)	(159,937)
Membership, Member Groups and Events expense		(3,000,587)	(174,408)
Publications, Resources and PAS expense		(866,150)	(126,650)
Marketing and Communications expense		(1,200,164)	(84,104)
Depreciation and Amortisation expense		(1,508,677)	(127,163)
Digital Transformation expense		(2,418,748)	-
Finance expense		(557,784)	(49,783)
Total expenses from continuing operations	4	(18,029,768)	(1,438,206)
Surplus/(deficit) from operations for the period		(682,599)	160,313
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(682,599)	160,313

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

The Australian Psychological Society Limited
Statement of financial position
As at 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	11,781,956	9,668,502
Short-term deposits	5	1,558,760	1,345,525
Trade and other receivables	7	2,590,888	1,933,211
Prepayments		849,479	599,225
TOTAL CURRENT ASSETS		16,781,083	13,546,463
Non-CURRENT ASSETS			
Property, plant and equipment	8	6,685,185	7,960,882
Financial assets at fair value through profit and loss (FVPL)	14	9,080,201	10,045,229
TOTAL NON-CURRENT ASSETS		15,765,386	18,006,111
TOTAL ASSETS		32,546,469	31,552,574
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	2,167,870	1,543,907
Deferred revenue	10	10,514,680	8,847,828
Employee benefits provisions	11	976,797	739,753
Lease Liabilities	12	984,822	860,628
TOTAL CURRENT LIABILITIES		14,644,169	11,992,116
Non-CURRENT LIABILITIES			
Provisions	11	392,921	383,658
Lease Liabilities	12	6,299,099	7,283,921
TOTAL NON-CURRENT LIABILITIES		6,692,020	7,667,579
TOTAL LIABILITIES		21,336,189	19,659,695
NET ASSETS		11,210,280	11,892,879
Equity			
Retained earnings	13	11,210,280	11,892,879
TOTAL EQUITY		11,210,280	11,892,879

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

The Australian Psychological Society Limited
Statement of Changes in Equity
For the year ended 30 June 2022

	Note	30 June 2022	30 June 2021
		\$	\$
OPENING RETAINED EARNINGS		11,892,879	11,732,566
Surplus / (deficit) for the year / period		<u>(682,599)</u>	<u>160,313</u>
CLOSING RETAINED EARNINGS	13	<u>11,210,280</u>	<u>11,892,879</u>
TOTAL EQUITY		<u><u>11,210,280</u></u>	<u><u>11,892,879</u></u>

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

The Australian Psychological Society Limited
Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 \$	For the period from 1 June 2021 to 30 June 2021 \$
Cash flows from operating activities			
Receipts from customers and members (inclusive of GST)		20,917,387	6,576,612
Payments to suppliers, employees and others (inclusive of GST)		(16,871,876)	(1,413,910)
Interest on Right-Of-Use-Asset		(557,784)	(49,354)
Other costs of finance paid (including merchant fees)		-	(33,262)
Net cash inflows from operating activities		<u>3,487,727</u>	<u>5,080,086</u>
Cash flows from investing activities			
Dividends received		125,084	8,751
Interest received		33,878	2,366
Payments for acquisition of financial assets		(2,403,655)	(383,500)
Payments for investment adviser fees		(60,157)	(4,468)
Proceeds from sale of financial assets		2,423,668	-
Payments for property, plant and equipment and intangibles		(437,187)	(79,921)
Net cash outflow from investing activities		<u>(318,369)</u>	<u>(456,773)</u>
Cash flows from financing activities			
Payment of lease liabilities		(859,076)	(66,648)
Net cash outflow from financing activities		<u>(859,076)</u>	<u>(66,648)</u>
Net increase in cash and cash equivalents		<u>2,310,282</u>	<u>4,556,665</u>
Foreign Currency movement		16,407	2,634
Cash and cash equivalents at the beginning of the financial period		11,014,027	6,454,728
Cash and cash equivalents at the end of the financial period	5	<u><u>13,340,716</u></u>	<u><u>11,014,027</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties and lease payments.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparative Period

The financial statements have been prepared using comparatives for the one-month period from 1 June 2021 to 30 June 2021. This is a result of the company changing their financial year end from 31 May to 30 June in the comparative year.

ACNC Registration

The company has been admitted as a registered charity by the Australian Charities and Not-for-profits Commission as of 21 December 2021 which has changed reporting requirements and tax concessions.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Service revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the amount will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Membership subscriptions

Membership subscription fees are recognised as revenue over the period in which the membership relates to.

Note 1. Significant accounting policies (cont.)

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 days.

Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Right of use assets

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- Any lease payments made at or before the commencement date less any lease incentive received; plus
- Any initial direct costs incurred; and
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Subsequent measurement

Property, plant and equipment as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment.

Note 1. Significant accounting policies (cont.)

Depreciation and Amortisation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Asset class	Useful life
Plant and equipment	3 - 8 years
Intangible assets	3 - 7 years
Right of use assets	10 years

The residual values, useful lives, depreciation and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Note 1. Significant accounting policies (cont.)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

	2022	For the period from 1 June 2021 to 30 June 2021
	\$	\$
Note 3: Revenue		
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
Revenue from operating activities:		
Corporate Service and Business Development Revenue	1,943,025	258,674
Professional Standards and Funded Projects Revenue	2,434,674	309,627
Membership, Member Groups & Events Revenue	13,375,344	727,905
Publications and Resources Revenue	176,442	27,273
	17,929,485	1,323,479
Finance Income		
Interest revenue from short term deposits	6,798	-
Interest revenue from trading accounts	27,080	1,743
Dividends and Interest from long term investments	191,084	8,147
	224,962	9,890
Other income		
Government assistance	91,779	-
Other Revenue	-	3,668
	91,779	3,668
Note 4: Expenses		
The operating surplus/(deficit) includes the following expenses:		
Depreciation and amortisation of property and equipment and right of use assets	1,508,677	127,163
Wages and salaries	7,751,032	598,502
Superannuation costs	725,168	45,770
Provisions:		
Long service leave	44,391	5,529
Annual leave	196,364	36,595

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

Note 5: Cash and cash equivalents

	30 June 2022	30 June 2021
	\$	\$
Cash at bank and cash equivalents	11,781,956	9,668,502
Short-term deposits	(a) 1,558,760	1,345,525
	<u>13,340,716</u>	<u>11,014,027</u>

Cash at bank earns interest at floating rates on daily deposits rates. Term deposits are made for one month to six months and earn interest on the respective short term deposit rates.

(a) These short term deposits with maturity longer than three and up to twelve months from the date of acquisition are organised throughout each financial year so that maturity dates align with working capital needs, to support the company's day to day operations.

Short term deposits include a \$785,000 twelve-month term deposit held with the Commonwealth Bank (CBA). This amount is required to be held in a term deposit with CBA due to the bank guarantee that was required as part of the lease of its National Office premises at 257 Collins Street, Melbourne.

Each APS Member Group may receive 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, Cash Equivalents and short term deposits' amount shown above and held, along with other APS funds, in appropriate term deposit accounts. APS Member Groups funds of \$2,458,605 are included in the 'Total Cash, Cash Equivalents and short term deposits' at 30 June 2022 (30 June 2021: \$2,503,391). 151 Member Groups were active at 30 June 2022 (30 June 2021: 177).

Note 6: Reconciliation of cash flows

	30 June 2022	30 June 2021
	\$	\$
Reconciliation of surplus/(deficit) for the period to net cash flows from operating activities:		
Surplus / (Deficit) from operations for the year / period	(682,599)	159,835
Plus/(minus) non-cash items and investing activities cash items:		
Depreciation and amortisation	1,508,677	127,592
Interest received from short term deposits	(33,878)	1,604
Dividends and Interest received from long term investments	(191,084)	(8,147)
Payments for Investment adviser fees	60,157	3,398
Fair value loss/(gain) on financial assets through profit and loss	899,057	(261,482)
Write off to digital transformation expense	204,207	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(563,678)	(1,637,743)
Decrease/(increase) in prepayments	(250,254)	9,112
(Decrease)/increase in trade and other payables	2,290,815	6,642,378
(Decrease)/Increase in provisions for employee benefits and make good	246,307	43,539
Net Cash Inflow From Operating Activities	<u>3,487,727</u>	<u>5,080,086</u>

Note 7: Trade and other receivables

Advertising, products, sponsorship and commission	95,776	122,988
Other debtors and accrued revenue	2,495,112	1,810,223
	<u>2,590,888</u>	<u>1,933,211</u>

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

Note 8: Property, plant and equipment

	Plant and equipment	Leasehold improvements	Intangibles	Right of use assets	Total
	\$	\$	\$	\$	\$
At 30 June 2021					
Cost	489,769	487,279	981,903	10,326,490	12,285,441
Accumulated Depreciation	(220,398)	(12,138)	(477,752)	(3,614,271)	(4,324,559)
Net book amount	269,371	475,141	504,151	6,712,219	7,960,882
At 30 June 2022					
Cost	22,804	487,279	1,681,849	10,326,490	12,518,422
Accumulated Depreciation	(3,433)	(84,972)	(1,097,215)	(4,647,617)	(5,833,237)
Net book amount	19,371	402,307	584,634	5,678,873	6,685,185

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

	Plant and equipment	Leasehold improvements	Intangibles	Right of use assets	Total
	\$	\$	\$	\$	\$
Balance at 1 June 2021	224,066	481,211	504,574	6,798,273	8,008,124
Additions	58,743	-	21,178	-	79,921
Depreciation expense	(13,438)	(6,070)	(21,601)	(86,054)	(127,163)
Balance at 30 June 2021	269,371	475,141	504,151	6,712,219	7,960,882
Additions	20,240	-	416,947	-	437,187
Transfers	(63,406)	-	63,406	-	-
Write off of digital transformation project related expense	(204,207)	-	-	-	(204,207)
Depreciation expense	(2,627)	(72,834)	(399,870)	(1,033,346)	(1,508,677)
Balance at 30 June 2022	19,371	402,307	584,634	5,678,873	6,685,185

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

Note 9: Trade and other payables

	30 June 2022	30 June 2021
	\$	\$
Trade creditors	227,961	89,494
Other payables	1,939,909	1,454,413
TOTAL TRADE AND OTHER PAYABLES	<u>2,167,870</u>	<u>1,543,907</u>

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 \$485,000, related to the lease of its National Office premises at 257 Collins Street, Melbourne under a lease agreement commencing 1 January 2018 for a term of ten years. The lease agreement is with RAM Investments No.1 Pty Ltd.

Note 10: Deferred revenue

	30 June 2022	30 June 2021
	\$	\$
Revenue received in advance:		
Membership subscriptions	8,865,152	7,817,489
Event income (conferences and workshops)	334,339	87,538
Externally funded projects	897,799	641,051
Other	417,390	301,750
TOTAL DEFERRED REVENUE	<u>10,514,680</u>	<u>8,847,828</u>

Note 11: Provisions

CURRENT

Employee benefits		
Annual leave (a)	762,348	565,984
Long service leave (a)	214,449	173,769
	<u>976,797</u>	<u>739,753</u>

NON-CURRENT

Employee benefits - Long service leave (a)	85,913	82,202
Make-good provision (b)	307,008	301,456
	<u>392,921</u>	<u>383,658</u>
TOTAL PROVISIONS	<u>1,369,718</u>	<u>1,123,411</u>

(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 of 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.

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

Note 12: Leases	30 June 2022	30 June 2021
	\$	\$
Lease liability		
Current		
Lease liability	984,822	860,628
Non-current		
Lease Liability	6,299,099	7,283,921
TOTAL LEASE LIABILITY	<u>7,283,921</u>	<u>8,144,549</u>

Future lease payments

Future lease payments are due as follows:

Within one year	1,476,654	1,419,860
One to five years	6,521,380	6,270,558
More than five years	880,674	2,608,150
Minimum future lease payments	8,878,708	10,298,568
Less: future finance expenses	(1,594,787)	(2,154,019)
Present value of minimum lease payments	<u>7,283,921</u>	<u>8,144,549</u>

Note 13: Retained earnings and other reserves

Retained earnings

Balance at the beginning of the financial period	11,892,879	11,732,566
Surplus / (deficit) for the year / period	(682,599)	160,313
Retained earnings at the end of the financial year	11,210,280	11,892,879
TOTAL MEMBERS' EQUITY AT THE END OF THE FINANCIAL YEAR	<u>11,210,280</u>	<u>11,892,879</u>

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.

Note 14: Financial instruments and risk management

Fair value through P&L

Equity instruments	3,689,356	4,628,635
Debt instruments	5,390,845	5,416,594
TOTAL INVESTMENTS	<u>9,080,201</u>	<u>10,045,229</u>

Note 15: Key Management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022	For the period from 1 June 2021 to 30 June 2021
	\$	\$
Aggregate key management personnel compensation	<u>1,238,014</u>	<u>98,948</u>

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	2022	For the period from 1 June 2021 to 30 June 2021
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements	<u>33,500</u>	<u>21,000</u>

Note 17. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 18. Commitments

The company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Note 19: Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

Transactions with related parties

As disclosed in note 20, the Australian Psychology Accreditation Council Limited (APAC) and Mental Health Professionals Network (MHPN) are related parties.

Throughout the reporting period the APS provided a limited range of support services to MHPN including office space, certain IT support, as well as accounting services.

	30 June 2022	30 June 2021
	\$	\$
The following transactions occurred with MHPN		
Received from MHPN during the financial year, GST inclusive	151,700	13,469
Revenue, as recognised in the APS' Statement of Comprehensive Income	137,488	12,030

Receivable from and payable to related parties

The following transactions occurred with MHPN

Receivables at year end, GST inclusive	12,771	13,233
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Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2022

Note 20: Interests in associated entities

The Australian Psychology Accreditation Council Limited

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 (APS) and The Council of Psychologists Registration Boards 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, 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

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 (APS), The Royal Australian College of General Practitioners (RACGP), The Royal Australian and New Zealand College of Psychiatrists (RANZCP) and 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 21: Events after reporting date

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

The Australian Psychological Society Limited
Directors' declaration
30 June 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012* and Victorian legislation *Fundraising Act 1998* and associated regulations, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

On behalf of the directors



Tamara Cavenett
President

Adelaide
19 October 2022

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT To the Members of the Australian Psychological Society

Opinion

We have audited the financial report of The Australian Psychological Society Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



KRISTIE DUNDON
Partner

Date: 19 October 2022
Melbourne, Victoria