

2021 FINANCIAL REPORT

Ending 30 June 2021

The Australian Psychological Society Limited
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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 is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2021.

Learn more about APS activities over the past year at
psychology.org.au/annual-report

The Australian Psychological Society Limited
Director's report
30 June 2021

The Directors present their report on the results of The Australian Psychological Society Limited (the APS) ABN 23 000 543 788 for the financial period from 1 June 2021 to 30 June 2021 and the state of affairs of the APS at 30 June 2021.

The Board

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

Ms Tamara Cavenett FAPS GAICD – 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.

Mr Anthony Cichello FAPS – 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.

Mr Andrew Chua FAPS – 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.

Professor Simon Crowe Hon FAPS FAICD - 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 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. 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.

Mr Michael Di Mattia MAPS GAICD commenced his term as a General Director following the 2018 AGM held on 28 September 2018 and will complete 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.

Mr Paul Flanagan MAPS GAICD – commenced his term as an Additional Director on 7 February 2020 and was re-appointed by the Board to serve on 22 October 2020. Paul will complete that term at the conclusion of the 2021 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.

Ms Kathrine Johansen MAPS – commenced her term as a General Director following the 2018 AGM held on 28 September 2018 and will complete 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 consults to universities, government and nongovernment organisations in Asia and has been on the Advisory Council to the Minister for Child Protection in Western Australia. She has been a member of the APS since 1996.

Ms Elizabeth Kennedy GAICD – 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, is the legal member of the Victorian Pharmacy Authority and a member of the Council of Janet Clarke Hall. Elizabeth is the current Chair of the Governance and Risk Committee.

Mr Mark McEnallay FCPA FAICD FGIA – 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. Mark is the current Chair of the Finance, Investment and Risk Committee.

Dr Sara Quinn MAPS – 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, as a post-graduate lecturer at the Australian National University (ANU) 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, has held a research role with the ANU Language Lab, and 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.

All of those who were APS Directors during the financial period covered by this report, as listed above, have completed either the Australian Institute of Company Directors (AICD) Company Directors Course or one or more other AICD courses for Directors, 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 practice of psychology. There were no significant changes in the nature of these activities during that period.

Change of financial year end date

During the period, the APS changed its financial year ended date from 31 May to 30 June. At the 2020 Annual General Meeting, members voted to change the end of financial year to align our financial year to modern commercial practice. These financial statements therefore cover a one-month period from 1 June 2021 to 30 June 2021.

Operating and financial review

The profit for the period ended 30 June 2021 is \$160,313 (year ended 31 May 2021: profit of \$2,746,979).

A number of factors have contributed to a positive operating result for the period ended 30 June 2021 including growth in member numbers; the expansion of the APS's educational offering to the membership during COVID-19 pandemic; and growth in the value of the APS investment portfolio, which is reflected in the operating statements and Balance Sheet.

Digital Transformation

The APS Board has committed to a Digital Transformation Program spanning a period of 3 years that commenced in December 2020. The Program is overseen by the Chief Digital Officer and supported by a Steering Group comprised of Board Directors, APS Members, external auditors, and consultants.

The review of the operations during the financial year, including our organisation wide response to the COVID-19 pandemic, which is summarised below, is noted elsewhere in the Annual Report to members.

Risk management

The Board continued to adopt an active approach to risk management that recognised that the APS is engaged in activities that present inherent business, entrepreneurial and operational risks.

In keeping with this principle:

- The Board balances the realisation of opportunities to achieve goals and improve performance with minimising the possibility of financial loss and other adverse impacts.
- In the interests of the enhanced performance of the APS, the Board embraces a responsible approach to risk management as a risk-aware Board, and not a risk-averse one.
- The Board operates and requires management to have regard to the general principles of the Australian Standard on Risk Management (AS/NZS 3100:2018) in managing the APS's risks.
- The identification and management of risk is central to delivering the functions and services of the APS and benefits to APS members.
- The APS will maintain a consistent framework for identifying, assessing, ranking and managing risks and capturing opportunities.
- Risk controls will be put in place to manage risks to an acceptable level. These controls will be regularly reviewed for their effectiveness and improved where necessary.
- By actively identifying and managing risks, the APS aims to increase organisational effectiveness and provide greater certainty and confidence for APS members, staff, and the community about APS operations.

The Board required the CEO and executive staff to ensure that there is a framework for managing risk which is implemented and maintained as part of the day-to-day operations of APS identifying, monitoring and managing material risks. The Board also had a range mechanism in place to ensure that management's objectives and activities are aligned with the risks identified by the Board.

The Australian Psychological Society Limited

Director's report

30 June 2021

These mechanisms 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; and
- 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

There were no significant changes in the state of affairs of the APS during the financial period.

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

There were no significant matters in the state of affairs of the Company subsequent to the end of the financial year, other than the following:

Impact of COVID -19

APS operations continued to be impacted by COVID-19 in a number of ways including cessation all face-to-face member interactions through Colleges, Member Groups Events and Professional Development training as well as requiring all staff to relocate from our offices at 257 Collins Street and continue to work in a "virtual office" at home.

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

The total amount of insurance contract premiums paid was \$2,090 (31 May 2021: \$25,075).

Indemnification of auditors

The APS has entered into an agreement to indemnify their auditors, RSM Australia 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 11, 257 Collins Street
Melbourne VIC 3000

Employees

The APS employed 61 full time equivalent employees as at 30 June 2021 (31 May 2021: 59).

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 fulfil its role and responsibilities various Board Committees, Advisory Groups, Reference Groups and Member Forums are appointed each 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 some of these meetings outside of Melbourne, with the majority of meetings held at the APS's National Office in Melbourne. During the COVID-19 pandemic, all scheduled meetings since March 2020 have been held by electronic means.

Day-to-day management of the organisation's affairs and implementation of corporate strategy and policy initiatives are the responsibility of The APS' Chief Executive Officer, Dr Zena Burgess who commenced on 21 July 2020. Dr Burgess been a member of the APS for over 40 years. She became a Fellow of the APS in 1998 and was a Non-Executive Director from 1996-2000. Dr Burgess holds a PhD in Organisational Psychology and for the past 12 years Zena was the Chief Executive Officer of the Royal Australian College of General Practitioners (RACGP).

The APS' company secretary is Mr Harry Georgalas who is a member of Chartered Accountants Australia and New Zealand for more than 30 years and is a Fellow of the Governance Institute of Australia. He commenced in that role on 18 February 2019.

Key Board Committees are comprised of:

Governance and Risk Committee:

The Governance and Risk Committee (GRC) is to assist the Board to effectively discharge its responsibilities in respect of the following matters:

- the corporate governance framework and policies
- the composition and performance of the Board and Board Committees
- the appointment and election of Directors
- Board and Chief Executive Officer succession planning
- the appointment of the Chief Executive Officer
- director induction and development programs
- ensuring the company has appropriate ethical standards and corporate governance policies and procedures
- the oversight and governance of risks impacting the organisation
- the design, implementation and operation of the Risk Management Framework
- monitoring the risk appetite within which management is required to operate and assessing the overall risk profile and within the material risk types

The Governance and Risk Committee is a standing committee of the Board.

The Governance and Risk Committee comprises an Independent Non-Executive Director as Chair, the President and President- Elect (when applicable), APS Director(s) and up to two non-member experts. The Committee aims to meet at least 4 times per annum.

Finance Investment and Audit Committee:

The Finance Investment and Audit Committee (FIAC) is responsible for the Board to effectively discharge its responsibilities in respect of the following matters:

- financial statements, financial performance and on-going financial viability
- the performance and independence of external audit
- development and monitoring of the APS's investment strategy, and
- insurance program.

The Finance, Investment and Audit Committee is a standing committee of the Board.

The Finance Investment and Audit Committee comprises at a minimum two APS Directors, at least one of whom is an Independent Non-executive Director as Chair and up to two non-member experts. The President and Chief Executive Officer act as ex-officio members. The Committee aims to meet at least 4 times per annum.

Composition of Board

To help ensure that the Board of Directors is diverse in its composition, Directors elected to the Board will be derived as follows:

Board composition per Constitution			
Role	Positions	College or Division	Elected by
President	1	N/A	All voting members
President Elect (in alternate years)	1	N/A	All voting members
General Directors	1	College of Clinical Psychologists	Members of respective College or from DGPP as applicable
	1	College other than Clinical Psychologists	
	2	Division of General Psychological Practice (DGPP)	
	1	Division of Psychological Research, Education and Training (DPRET)	
	1	Early Career Member	All voting members
Additional Directors	2	Non-APS members directors	Appointed by the Board on the recommendation of the Nominations Committee
	2	Additional directors may be appointed who are members of the APS	
Total Directors	12		

The Australian Psychological Society Limited
Director's report
30 June 2021

Directors' meeting including Committee meetings
(1 June 2021 to 30 June 2021)

	Directors' Meetings		Finance, Investment and Audit committee	
	H	A	H	A
Tamara Cavenett	1	1	1	-
Andrew Chua	1	1		
Anthony Cichello	1	1		
Simon Crowe	1	1		
Michael Di Mattia	1	1	1	1
Paul Flanagan	1	1	1	1
Kathrine Johansen	1	1		
Elizabeth Kennedy	1	1		
Mark McEnallay	1	1	1	1
Sara Quinn	1	1		

H = Number of meetings held whilst in office

A = Number of meetings attended

Members' guarantee

The Australian Psychological Society Limited is a public company limited by guarantee. The Society's 27,849 members (31 May 2021: 27,665) have each undertaken to contribute \$20 in the event that the Society is wound up.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required by section 307C of the *Corporations Act 2001* is set out on page 10.

Signed in accordance with a resolution of the Board of Directors



Tamara Cavenett
President

Adelaide
27 September 2021



Mark McEnallay
Director

Sydney
27 September 2021

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 period from 1 June 2021 to 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink that reads 'Rsm'.**RSM AUSTRALIA PARTNERS**A handwritten signature in dark ink that reads 'K J Dundon'.

K J DUNDON
Partner

Dated: 27 September 2021
Melbourne, Victoria

The Australian Psychological Society Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June 2021

		For the period from 1 June 2021 to 30 June 2021 \$	For the year ended 31 May 2021 \$
	Note		
Revenue from operating activities	3	1,323,479	15,883,326
Finance income	3	9,890	225,106
Other income	3	265,150	2,442,604
TOTAL REVENUE FROM CONTINUING OPERATIONS		1,598,519	18,551,036
Expenses from continuing operations			
Governance, management and administration expenses		(473,619)	(4,851,096)
Information technology expenses		(193,264)	(1,831,652)
Policy expense		(49,278)	(847,006)
Professional Standards and Funded Projects expense		(159,937)	(2,374,715)
Membership, Member Groups & Events expense		(174,408)	(1,727,813)
Publications, Resources & PAS expense		(126,650)	(1,114,364)
Marketing & Communications expense		(84,104)	(710,154)
Depreciation and Amortisation expense		(127,163)	(1,659,045)
Finance Expenses		(49,783)	(688,212)
Total expenses from continuing operations	4	(1,438,206)	(15,804,057)
Surplus / (deficit) from operations for the period		160,313	2,746,979
Other comprehensive income for the period		-	-
Total comprehensive income for the period		160,313	2,746,979

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 2021

	Note	30 June 2021	31 May 2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	9,668,502	4,732,620
Short-term deposits	5	1,345,525	1,722,107
Trade and other receivables	7	1,933,211	378,854
Prepayments		599,225	607,679
Total CURRENT ASSETS		13,546,463	7,441,260
Non-CURRENT ASSETS			
Property, plant and equipment	8	7,960,882	8,008,124
Financial assets at fair value through profit and loss (FVPL)	13	10,045,229	9,400,246
TOTAL NON-CURRENT ASSETS		18,006,111	17,408,370
TOTAL ASSETS		31,552,574	24,849,630
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	10,391,735	3,825,994
Employee benefits provisions	10	739,753	701,062
Lease Liabilities	11	860,628	850,773
TOTAL CURRENT LIABILITIES		11,992,116	5,377,829
Non-CURRENT LIABILITIES			
Provisions	10	383,658	378,811
Lease Liabilities	11	7,283,921	7,360,424
TOTAL NON-CURRENT LIABILITIES		7,667,579	7,739,235
TOTAL LIABILITIES		19,659,695	13,117,064
NET ASSETS		11,892,879	11,732,566
Equity			
Retained earnings	12	11,892,879	11,732,566
Other reserves	12	-	-
TOTAL EQUITY		11,892,879	11,732,566

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 period ended 30 June 2021

	Note	30 June 2021	31 May 2021
		\$	\$
OPENING RETAINED EARNINGS		11,732,566	8,802,846
Surplus / (deficit) for the year / period		160,313	2,746,979
Transfer from other reserve		-	182,741
CLOSING RETAINED EARNINGS	12	11,892,879	11,732,566
OPENING OTHER RESERVES		-	182,741
Other comprehensive income		-	-
CLOSING OTHER RESERVES	12	-	-
TOTAL EQUITY		11,892,879	11,732,566

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 period ended 30 June 2021

		For the period from 1 June 2021 to 30 June 2021	For the year ended 31 May 2021
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers and members (inclusive of GST)		6,576,612	16,880,036
Payments to suppliers, employees and others (inclusive of GST)		(1,413,910)	(14,738,339)
Interest on Right-Of-Use-Asset		(49,354)	(622,495)
Other costs of finance paid (including merchant fees)		(33,262)	(165,848)
Net cash inflows / outflows from operating activities		5,080,086	1,353,354
Cash flows from investing activities			
Dividends received		8,751	68,733
Deposits and drawdowns to/(from) investments		-	175,000
Interest received from long term investments		-	118,316
Interest received from short term deposits		2,366	37,837
Payments for acquisition of financial assets		(383,500)	(1,776,657)
Payments for investment adviser fees		(4,468)	(55,077)
Proceeds from sale of financial assets		-	1,229,859
Foreign Currency movement		2,634	(8,400)
Proceeds/(payments) for property, plant and equipment and intangibles		(79,921)	(843,673)
Net cash inflow/(outflow) from investing activities		(454,138)	(1,054,062)
Cash flows from financing activities			
Payment of lease liabilities		(66,648)	(738,293)
Net cash outflow from financing activities		(66,648)	(738,293)
Net (decrease)/increase in cash and cash equivalents		4,559,300	(439,001)
Cash and cash equivalents at the beginning of the financial period		6,454,727	6,893,728
Cash and cash equivalents at the end of the financial period	5	11,014,027	6,454,727

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.

Change in financial year end date

During current period, the APS's financial year end date has been changed from 31 May to 30 June. The financial statements presented therefore cover a one-month period from 1 June 2021 to 30 June 2021.

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 adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Victorian *Fundraising Act 1998* and associated regulations, and *Corporations Act 2001*, as appropriate for not-for-profit oriented 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.

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

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.

Other revenue

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

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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 cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee and
- payments arising from purchase and termination options reasonably certain to be exercised

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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. 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.

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.

Note 1. Significant accounting policies (continued)

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 reporting period ended 30 June 2021. 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

The Company assesses impairment of non-financial 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, which incorporate a number of key estimates and assumptions.

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.

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 and historical collection rates.

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

	For the period from 1 June 2021 to 30 June 2021 \$	For the year ended 31 May 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 Services & Business Development Revenue	258,674	1,727,488
Professional Standards and Funded Projects Revenue	309,627	3,062,345
Membership, Member Groups & Events Revenue	727,905	10,955,967
Publications & Resources Revenue	27,273	137,526
	1,323,479	15,883,326
Finance Income		
Interest revenue from short-term deposits	-	28,603
Interest revenue from trading accounts	1,743	10,173
Dividends and Interest from long-term investments	8,147	186,330
	9,890	225,106
Other revenue		
Job Keeper / Cashflow boost	-	1,311,550
Other Revenue	3,668	87,632
Realised (loss) / gain	-	-
Fair value gains on financial assets at fair value through profit and loss (FVPL)	261,482	1,043,422
	265,150	2,442,604
Note 4: Expenses		
The operating surplus / (deficit) includes the following expenses:		
Depreciation and amortisation of property and equipment and right of use assets	127,163	1,659,045
Wages and salaries	598,502	8,410,748
Superannuation costs	45,770	569,929
Provisions:		
- Long service leave	5,529	(104,613)
- Annual leave	36,595	136,454

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

Note 5: Cash and cash equivalents

		30 June 2021	31 May 2021
		\$	\$
Cash at bank and cash equivalents	(a)	9,668,502	4,732,620
Short-term deposits	(b)	1,345,525	1,722,107
		11,014,027	6,454,727

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) Cash at bank and cash equivalents include short-term deposits with maturity three months or less from the date of acquisition of \$nil at 30 June 2021.
- (b) 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 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, 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 \$2,503,391 are included in the 'Total Cash, Cash Equivalents and short-term deposits' at 30 June 2021 (31 May 2021: \$2,469,357). 177 Member Groups were active at 30 June 2021 (31 May 2021: 177).

Note 6: Reconciliation of cash flows

	30 June 2021	31 May 2021
	\$	\$
Reconciliation of surplus/(deficit) for the period to net cash flows from operating activities:		
Surplus / (Deficit) from operations for the year / period	160,313	2,746,979
Plus/(minus) non-cash items and investing activities cash items:		
Depreciation and amortisation	127,163	1,659,045
Interest received from short term deposits	(1,743)	(38,776)
Dividends and Interest received from long term investments	(8,147)	(186,330)
Payments for Investment adviser fees	4,468	55,077
Fair value loss/(gain) on financial assets through profit and loss (FVPL)	(223,472)	(712,518)
(Gain)/loss on sale of financial assets through profit and loss (FVPL)	(38,010)	(330,904)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,554,357)	22,788
Decrease/(increase) in prepayments	8,454	(3,105)
(Decrease)/increase in trade and other payables	6,561,879	(1,896,131)
(Decrease)/Increase in provisions for employee benefits and make good	43,538	37,229
NET CASH INFLOW FROM OPERATING ACTIVITIES	5,080,086	1,353,354

Note 7: Trade and other receivables

Advertising, products, sponsorship and commission	122,988	123,836
Other debtors and accrued revenue	1,810,223	255,018
	1,933,211	378,854

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

Note 8: Property, plant and equipment

	Plant and equipment	Leasehold improvements	Intangibles	Right of use assets	Total
	\$	\$	\$	\$	\$
At 31 May 2021					
Cost	431,025	487,279	960,725	10,326,490	12,205,519
Accumulated Depreciation	(206,959)	(6,068)	(456,151)	(3,528,217)	(4,197,395)
Net book amount	224,066	481,211	504,574	6,798,273	8,008,124
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

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 2020	278,478	-	774,424	7,830,921	8,883,823
Additions	75,319	487,279	233,114	-	795,712
Retirements	-	-	(12,366)	-	12,366
Depreciation expense	(129,731)	(6,068)	(490,598)	(1,032,648)	(1,659,045)
Balance at 31 May 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

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

Note 9: Trade and other payables

	30 June 2021	31 May 2021
	\$	\$
Revenue received in advance:		
- Membership subscriptions	7,817,489	1,696,272
- Event income (conferences and workshops)	87,538	54,284
- Externally funded projects	641,051	659,949
- Other	301,750	275,012
	8,847,828	2,685,517
Other payables	1,543,907	1,140,477
TOTAL TRADE AND OTHER PAYABLES	10,391,735	3,825,994

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: Provisions

CURRENT

Employee benefits		
- Annual leave (a)	565,984	528,726
- Long service leave (a)	173,769	172,336
	739,753	701,062

NON-CURRENT

Employee benefits - Long service leave (a)	82,202	77,783
Make-good provision	301,456	301,028
	383,658	378,811
TOTAL PROVISIONS	1,123,411	1,079,873

- (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.

Note 11: Leases

Lease liability

Current		
Lease liability	860,628	850,773
Non-current		
Lease Liability	7,283,921	7,360,424
TOTAL LEASE LIABILITY	8,144,549	8,211,197

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

Note 12: Retained earnings and other reserves

	30 June 2021	31 May 2021
	\$	\$
Retained earnings		
Balance at the beginning of the financial period	11,732,566	8,802,846
Surplus / (deficit) for the year / period	160,313	2,746,979
Transfer from other reserves	-	182,741
Retained earnings at the end of the financial year	11,892,879	11,732,566
Other reserves		
Balance at the beginning of the financial year	-	182,741
Transfer to retained earnings	-	(182,741)
Other reserves at the end of the financial year	-	-
TOTAL MEMBERS' EQUITY AT THE END OF THE FINANCIAL YEAR	<u>11,892,879</u>	<u>11,732,566</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 13: Financial instruments and risk management

Fair value through P&L		
Equity instruments	4,628,635	4,021,663
Debt instruments	5,416,594	5,378,583
TOTAL INVESTMENTS	<u>10,045,229</u>	<u>9,400,246</u>

Note 14: Key Management personnel disclosures*

(a) Key management personnel compensation		
Compensation	94,448	1,402,912
(b) Transactions with key management personnel		
Provision of professional development services to the APS - presenter fees	-	-

* Key management personnel include Directors and Senior Executives.

Note 15: Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 14.

Transactions with related parties

In line with Note 18, 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.

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

Note 15: Related party transactions (cont.)

	30 June 2021	31 May 2021
	\$	\$
The following transactions occurred with MHPN		
Received from MHPN during the financial year, GST inclusive	13,469	160,647
Revenue, as recognised in the APS' Statement of Comprehensive Income	12,030	146,174
Paid to MHPN during the financial year, GST inclusive	-	-
Expense, recognised in the APS' Statement of Comprehensive Income	-	-
<i>Receivable from and payable to related parties</i>		
The following transactions occurred with MHPN		
Receivables at year end, GST inclusive	13,233	13,469
Payables at year end, GST inclusive	-	-

Loans to/from related parties

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

Note 16: Interests 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 (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;
- 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 (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.

The Australian Psychological Society Limited
Notes to the Financial Statements
30 June 2021

Note 17: Commitments and contingencies

The Company had no commitments or contingent liabilities or contingent assets as at 30 June 2021 (31 May 2021: nil).

Note 18: Events after reporting date

No matter or circumstance has arisen since 30 June 2021 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 (31 May 2021: None noted).

The Australian Psychological Society Limited
Directors' Declaration
30 June 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial period from 1 June 2021 to 30 June 2021; 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 a resolution of the Board of Directors:



Tamara Cavenett
President

Adelaide
27 September 2021



Mark McEnallay
Director

Sydney
27 September 2021

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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 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 1 June 2021 to 30 June 2021, 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 *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the period from 1 June 2021 and 30 June 2021; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*

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 *Corporations Act 2001* and 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 *Corporations Act 2001*, 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.

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 period from 1 June 2021 to 30 June 2021, but does not include the financial report and the auditor's report thereon.

Other Information (continued)

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 – 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 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



K J DUNDON
Partner

Dated: 27 September 2021
Melbourne, Victoria