

# **Australian College of Mental Health Nurses Incorporated**

**ABN 75 492 837 566**

## **Financial Statements**

**For the Year Ended 30 June 2021**

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

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For the Year Ended 30 June 2021

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# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Committee's Report For the Year Ended 30 June 2021

The committee members submit the financial report of the Association for the financial year ended 30 June 2021.

### 1. General information

#### Committee members

The names of committee members throughout the year and at the date of this report are:

##### Name

John Hurley	
James Houghton	
Michael Hazelton (Chair)	Appointed: 24 August 2020
Monica Taylor	Appointed: 24 August 2020
Donna Hansen-Vella	Appointed: 24 August 2020
Vicki Green	Appointed: 24 August 2020
Andrew Gardener	Appointed: 24 August 2020 & Resigned 12 May 2021
Mark Powell	Resigned: 24 August 2020
Jill Reid	Resigned: 24 August 2020
Pat Bradley	Resigned: 24 August 2020
Tom Ryan	Resigned: 24 August 2020

#### Principal activities

The principal activities of the Association during the financial year were to represent the interests of mental health nurses and to practice in policy development concerning the profession, health care delivery, promotion of mental health and prevention of mental illness and disability.

#### Significant changes

The following significant changes in the nature of the principal activities occurred during the financial year:

The 2020 International Conference, a major source of revenue, was cancelled due to COVID-19, as were all face to face forums, travel, and many meetings. Lobbying both government and the bureaucracy were curtailed, and general revenue was affected. However, the College has pivoted and has commenced online webinars and other activities to fit with the new normal.

Ownership of the International Journal was sold to publishers Wiley with retention of the editorship, naming, and free access to members continuing.

### 2. Operating results

The profit of the Association for the financial year after providing for income tax amounted to \$ 67,390 (2020: Loss \$ (375,141)).

**Committee's Report  
For the Year Ended 30 June 2021**

**3. Other items**

**Events after the reporting date**

The COVID-19 outbreak has impacted the way of life in Australia. This has affected the ability of the Association to continue operations as usual and has impacted on its operating results. In accordance with national guidelines, the Association has implemented remote working arrangements in response to government requirements and to ensure the wellbeing and safety of all employees and visitors.

The Association has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak and has risk mitigation strategies in place with regards to COVID-19 outbreaks and other ongoing impacts. The board members have determined that the Association remains in a healthy cash position and retained stable grants and sponsorships for the 2022 financial year.

**4. Sign off details**

Signed in accordance with a resolution of the Members of the Committee:

Committee member: .....  


Committee member: .....  


Dated 29 November 2021

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue and other income	4	1,142,919	1,698,182
Accounting and audit fees		(16,381)	(17,260)
Administration expenses		(83,934)	(110,828)
Advertising and promotion		(1,227)	(27,280)
Consulting fees		(30,000)	(154,088)
Conference expenses		-	(288,667)
Depreciation - Right-of-use - building	10	(136,869)	(136,869)
Depreciation - Office equipment	7(a)	(2,683)	(5,485)
Employee benefit expenses		(774,702)	(932,802)
Finance expenses		(9,592)	(16,132)
Insurance expenses		(4,686)	(38,737)
Legal expenses		-	(86,771)
Meeting expenses		(1,070)	(34,352)
Printing, postage and stationery		(10,194)	(37,715)
Publication and information resources		-	(136,348)
Telephone expenses		(2,128)	(2,733)
Travel expenses		(2,063)	(47,256)
<b>Profit/ (loss) before income tax</b>		<b>67,390</b>	<b>(375,141)</b>
Income tax expense	2(b)	-	-
<b>Profit/ (loss) for the year</b>		<b>67,390</b>	<b>(375,141)</b>
<b>Other comprehensive income</b>			
Revaluation increment - Intangible asset		-	340,000
<b>Total comprehensive income for the year</b>		<b>67,390</b>	<b>(35,141)</b>

The accompanying notes form part of these financial statements.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Statement of Assets and Liabilities

As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,098,802	807,963
Trade and other receivables	6	14,838	28,411
Other assets	9	63,545	64,374
<b>TOTAL CURRENT ASSETS</b>		<b>1,177,185</b>	<b>900,748</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,565	2,587
Intangible assets	8	-	340,000
Right-of-use assets	10	136,868	273,737
<b>TOTAL NON-CURRENT ASSETS</b>		<b>138,433</b>	<b>616,324</b>
<b>TOTAL ASSETS</b>		<b>1,315,618</b>	<b>1,517,072</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	54,172	306,863
Lease liabilities	10	128,256	108,311
Employee benefits	13	39,863	36,985
Other liabilities	12	232,757	133,388
<b>TOTAL CURRENT LIABILITIES</b>		<b>455,048</b>	<b>585,547</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10	-	138,345
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>138,345</b>
<b>TOTAL LIABILITIES</b>		<b>455,048</b>	<b>723,892</b>
<b>NET ASSETS</b>		<b>860,570</b>	<b>793,180</b>
<b>EQUITY</b>			
Asset revaluation reserve	14	-	340,000
Retained earnings		860,570	453,180
<b>TOTAL EQUITY</b>		<b>860,570</b>	<b>793,180</b>

The accompanying notes form part of these financial statements.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 July 2020</b>	453,180	340,000	793,180
Profit for the year	67,390	-	67,390
Transfer from asset revaluation reserve to retained earning - Sale of intangible asset	340,000	(340,000)	-
<b>Balance at 30 June 2021</b>	<b>860,570</b>	<b>-</b>	<b>860,570</b>

2020

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 July 2019</b>	828,321	-	828,321
(Loss) for the year	(375,141)	-	(375,141)
Revaluation increment	-	340,000	340,000
<b>Balance at 30 June 2020</b>	<b>453,180</b>	<b>340,000</b>	<b>793,180</b>

The accompanying notes form part of these financial statements.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,217,197	1,245,543
Payments to suppliers and employees	(1,164,294)	(1,963,423)
Receipt from grants	167,374	367,394
Interest received	203	933
Interest paid	(141)	-
Net cash provided by/(used in) operating activities	19 <u>220,339</u>	<u>(349,553)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of Intellectual Property - Journal <sup>a</sup>	200,011	-
Purchase of plant and equipment	7(a) <u>(1,661)</u>	<u>-</u>
Net cash provided by investing activities	<u>198,350</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	10 <u>(127,850)</u>	<u>(180,082)</u>
Net cash (used in) financing activities	<u>(127,850)</u>	<u>(180,082)</u>
Net increase/(decrease) in cash and cash equivalents held	290,839	(529,635)
Cash and cash equivalents at beginning of year	807,963	1,337,598
Cash and cash equivalents at end of financial year	5 <u>1,098,802</u>	<u>807,963</u>

a. During the year, the sale of intellectual property for the Journal to Wiley was finalised for \$340,000. Sale consideration was received in the form of a bank transfer of \$200,011 and debt clearance of \$139,989 towards the 2019 membership fee included in the Association's trade payable balance.

The accompanying notes form part of these financial statements.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

The financial statements cover Australian College of Mental Health Nurses Incorporated as an individual entity. Australian College of Mental Health Nurses Incorporated is a not-for-profit Association incorporated in South Australia under the *Associations Incorporation Act (SA) 1985* ('the Act').

The functional and presentation currency of Australian College of Mental Health Nurses Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Reform Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

###### **Specific revenue streams**

The revenue recognition policies for the principal revenue streams of the Association are:

###### **Operating grants**

When the Association receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15:

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of the other applicable accounting standards;
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the differences between the initial carrying amount of the asset and the related amount.

If the contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

##### **(b) Income Tax**

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### **(c) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies**

##### **(d) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

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

##### **(e) Plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

##### **Plant and equipment**

Plant and equipment are measured using the cost model.

##### **Depreciation**

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Office Equipment	20% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### **(f) Financial instruments**

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies**

##### **(f) Financial instruments**

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

###### *Classification*

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of assets and liabilities.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Fair value through other comprehensive income*

###### *Equity instruments*

The Association has no investments in listed and unlisted entities.

###### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies**

##### **(f) Financial instruments**

###### **Financial assets**

The Association does not hold any assets that fall into this category.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies**

##### **(f) Financial instruments**

###### **Financial assets**

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **Financial liabilities**

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

##### **(g) Intangible assets**

###### **Intellectual property - Journals**

The intellectual property of the Journal is recognised at fair value. The Journal has a finite life and are carried at cost less any accumulated amortisation and any impairment losses.

##### **(h) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **(i) Leases**

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies**

##### **(i) Leases**

###### **Right-of-use asset**

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

###### **Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### *Exceptions to lease accounting*

The Association has elected to apply the exceptions to lease accounting for leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

##### **(j) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

## 2 Summary of Significant Accounting Policies

### (k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 July 2021	The amendments refine the definition of material in AASB 101 to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	Unlikely to be any impact on the reported financial position, performance or cash flows in the financial statements.
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	1 July 2022	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	Minor impact expected but entities should consider the appropriate classification of liabilities as current or non-current.

## 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 3 Critical Accounting Estimates and Judgments

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

#### Key judgments - COVID-19

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

### 4 Revenue and Other Income

	2021	2020
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Credentialing fees	72,909	62,825
- Grant income	167,374	367,394
- Member subscriptions	579,759	669,800
	<u>820,042</u>	<u>1,100,019</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Advertising	53,598	71,909
- Conference income	(16,205)	294,833
- Government subsidy - Cashflow boost	37,500	62,500
- Government subsidy - Jobkeeper	125,700	54,000
- Interest income	203	933
- Other income	46,432	20,925
- Royalties	64,876	5,655
- Sponsorships	10,773	87,408
	<u>322,877</u>	<u>598,163</u>
<b>Total Revenue</b>	<u><u>1,142,919</u></u>	<u><u>1,698,182</u></u>

### 5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	15 <u>1,098,802</u>	<u>807,963</u>
	<u><u>1,098,802</u></u>	<u><u>807,963</u></u>

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 6 Trade and other receivables

	Note	2021 \$	2020 \$
CURRENT			
Trade receivables		5,940	2,565
Other receivables		8,898	25,846
<b>Total current trade and other receivables</b>	15	<b>14,838</b>	<b>28,411</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 7 Plant and equipment

	2021 \$	2020 \$
Office equipment		
At cost	30,408	28,747
Accumulated depreciation	(28,843)	(26,160)
Total office equipment	<b>1,565</b>	2,587
<b>Total plant and equipment</b>	<b>1,565</b>	<b>2,587</b>

#### (a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office Equipment \$	Total \$
<b>Year ended 30 June 2021</b>		
Balance at the beginning of year	2,587	2,587
Additions	1,661	1,661
Depreciation expense	(2,683)	(2,683)
<b>Balance at the end of the year</b>	<b>1,565</b>	<b>1,565</b>

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 7 Plant and equipment

#### (a) Movements in carrying amounts of plant and equipment

	Office Equipment \$	Total \$
<b>Year ended 30 June 2020</b>		
Balance at the beginning of year	9,524	9,524
Disposals	(1,452)	(1,452)
Depreciation expense	(5,485)	(5,485)
	<u>2,587</u>	<u>2,587</u>
<b>Balance at the end of the year</b>	<u>2,587</u>	<u>2,587</u>

### 8 Intangible Assets

	2021 \$	2020 \$
Intellectual property - Journal At fair value	-	340,000
	<u>-</u>	<u>340,000</u>
<b>Total Intangible assets</b>	<u>-</u>	<u>340,000</u>

### 9 Other Assets

	2021 \$	2020 \$
CURRENT		
Prepayments	63,545	33,874
Accrued income	-	30,500
	<u>63,545</u>	<u>64,374</u>

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 10 Leases

#### Right-of-use assets

	Buildings	Total
	\$	\$
<b>Year ended 30 June 2021</b>		
At cost	410,606	410,606
Accumulated depreciation	(273,738)	(273,738)
<b>Balance at end of year</b>	<u>136,868</u>	<u>136,868</u>
	Buildings	Total
	\$	\$
<b>Year ended 30 June 2020</b>		
At cost	410,606	410,606
Accumulated depreciation	(136,869)	(136,869)
<b>Balance at end of year</b>	<u>273,737</u>	<u>273,737</u>

#### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	Total
	\$	\$	\$
<b>2021</b>			
Lease liabilities	128,256	-	128,256
<b>2020</b>			
Lease liabilities	108,311	138,345	246,656

#### Extension options

The Association includes options in the leases to provide flexibility and certainty to the Association operations and reduce costs of moving premises and the extension options are at the Association's discretion.

The lease will expire on the 30 June 2022, it is stated in the rental agreement that the parties may negotiate to renew the subtenancy upon such term and conditions as agreed in writing.

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 10 Leases

	2021	2020
	\$	\$
Interest expense on lease liabilities	(9,451)	(16,132)
Depreciation of right-of-use assets	(136,869)	(136,869)
	<u>(146,320)</u>	<u>(153,001)</u>

### Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	(127,850)	(180,082)

### 11 Trade and Other Payables

		2021	2020
	Note	\$	\$
CURRENT			
Trade payables	15	1,708	245,961
Accrued expenses		8,814	31,353
Other payables		43,650	29,549
		<u>54,172</u>	<u>306,863</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 12 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Income received in advance	232,757	133,388
	<u>232,757</u>	<u>133,388</u>

### 13 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Provision for annual leave	39,863	36,985
	<u>39,863</u>	<u>36,985</u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2021**

**14 Reserves**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Asset revaluation reserve</b>		
Opening balance	<b>340,000</b>	-
Transfers in - revaluation increment	-	340,000
Transfers to retained earnings - Sale of intangible asset	<b>(340,000)</b>	-
<b>Total</b>	<b>-</b>	<b>340,000</b>

**(a) Asset revaluation reserve**

The asset revaluation reserve records fair value movements on the intellectual property for the Journal, this held under the revaluation model.

During the year, the sale of intellectual property for the Journal to Wiley was finalised for \$340,000. Sale consideration was received in the form of a bank transfer of \$200,011 and debt clearance of \$139,989 towards the 2019 membership fee included in the Association's trade payable balance

**15 Financial Risk Management**

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Association is exposed to are described below:

**Specific risks**

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

**Financial instruments used**

The principal categories of financial instrument used by the Association are:

- Trade receivables
- Cash at bank
- Trade and other payables

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 15 Financial Risk Management

	Note	2021 \$	2020 \$
<b>Financial assets</b>			
Held at amortised cost			
Cash and cash equivalents	5	1,098,802	807,963
Trade and other receivables	6	14,838	28,411
<b>Total financial assets</b>		<b>1,113,640</b>	<b>836,374</b>
<b>Financial liabilities</b>			
Trade payables	11	1,708	245,961
<b>Total financial liabilities</b>		<b>1,708</b>	<b>245,961</b>

#### Objectives, policies and processes

The Committee of Management have overall responsibility for the establishment of Australian College of Mental Health Nurses Incorporated's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Australian College of Mental Health Nurses Incorporated's activities.

The day-to-day risk management is carried out by Australian College of Mental Health Nurses Incorporated's finance function under policies and objectives which have been approved by the Committee of Management. Management has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate movements.

The Committee of Management receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

#### Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Association manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **15 Financial Risk Management**

##### **Liquidity risk**

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Australian College of Mental Health Nurses Incorporated has no control over the timing of any potential settlement of the liabilities.

##### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### *Trade receivables*

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Committee of Management receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Association's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

##### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### *(i) Interest rate risk*

The Association is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Association to fair value interest rate risk.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Australian College of Mental Health Nurses Incorporated during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	168,820	130,995
Post-employment benefits	14,306	12,231
	<u>183,126</u>	<u>143,226</u>

### 17 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor Hardwickes Chartered Accountants, for:)		
- Auditing and reviewing the financial statements	6,000	5,800
<b>Total</b>	<u>6,000</u>	<u>5,800</u>

### 18 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2021 (30 June 2020:None).

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 19 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit/(loss) for the year	67,390	(375,141)
Cash flows excluded from profit attributable to operating activities		
- Finance costs	9,451	16,132
Non-cash flows in profit:		
- Depreciation	139,552	142,354
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	13,572	22,465
- (increase)/decrease in other assets	30,500	(30,500)
- (increase)/decrease in prepayments	(66,269)	57,215
- increase/(decrease) in income in advance	99,369	(212,181)
- increase/(decrease) in trade and other payables <sup>a</sup>	(53,565)	163,679
- increase/(decrease) in accruals	(22,539)	(7,894)
- increase/(decrease) in employee benefits	2,878	(125,682)
Cashflows from operations	<u>220,339</u>	<u>(349,553)</u>

a. During the year, the sale of intellectual property for the Journal to Wiley was finalised for \$340,000. Sale consideration was received in the form of a bank transfer of \$200,011 and debt clearance of \$139,989 towards the 2019 membership fee included in the Association's trade payable balance.

### 20 Events after the end of the Reporting Period

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

### 21 Statutory Information

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

Australian College of Mental Health Nurses Incorporated  
ALIA House, Level 1  
9-11 Napier Close  
Deakin ACT 2600

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 3 to 24:

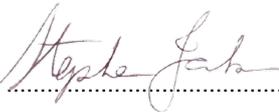
1. Present fairly the results of the operations of Australian College of Mental Health Nurses Incorporated as at 30 June 2021 and its state of affairs for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Australian College of Mental Health Nurses Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President .....



Treasurer .....



Dated 29 November 2021

## **Australian College of Mental Health Nurses Incorporated**

# **Independent Audit Report to the members of Australian College of Mental Health Nurses Incorporated**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Australian College of Mental Health Nurses Incorporated (the Association), which comprises the statement of assets and liabilities as at 30 June 2021, the statement of profit or loss and other 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 statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with the Associations Incorporation Act 1985.

#### **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 Association 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act 1985, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

#### **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.

## **Australian College of Mental Health Nurses Incorporated**

### **Independent Audit Report to the members of Australian College of Mental Health Nurses Incorporated**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hardwickes  
Chartered Accountants



Bhaumik Bumia CA  
Partner

Canberra

Dated 29 November  
2021