

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

ABN 75 492 837 566

## **Financial Statements**

For the Year Ended 30 June 2022

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

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For the Year Ended 30 June 2022

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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 2022

The committee members submit the financial report of the Association for the financial year ended 30 June 2022.

### 1. General information

#### Committee members

The names of the Committee members in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Appointed/Resigned</b>
Michael Hazelton	
John Hurley	
Patricia Bradley	Appointed: 20 June 2022
Jillian Reid	Appointed: 20 June 2022
Eimear Muir-Cocrane	Appointed: 20 June 2022
Michael Blair	Appointed: 27 April 2022
Francis Acquah	Appointed: 27 April 2022
Richard Lakeman	Appointed: 27 April 2022
James Houghton	Resigned: 15 March 2022
Monica Taylor	Resigned: 20 June 2022
Vicki Green	Resigned: 20 May 2022
Donna Hansen-Vella	Resigned: 30 June 2022
Stephen Carroll	Appointed: 27 September 2021 Resigned: 15 March 2022
Claire Hudson-McCauley	Appointed: 27 April 2022 Resigned: 20 May 2022

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

Note: no entry in Appointed/Resigned columns indicates appointed prior to 01/07/21 and/or still in office.

#### 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 two planned 2021 International Conferences, major sources of revenue, were cancelled due to COVID19, 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. Most expenses and commitments for the Conferences were rolled forward to FY2022/2023.

Leasing of the Head Office in Canberra was moved from a sub-lease to Mental Health Australia to a direct lease with the building owners.

There has been a number of changes at the Board level reflecting the focus of the college for growth and relevance in the current environment. The Board in place on 30 June 2022 will be in place until elections are required by the Constitution

**Australian College of Mental Health Nurses Incorporated**

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**Committee's Report  
For the Year Ended 30 June 2022**

**1. General information (continued)**

**Significant changes (continued)**  
before 30 November 2023.

**2. Operating results**

The (deficit) of the Association for the financial year after providing for income tax amounted to \$ (29,896) (2021: surplus \$ 67,390).

**3. Other items**

**Events after the reporting date**

The COVID19 pandemic has continued to impact 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.

A change in Federal Government has impacted the advocacy work done with the previous government. This has recommenced with the new government in Canberra and has extended to the jurisdictions.

The Association has determined that there are no going concern risks arising from the impact of the COVID19 outbreak and has risk mitigation strategies in place with regards to COVID19 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 10/11/2022

# 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 2022

	Note	2022 \$	2021 \$
Revenue and other income	4	1,089,743	1,142,919
Accounting and audit fees		(15,898)	(16,381)
Administration expenses		(43,379)	(83,934)
IT expenses		(65,115)	-
Advertising and promotion		(26,761)	(1,227)
Consulting fees		(315)	(30,000)
Conference expenses		(13,700)	-
Depreciation - Right-of-use - building	9(c)	(136,868)	(136,869)
Depreciation - Office equipment	7(a)	(1,020)	(2,683)
Employee benefit expenses		(752,431)	(774,702)
Finance expenses	9(c)	(3,429)	(9,592)
Insurance expenses		(37,291)	(4,686)
Legal expenses		(5,274)	-
Meeting expenses		(5,822)	(1,070)
Printing, postage and stationery		(9,605)	(10,194)
Telephone expenses		(1,211)	(2,128)
Travel expenses		(1,518)	(2,063)
<b>Profit/ (loss) before income tax</b>		<b>(29,894)</b>	67,390
Income tax expense	2(b)	-	-
<b>Profit/ (loss) for the year</b>		<b>(29,894)</b>	67,390
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<b>(29,894)</b>	67,390

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 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	940,120	1,098,802
Trade and other receivables	6	22,900	14,838
Other assets	8	181,328	63,545
TOTAL CURRENT ASSETS		<u>1,144,348</u>	<u>1,177,185</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,382	1,565
Right-of-use assets	9	-	136,868
TOTAL NON-CURRENT ASSETS		<u>5,382</u>	<u>138,433</u>
TOTAL ASSETS		<u>1,149,730</u>	<u>1,315,618</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	80,056	54,172
Lease liabilities	9	-	128,256
Employee benefits	12	54,479	39,863
Other liabilities	11	184,520	232,757
TOTAL CURRENT LIABILITIES		<u>319,055</u>	<u>455,048</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>319,055</u>	<u>455,048</u>
NET ASSETS		<u>830,675</u>	<u>860,570</u>
<b>EQUITY</b>			
Retained earnings		<u>830,675</u>	<u>860,570</u>
TOTAL EQUITY		<u>830,675</u>	<u>860,570</u>

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 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2021	860,570	-	860,570
(Loss) for the year	(29,895)	-	(29,895)
<b>Balance at 30 June 2022</b>	<b>830,675</b>	<b>-</b>	<b>830,675</b>

2021

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 July 2020	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>

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 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	933,046	1,217,197
Payments to suppliers and employees	(1,160,910)	(1,164,294)
Receipt from grants	205,577	167,374
Interest received	127	203
Interest paid	-	(141)
Net cash provided by/(used in) operating activities	18 <u>(22,160)</u>	<u>220,339</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>(4,837)</u>	<u>(1,661)</u>
Net cash provided by investing activities	<u>(4,837)</u>	<u>198,350</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	9(d) <u>(131,685)</u>	<u>(127,850)</u>
Net cash (used in) financing activities	<u>(131,685)</u>	<u>(127,850)</u>
Net increase/(decrease) in cash and cash equivalents held	(158,682)	290,839
Cash and cash equivalents at beginning of year	<u>1,098,802</u>	<u>807,963</u>
Cash and cash equivalents at end of financial year	5 <u><u>940,120</u></u>	<u><u>1,098,802</u></u>

a. During 2021, 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 2022

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.

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.

##### 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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

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

###### **Specific revenue streams (continued)**

- 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) 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.

##### **(d) Plant and equipment**

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

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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(d) Plant and equipment (continued)**

###### **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.

##### **(e) 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).

###### **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*

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

method less provision for impairment.

Interest income, and impairment 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.

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 significant 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*

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

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.

###### *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.

##### **(f) 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.

##### **(g) Leases**

At inception of a contract, the Association assesses whether a lease exists.

###### **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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(g) Leases (continued)**

###### **Right-of-use asset (continued)**

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.

##### **(h) 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 2022**

**2 Summary of Significant Accounting Policies (continued)**

**(i) 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:

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB 2020 1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non current	1 July 2023	The amendment amends AASB 101 to clarify whether a liability should be presented as current or non current.	The amendment is not expected to have a material impact on the financial statements once adopted.
AASB 2020 3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1 July 2022	AASB 2020 3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.	The impact of the initial application is not yet known.
AASB 2021 2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2022	The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).	The impact of the initial application is not yet known.

**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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 3 Critical Accounting Estimates and Judgments (continued)

##### 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

##### Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Credentialing fees	92,659	72,909
- Grant income	205,577	167,374
- Member subscriptions	657,718	579,759
	<u>955,954</u>	<u>820,042</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Advertising	114,175	53,598
- Conference income	-	(16,205)
- Government subsidy - Cashflow boost	-	37,500
- Government subsidy - Jobkeeper	-	125,700
- Interest income	127	203
- Other income	11,460	46,432
- Royalties	391	64,876
- Sponsorships	7,636	10,773
	<u>133,789</u>	<u>322,877</u>
<b>Total Revenue and other income</b>	<u><b>1,089,743</b></u>	<u><b>1,142,919</b></u>



# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 5 Cash and Cash Equivalents

	2022	2021
Note	\$	\$
Cash at bank and in hand	915,507	1,098,802
Short-term deposits	24,613	-
14	<u>940,120</u>	<u>1,098,802</u>

### 6 Trade and other receivables

	2022	2021
Note	\$	\$
CURRENT		
Trade receivables	22,900	5,940
Other receivables	-	8,898
<b>Total current trade and other receivables</b>	<u>22,900</u>	<u>14,838</u>
14		

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

	2022	2021
	\$	\$
Office equipment		
At cost	35,245	30,408
Accumulated depreciation	(29,863)	(28,843)
Total office equipment	<u>5,382</u>	<u>1,565</u>
<b>Total plant and equipment</b>	<u>5,382</u>	<u>1,565</u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

**7 Plant and equipment (continued)**

**(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 2022</b>		
Balance at the beginning of year	1,565	1,565
Additions	4,837	4,837
Depreciation expense	(1,020)	(1,020)
<b>Balance at the end of the year</b>	<b>5,382</b>	<b>5,382</b>

	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>

**8 Other Assets**

	2022 \$	2021 \$
<b>CURRENT</b>		
Prepayments	176,642	63,545
Accrued income	4,686	-
	<b>181,328</b>	<b>63,545</b>

**9 Leases**

**(a) Right-of-use assets**

	Office premise \$	Total \$
<b>Year ended 30 June 2022</b>		
At cost	410,606	410,606
Accumulated depreciation	(410,606)	(410,606)
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

**9 Leases (continued)**

**(a) Right-of-use assets (continued)**

	Office premise \$	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>

The existing lease agreement for the office premise expired on 30 June 2022. The new lease contract is signed on 1 July 2022.

**(b) 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>2022</b>			
Lease liabilities	-	-	-
<b>2021</b>			
Lease liabilities	128,256	-	128,256

**(c) Income Statement**

**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:

	2022 \$	2021 \$
Interest expense on lease liabilities	(3,429)	(9,451)
Depreciation of right-of-use assets	(136,868)	(136,869)
	<u>(140,297)</u>	<u>(146,320)</u>

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 9 Leases (continued)

#### (d) Statement of Cash Flows

	2022	2021
	\$	\$
Total cash outflow for leases	(131,685)	(127,850)

### 10 Trade and Other Payables

		2022	2021
	Note	\$	\$
CURRENT			
Trade payables	14	532	1,708
GST payable		29,780	18,254
Accrued expenses	14	11,980	8,814
Other payables		21,411	25,396
Superannuation payable		16,353	-
		<u>80,056</u>	<u>54,172</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.

### 11 Other Liabilities

	2022	2021
	\$	\$
CURRENT		
Income received in advance	28,410	232,757
Other financial liabilities	156,110	-
	<u>184,520</u>	<u>232,757</u>

### 12 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Provision for annual leave	54,479	39,863
	<u>54,479</u>	<u>39,863</u>

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 13 Reserves

	2022	2021
	\$	\$
<b>Asset revaluation reserve</b>		
Opening balance	-	340,000
Transfers to retained earnings - Sale of intangible asset	-	(340,000)

#### (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 2021, 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

### 14 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 2022

### 14 Financial Risk Management (continued)

	Note	2022 \$	2021 \$
<b>Financial assets</b>			
Held at amortised cost			
Cash and cash equivalents	5	940,120	1,098,802
Trade and other receivables	6	22,900	14,838
<b>Total financial assets</b>		<b>963,020</b>	<b>1,113,640</b>
<b>Financial liabilities</b>			
Financial liabilities at fair value			
Trade payables	10	12,512	10,522
<b>Total financial liabilities</b>		<b>12,512</b>	<b>10,522</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.

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 14 Financial Risk Management (continued)

#### 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.

### 15 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:

	2022	2021
	\$	\$
Short-term employee benefits	165,110	168,820
Post-employment benefits	14,770	14,306
	<u>179,880</u>	<u>183,126</u>

# Australian College of Mental Health Nurses Incorporated

ABN 75 492 837 566

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 16 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor Hardwickes Chartered Accountants, for:)		
- Auditing and reviewing the financial statements	6,200	6,000
<b>Total</b>	<b>6,200</b>	<b>6,000</b>

### 17 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2022 (30 June 2021:None).

### 18 Cash Flow Information

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

	2022	2021
	\$	\$
Profit/(loss) for the year	(29,895)	67,390
Cash flows excluded from profit attributable to operating activities		
- Finance costs	3,429	9,451
Non-cash flows in profit:		
- Depreciation	137,888	139,552
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(8,062)	13,572
- (increase)/decrease in other assets	-	30,500
- (increase)/decrease in prepayments	(117,783)	(66,269)
- increase/(decrease) in income in advance	(48,237)	99,369
- increase/(decrease) in trade and other payables <sup>a</sup>	22,718	(53,565)
- increase/(decrease) in accruals	3,166	(22,539)
- increase/(decrease) in employee benefits	14,616	2,878
Cashflows from operations	<b>(22,160)</b>	<b>220,339</b>

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.

### 19 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.



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

ABN 75 492 837 566

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

### **20 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

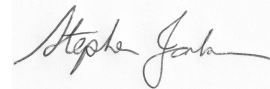
In the opinion of the committee the financial report as set out on pages 3 to 23:

1. Present fairly the results of the operations of Australian College of Mental Health Nurses Incorporated as at 30 June 2022 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 10/11/2022

## **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 2022, 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 2022 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with the Associations Incorporation Act (SA) 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 (SA) 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.



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

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

### **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.

Hardwickes  
Chartered Accountants



Bhaumik Bumia CA  
Partner

Canberra  
10.11.2022