REPORT TO NZAP AGM, JUNE 2023

From the Honorary Treasurer

Current financial status of NZAP

The following is the current financial status of the NZAP bank accounts broken into 3 categories – Operating, Education and Training as at 31 January, 2023. All accounts are with Kiwibank apart from the PayPal account.

Operating Accounts:
Operating Account (00) - $88,441.50
Petty Cash Account (11) - $197.69
On-Call Account (08) – Operating Reserve - $17,562.32
Term Deposit (19) – Operating Reserve - $29,410.29
Term Deposit (23) – Operating Reserve - $28,590.32

Total Operating: $164,202.12

Education Accounts:
On-call Account - Education Fund (Main) (07) - $23,241.29
Term Deposit (02) – Education Fund - $150,000.00
Term Deposit (06) - Education Fund - $15,000.00

Total Education: $188,241.29

Training Accounts:
Training Account (09) - $11,170.83
Conference & Professional Development (24) - $0.00
On-Call Account (12) - Training Reserve - $8,681.75
Term Deposit (15) - Training Reserve - $12,663.72

Total Training: $32,516.30

PayPal - $66,198.28

NZAP Total Funds: - $451,157.99

Notes

Term Deposits

The Education Fund Term deposit has been invested for a one year term which expires on 6 April 2024. The rest of the Term Deposits are in short-term investments.

Financial Statements

There are two sets of Financial Statements presented at this AGM both for the years ended 31 January 2022 (previous year) and 31 January 2023 (current year). Please refer to the notes below for further information.

2021/2022 Financial Statement

The audit of the 2022 Financial Statement required some minor accounting amendments to the financial Statement. The final audited Financial Statement for 2022 is available on the NZAP website and will be uploaded to the Companies Register following the AGM to replace the unaudited version currently listed.

Audit 2021/2022 Financial Year
The Audit of the 2022 Financial Statement by Kendons Chartered Accountants, Lower Hutt, is now complete and the Auditor's report available on the NZAP website.

The most significant finding related to NZAP's Tax Exemption status. NZAP held a Tax Exemption believed, to have been granted in 1986, on the basis of NZAP being a Friendly Society. The Auditor advised as an Incorporated Society we no longer met this criteria for the tax exemption we held. After further investigations NZAP's tax exemption has been removed.

Council voted for making a voluntary disclosure to IRD. As a preliminary step we requested calculations of NZAP's profit and loss for the past five years, i.e. 2018-2022, to assess our tax liability. The assessment showed NZAP operated overall at a loss for those five years and therefore had no tax owing.

We are now registered as a Not-for-Profit with IRD which entitles us to a tax exemption on the first $1,000.00 of income. We are not required to pay tax on income derived from membership subscriptions or donations. We are required to file a tax return each year.

2022/2023 Financial Statement

A financial statement has been prepared for the year ended 31 January 2023 as per financial reporting requirements under NZAP constitution. The statement can be found on the NZAP website.

Current year and budget

Overall income increased by $7,406.00 compared to the year ended 31 January 2022. Income from subscriptions was almost equal to last year. Income from Advertising and ACP marking increased and we also received income from conference fees. We received $726.00 in donations.

Income was down for ACP Applications and Interview/Assessment fees as well as Workshops and Training.

Although we saw increases in some areas, overall expenditure was down by $23,527.00

Expenditure increased for Accounting and Bookkeeping, Salary and Travel. Decreases were seen across a number of committees, some of whom are in recess.

Overall NZAP had a net surplus of $52,000.00 for this financial year. The total taxable profit is $4,597.00 with tax of $1,287.00 due after the $1,000.00 deduction as a Not for Profit.

Income from Subscriptions was on a par with the previous year at around $139,000.00. There was one outstanding subscription at the end of the financial year, which has since been resolved.

A remit was presented at the 2022 AGM to alter the category of Retired Membership to allow for Semi Retired $120.00 per annum and Fully Retired $65.00 per annum, Member categories. This remit will be voted on at the 2023 AGM.

The Ka mua Ka muri conference returned a profit of $17,544.18. 50% of this profit was transferred to the Education Fund account with the remaining 50% transferred to the Operating account and allocated 50/50 to the Council and Academy budgets.

Income from Newsletter advertising doubled, up from $513.00 last year to $1,130.00 this year and Online advertising increased from $2,950.00 last year to $3,700.00.

Travel expenses have increased now that travel has resumed for various committees and council to attend meetings in person. Council held one meeting in person and remain committed to holding two of our three meetings online to reduce both budget and climate impacts.

The $5,500.00 Audit fee is, for accounting purposes, recorded in the 2022 Financial year that is, the year for which the audit was undertaken.

The Academy were allocated an initial Budget of $5,000.00 to develop, launch and manage their Website. We look forward to the launch sometime in 2023.

Expenditure for the Ata Journal was down in 2022 as expenses for one edition only are shown in the accounts. Expenses for the second 2022 edition, published February 2023, are recorded in the 2023 accounts.

Overall expenses for the publication of the Ata Journal have increased. Estimates are around $10,00.00 per edition up from $7,000.00. Thus, there is a proposed increase for the 2023-2024 budget. At the same time Council agreed to $10,000 of the 2022/2023 budget allocated to the Ata Journal be rolled over to the 2023/2024 budget.

Education Funds

Five applications for the Education Fund were received in November 2022. The four successful applicants were Jane Tuson $3,000.00, Leigh-Ann Pukeroa $2,000.00, John Francis $500.00 and Andrea Graham $500.00. At the close of the financial year two applicants had received their grant.

There were no applications for the NZ Self Psychology Institute education fund in the last financial year.

In the past two years we have received an increased number of applications for Education Grants with a diverse range of initiatives for which the grants are requested. This has prompted the committee's thinking around current application and assessment processes and the amount of funding available for grants.

With this in mind the Education Fund Committee met in April 2023. Our overall aim for the meeting being to reflect on the Education Grants' history, purpose, criteria, expectations, funding amounts and fit for the current times.

As a result of that meeting, we are reviewing and rewriting the Education Grants terms of reference. This, we hope, will provide more clarity around criteria and expectations for potential applicants.

We have proposed an increase in the total sum available for annual grants. This proposal will be included in discussions and approval of the proposed budget at the June 2023 Council meeting.

Bookkeeping

Accounting and Bookkeeping increases in expenditure include additional hours for the Audit; the tax status issue and profit and loss calculations for past five years accounts; ongoing assistance to myself and Luisa in our roles and a general increase in week to week workload.

As a result of the Audit we have improved our payment approval processes so that approvals are more easily noted, stored and retrieved when required.

Once again, I wish to thank Jill Duffey from SBA Cashel. Jill had a significant role in collating the enormous amount of information required for the audit and continues to support us in the day to day operations of the NZAP accounts. She is always at the ready to answer queries and offer her assistance for which I am most grateful. Thank you Jill.

Warmest regards,

Delia Crozier, NZAP Honorary Treasurer
Jill Duffey, Bookkeeper, SBA Cashel, Christchurch
Attached: 2023/2024 Proposed Budget