

ARCHITECTURAL PRACTICE BOARD

OF

SOUTH AUSTRALIA

ABN: 20 167 920 248

ANNUAL REPORT

FINANCIAL YEAR ENDED 30 JUNE 2018

June 2018

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EXECUTIVE SUMMARY: 2017/18

The terms of the three of the four Ministerial appointed members of the Board expired in May 2018. The Board anticipates that both Dimitty Andersen and Kirsteen Mackay will be reappointed. James Hilditch was not available for re-appointment, and the Board looks forward to a new appointment for this position (legal practitioner), along with the other two Ministerial (re)appointments.

The Board continued to review its progress on the priorities in the strategic planning workshop and during the year presented advice to the Minister to consider introducing amendments to the Architectural Practice Act 2009 to include the mandating of Continuing Architect Education (CAE).

In February 2018, the Board's Awards Event was held at Electra House. Over 70 members of the architectural profession attended the evening, which was addressed by Keith Drew, National Examination Convenor of the AACA. The Presiding Member of the Board presented Certificates of Registration to new registrants who were successful in the Architectural Practice Examination during 2017. The Board also extended its congratulations to recipients of APBSA University Prizes:

University of Adelaide:	Stavroula Rozaklis
University of South Australia:	Imogen Hebart

Operationally, registrations with the Board in 2017/18 increased slightly. The total number on the register at the end of June 2018 was 969 (including both individuals and architectural businesses). This is a small increase from 955 in the previous year.

One complaint to the Board concerning unprofessional conduct by an architect or architectural business was lodged with the Board during the year and remains under investigation. One complaint from the previous year remained in abeyance pending the commencement of any legal proceedings, and another complaint from a previous year was informally resolved. The Board sought and received advice from the Crown Solicitor's Office on the procedures to follow when a complaint is lodged but the complainant subsequently does not provide authorisation to proceed to investigation of the matter. This had occurred in 2016/17 and again in 2017/18.

Seventeen alleged breaches of the Architectural Practice Act received this year with eight being resolved and nine remaining under investigation. Two of these matters were referred to the Crown Solicitor's Office for legal advice.

During the year the Board was pleased to support the Graduate Exhibitions of both the University of South Australia and the University of Adelaide. This was the first year the Board has provided financial support for these important exhibitions, and a representative of the Board was very happy to attend each graduate celebration at both Universities.

I acknowledge the commitment and contribution of all past and present Board Members during the past year, as all Board Members generously provide their time, knowledge and expertise to the work of the Board; and on behalf of all Board Members, I also thank all APE Examiners and Assessors who assisted the Board during the 2017/18 year. Their role, which is both valuable and, to a significant extent, voluntary, is of great importance to the architectural profession.



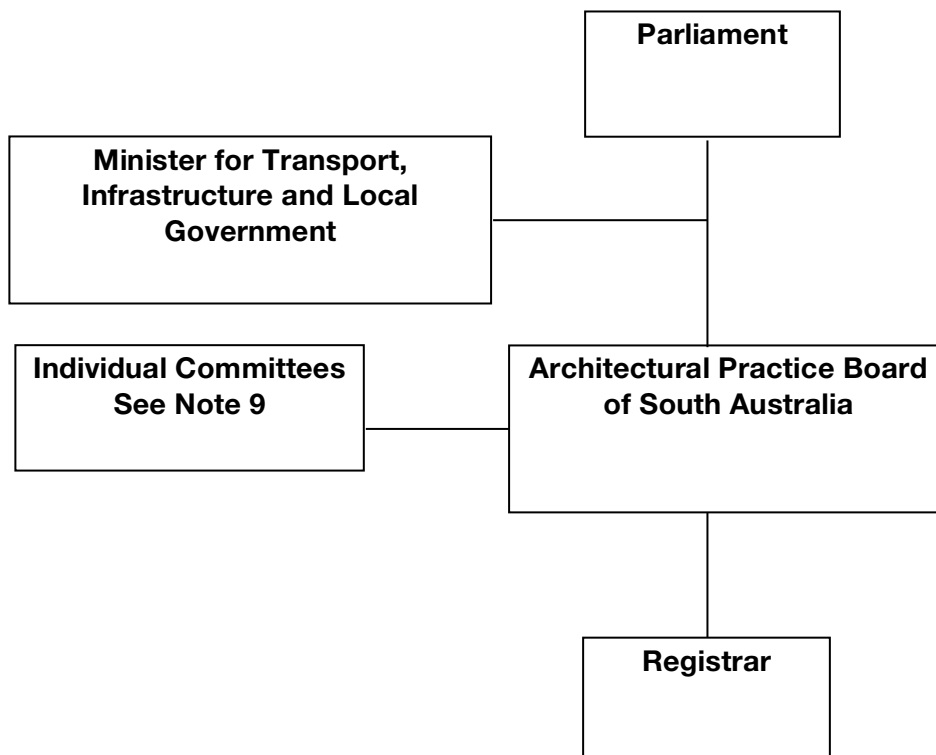
PAUL BOYCE
PRESIDING MEMBER

1 CHARTER

The Architectural Practice Board of South Australia (the Board) is the statutory authority responsible for administering the Architectural Practice Act 2009 (the Act), "to provide for the registration of architects and architectural businesses; to regulate architectural practice for the purpose of maintaining high standards of competence and conduct by registered architects and registered architectural businesses; and for purposes incidental thereto."

The purpose of limiting the use of the title "architect" to those properly qualified is to protect the public from the activities of unqualified persons or registered entities who may present themselves as having professional qualifications in architecture they do not possess.

2 ORGANISATION



3 FUNCTIONS OF THE BOARD

The Board is responsible for the protection of the interests of the public. Section 13 of the Act provides for the following functions of the Board:

- (1)
 - (a) to oversee the practice of architecture by registered architects and registered
 - (b) to approve, after consultation with authorities considered appropriate by the Board, courses of education or training that provide qualifications for registration on the register of architects;
 - (c) to determine, after consultation with authorities considered appropriate by the Board, the requirements necessary for registration on the register of architects;
 - (d) to establish and maintain the registers contemplated by the Act;
 - (e) to prepare or endorse, subject to the approval of the Minister, codes of conduct or professional standards for registered architects or codes of conduct for registered architectural businesses;
 - (f) to prepare or endorse guidelines on continuing architectural education for registered architects;
 - (g) to take such measures as the Board considers appropriate to promote education in architecture, to assist students in architecture or to further knowledge of architecture among the public;
 - (h) to establish administrative processes for handling complaints received against registered architects and registered architectural businesses (which may include processes under which a person voluntarily enters into an undertaking);
 - (i) to provide advice to the Minister as the Board considers appropriate;
 - (j) to take such measures as it considers appropriate to promote equity, fairness and safety within the architectural profession;

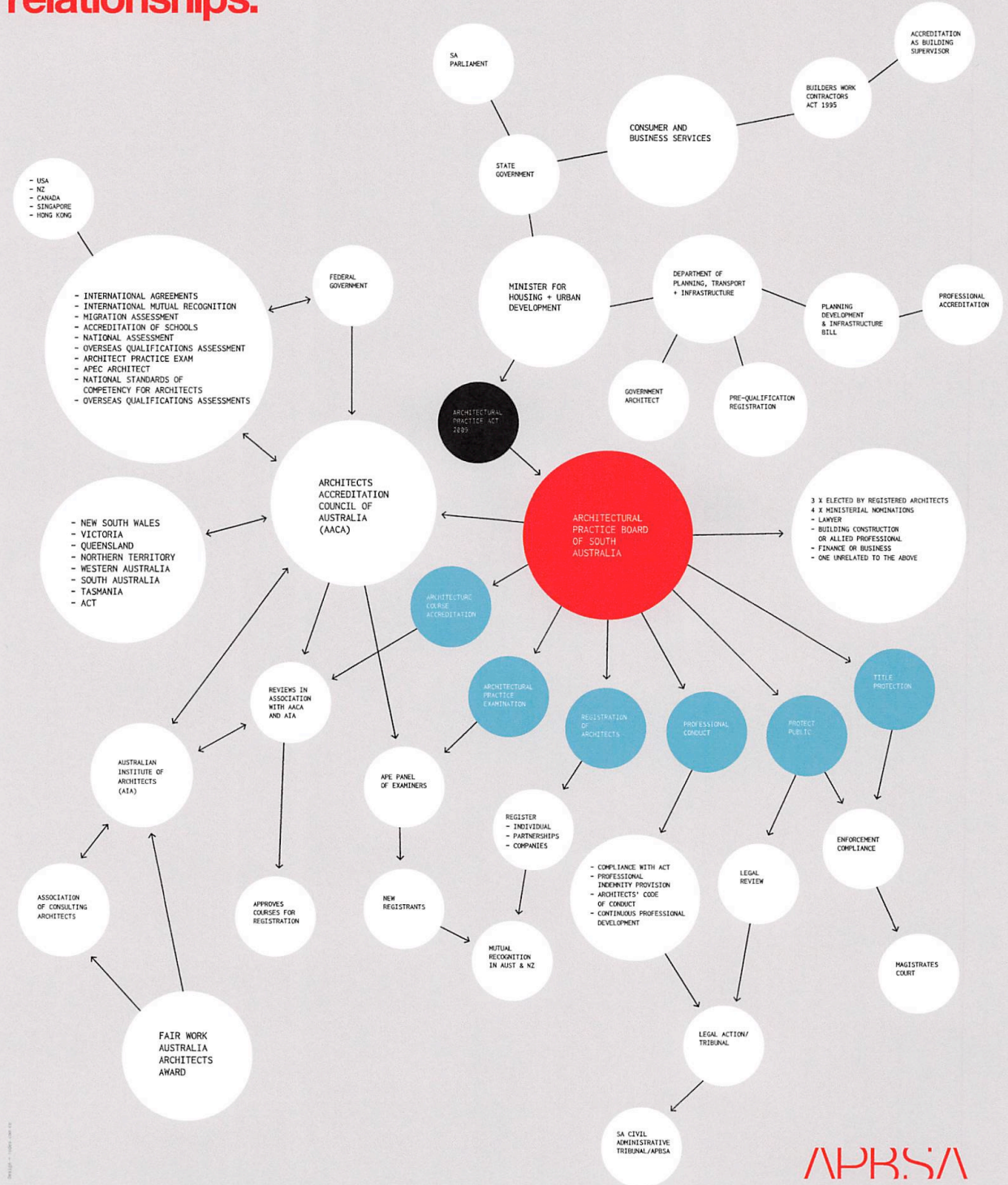
(k) to carry out other functions assigned to the Board by or under the Act, or by the Minister.

Architectural Practice Board of South Australia.

The Board regulates architects and architectural businesses, to maintain high professional standards and to protect the interests of the public.

archboardsa.org.au

Functions and relationships.



APRISA

4 BOARD MEMBERSHIP

The Architectural Practice Act 2009 provides that the Board is to consist of seven members. Three of these are to be registered architects elected by registered architects in accordance with Section 6 of the Act. The other four persons are to be nominated by the Minister in accordance with Section 5 (1) (b) of the Act. Ministerial nominations expired in May 2018 and appointments were made in July 2018. Dimitty Andersen and Kirsteen Mackay were re-appointed and Kymberley Lawrence was appointed to replace James Hilditch who had served as a Board member since February 2015. No Deputy Members were appointed by the Minister.

The membership of the Board from 1 July 2017 to 30 June 2018 was as follows:-

Ministerial nominations:

Dimitty Marie Andersen

Director

Grieve Gillett Dimitty Andersen Pty Ltd

Appointed: 26 May 2016 to 25 May 2018. (Reappointed in July 2018 to 11 July 2021.)

Ms Kirsteen Mackay

Government Architect

Appointed: 26 May 2016 to 25 May 2018. (Reappointed in July 2018 to 11 July 2021.)

Mr James Hilditch

Principal: Hilditch Lawyers

Appointed: 12 February 2015 to 11 February 2016. Reappointed 26 May 2016 to 25 May 2018.

Mr Mariano DeDuonni

Principal: Hassell Pty Ltd

Appointed: 5 April 2017 to 4 April 2020

Deputy Member

Mr John Byleveld (Deputy to Kirsteen Mackay)

Manager, Strategic Design, ODASA

Appointed: 26 May 2016 to 25 May 2018. Not reappointed.

Elected registered architects:

Mr Paul Roger Willoughby Boyce (Presiding Member)

Director - Tridente Architects Pty Ltd

Appointed: 01 January 2011. Reappointed: 31 December 2013 to 31 December 2016. Reappointed: 5 April 2017 to 4 April 2020

Appointed Presiding Member: 19 April 2017

Mr Gary Bonato

Director - Tectvs Pty Ltd

Appointed: 01 January 2011. Reappointed: 31 December 2013 to 31 December 2016. Reappointed: 5 April 2017 to 4 April 2020

Presiding Member: 15 August 2012 to 31 December 2016

Ms Danielle O'Dea

Practice Manager, Bell Architecture Pty Ltd

Appointed: 5 April 2017 to 4 April 2020

4 BOARD MEMBERSHIP (Cont)

Deputy Members of the Board may be appointed to the Board. Deputy Members attend Board meetings in place of the Board Member to whom they are Deputy who may not be able to attend for some reason.

The Board meets formally each month from July to June, excluding December and January, usually on the second Wednesday of the month. The Board may hold Special Meetings and appoints committees as may be required.

Meetings of the Board are attended by the Registrar.

5 BOARD MEETINGS

Quorum

Under the Architectural Practice Act 2009 a quorum of the Board is 4 members.

Meeting Attendance

The Board met ten times during the period 1 July 2017 to 30 June 2018. Attendance at meetings during the period 1 July 2017 to 30 June 2018 was as follows:

	Attendance	Maximum
Gary Bonato	8	10
Paul Boyce	10	10
James Hilditch	9	9
Dimitty Andersen	8	9
Kirsteen Mackay	5	9
John Byleveld	0	5
Danielle O'Dea	9	10
Mariano DeDuonni	8	10

6 REMUNERATION OF BOARD MEMBERS AND EXAMINERS

In accordance with Section 10 of the Architectural Practice Act 2009, Board members are entitled to remuneration for their service to the Board as determined by the Governor. Government employees on the Board are not entitled to remuneration as per the Department of the Premier and Cabinet Circular 16 - Remuneration for Government Appointed Part-Time Boards and Committees.

The Board also contracts examiners to administer and conduct the AACA national architectural practice examinations in South Australia for persons seeking registration as an architect and a part time administrator.

The Board contributes superannuation for Board members where required under the Superannuation Guarantee (Administration) Act 1992.

Employee Numbers, Gender and Status:

Employees include part time Board members and a part time Registrar.

Employment statistics for the period 1 July 2017 to 30 June 2018 were as follows:

Number of Employees: 9 persons 0.5 Full Time Equivalents

Age Bracket	Male	Female	Total
<40	0	0	0
40-44	2	2	4
45-49	0	1	1
50-54	1	0	1
55-59	2	0	2
60-64	0	0	0
65+	0	1	1
Total	5	4	9

6 REMUNERATION OF BOARD MEMBERS AND EXAMINERS (Cont)

Salary Bracket	Male		Female	
	Part Time	Casual	Part Time	Casual
\$0-\$9,999 per annum	5	0	4	0
\$10,000-\$20,000 per annum	0	0	0	0
\$20,000-\$30,000 per annum	0	0	0	0
\$30,000-\$40,000 per annum	0	0	0	0
\$40,000-\$50,000 per annum	0	0	0	0
\$50,000-\$60,000 per annum	0	0	0	0
\$60,000-\$70,000 per annum	0	0	1	0

Annual leave was paid to the Registrar in the financial year ended 30 June 2018.

No board members or examiners were of Aboriginal or Torres Strait Islander descent.

No board members or examiners had disabilities of any kind as defined per the Disability Discrimination Act 1992.

No workers compensation claims were made in the financial year ended 30 June 2018.

No performance reviews were conducted by the Board for the financial year ended 30 June 2018.

No employees were involved in any overseas travel during the year.

As all employees were permanent part time, no training packages were offered.

7 REGISTRAR AND ADMINISTRATION

The Board's Registrar, Ms Sue Millbank continued permanent part time employment during 2017-2018.

The Registrar is responsible to the Board for the following services:

- maintaining up to date Registers and information
- assisting members of the public and profession about registration and professional matters
- acting on decisions of the Board
- providing advice to the Board
- undertaking preliminary investigations into complaints with the Notifications Committee, and laying complaints against architects if warranted
- with the Notifications Committee, investigating alleged breaches of the Architectural Practice Act 2009
- accounting, administrative and secretarial support

Since February 2014, administrative services to the Board have been provided by Administration Overflow.

The Board's office is located in serviced offices in Wayville. Board contact details are as follows:

C/- Level 1, 28 Greenhill Road
WAYVILLE SA 5034
Telephone: (08) 8373 2766

Email: registrar@archboardsa.org.au

8 WEBSITE

The Board has established a comprehensive website at the address: www.archboardsa.org.au

The Act and Regulations, application forms, annual report and other Board publications can be downloaded from this website. In January 2016 the Board launched a new website which incorporates a portal whereby registered architects can make changes to their registration details and renew their registrations electronically as well as submit payment by credit card. This portal also enables Architectural Practice Examination candidates to register to attend briefing sessions and lodge application forms to undertake the three part Architectural Practice Examination.

9 COMMITTEES

The Board maintained one 'standing' committee, which is the Notifications Committee. Its role is to provide advice to the Registrar on complaints against architects; and with the Registrar, it considers alleged breaches of the Architectural Practice Act 2009.

10 FREEDOM OF INFORMATION ACT 1991

The Board has published an Information Statement as required by Section 9 of the *Freedom of Information Act 1991*.

The Information Statement contains advice on:

- structure and functions of the Board
- registration of architects
- public participation in policy formulation
- kinds of documents held
- access arrangements and procedures

The Statement is available from the offices of the Board or can be downloaded from the Board's website. Application and processing fees are in accordance with the *Freedom of Information Act (Fees & Charges) Regulations 1991*.

The Registrar, as the principal officer of the Board is the FOI Officer for the provisions of the *Freedom of Information Act 1991*.

No new FOI applications were received in the financial year end 30 June 2018.

11 EXAMINATIONS AND PRIZES

Examinations

Architectural Practice examinations were conducted in September 2017 and May 2018. The results were as follows:

	No. of Applicants	No. of Successful Candidates	No. Deferred
September 2017	24	20	2
May 2018	13	9	0

The Board congratulates all successful candidates.

Prizes and Awards

The APBSA University Prize continues to be an annual award of \$500 awarded to the student with the highest grade in "Professional Practice" subject nominated by the University of South Australia and the University of Adelaide.

The prizes presented by the Board on the basis of the 2017 university examinations were:

- 1 APBSA University Prize for University of South Australia student
Awarded to Imogen Hebart

- 2 APBSA University Prize for University of Adelaide student
Awarded to Stavroula Rozaklis

12 REGISTRATION STATISTICS

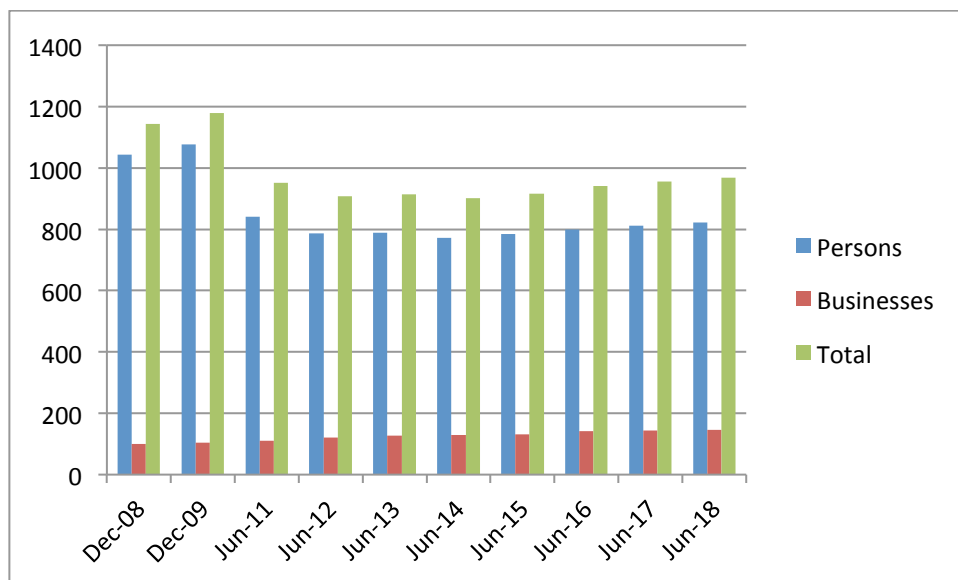
Natural persons having the necessary qualifications and experience may apply to be registered pursuant to section 28 (1) of the Architectural Practice Act 2009. Under Section 28 (2) of the Architectural Practice Act 2009, the Board may register a natural person as having 'limited registration' if that person does not have the necessary qualifications or experience required for registration on the register.

Section 33 of the Architectural Practice Act 2009 requires companies and partnerships providing architectural services to be on the register of architectural businesses. The Act details the requirements on the number of directors of architectural businesses to be registered as architects in South Australia. Registration statistics for the period were as follows:

(a)	Total Number of Natural Persons registered:	
	Natural Persons Registered at 1 July 2017	
	Male	657
	Female	155
	(includes one Limited Registration)	
	Add: Approved Applications for Registration	
	Male	60
	Female	21
	Less: Resignations and Removals	
	Male	55
	Female	15
	Natural Persons Registered at 30 June 2018	
	Male	662
	Female	160
	Total Natural Persons	<u>822</u>
(b)	Total Number of Partnerships registered:	
	Partnerships Registered at 1 July 2017	8
	Add: Approved Applications for Registration	0
	Less: Resignations and Removals	<u>0</u>
	Partnerships Registered at 30 June 2018	<u>8</u>
(c)	Total Number of Companies registered:	
	Companies Registered at 1 July 2017	136
	Add: Approved Applications for Registration	11
	Less: Resignations and Removals	<u>9</u>
	Companies Registered at 30 June 2018	<u>138</u>

12 REGISTRATION STATISTICS (Cont)

Registration statistics over the last 10 years (from 2008 – 2018) have been tabulated as follows:



Note: the Architectural Practice Act 2009 was proclaimed in January 2011 and included a change in the reporting year from calendar year to financial year.

13 COMPLAINTS AND INVESTIGATIONS

When a complaint is received the Registrar undertakes a preliminary investigation to gather evidence sufficient to assess whether there is cause to lay a complaint for unprofessional conduct. The Registrar receives advice and assistance from the Notifications Committee on the merits or otherwise of the complaint. If there is sufficient cause and the matter is considered to be a serious matter, the Registrar refers the matter to the Crown Solicitor's Office for further investigation and legal advice. After considering the evidence and legal advice, the Registrar will consult with the Notifications Committee and may lay a complaint leading to a Board disciplinary inquiry.

The Board also receives notification of an alleged breach of the Architectural Practice Act 2009. Such notifications may concern a number of sections of the Act, but mainly allege a breach of section 38 and/or section 40. The Registrar and Notifications Committee will review the matter and conduct a preliminary investigation. Depending upon the level of seriousness and evidence available, the Notifications Committee may write to the party concerned informing them of the potential breach of the Act, requiring them to desist. In more serious matters, if sufficient evidence is available, and the matter is clearly in the public interest, the Notifications Committee will recommend the Board lay a charge alleging a breach of the Architectural Practice Act 2009. The matter is then prosecuted in the Adelaide Magistrates Court.

The Board considered a number of matters during the year and these matters are summarised below.

Complaints concerning professional conduct:

One complaint to the Board concerning unprofessional conduct by an architect or architectural business was lodged with the Board during the year and remains under investigation as at June 2018. One complaint from the previous year remained in abeyance pending the commencement of any legal proceedings, and another complaint from a previous year was informally resolved.

During the year, the Board sought and received advice from the Crown Solicitor's Office on the procedures to follow when a complaint is lodged but the complainant subsequently does not provide authorisation to proceed to an investigation of the matter. The Board confirmed this had occurred in 2016/17 and again in 2017/18.

Seventeen alleged breaches of the Architectural Practice Act were received this year with eight being resolved and nine remaining under investigation. Two of these matters were referred to the Crown Solicitors Office for legal advice.

All breaches of the Act concern section 38 and/or section 40 of the Act – that is, using the word ‘architect’ or its derivatives by a unregistered person or business, and ‘holding out’ another person or business to be an architect or architectural business.

14 FRAUD PREVENTION

The Board did not identify any fraudulent activities during the financial year ended 30 June 2018.

The Board adopted a number of procedures to assist in the prevention of fraudulent activities, including:

- Engaging an independent accountant to prepare quarterly financial reports for review by the Board, and preparation of Business Activity Statements
- Use of the Board’s accounting package (MYOB)
- Authorising the Registrar to make payments of monthly accounts to a maximum amount
- Listing monthly expenditure at Board meetings for endorsement by the Board
- Requiring two authorised account signatories for payments made by cheque
- Segregation of duties for staff involved in payment of accounts, verifying invoices and recording expenditure in MYOB.

15 FINANCES

The Board maintains a reserve of equity to ensure adequate funds are available to meet possible contingency needs, such as legal costs incurred in investigating and dealing with complaints and other administrative requirements that may arise for the Board to undertake its role.

The Board recorded a net surplus of \$85,347 for the financial year ended 30 June 2018 (financial year ended 30 June 2017 surplus \$118,357) and as at 30 June 2018 the Board had total equity of \$880,915 (as at 30 June 2017 total equity \$880,588).

The Board is not considered to be a "controlled entity" for the purposes of inclusion in the whole of Government Reporting.

The Board engaged a number of consultants during 2017/18. The consultancies are detailed below:

Consultants

Consultant	Number	Total (Ex GST)	Purpose of Consultancy
Value below \$10,000	2		
Plastyk Studios	1	\$1,760	Website Maintenance
Simon Fry & Associates	1	\$5,500	Auditor Fees
Value \$10,000-\$50,000	2		
Administration Overflow	1	\$48,048	Administrative services
Not for Profit Accounting Services	1	\$13,102	Accounting Services
Total	4	\$79,676.61	

Contractual Arrangements

Plastyk Studios continues to provide maintenance of the Board’s website and \$1,760 was expended in this financial year and will continue.

Simon Fry & Associates were engaged to audit the 2017-18 financial year accounts.

Administration Overflow provided administrative services to the Board in accordance with an agreed contractual engagement. Administration Overflow was paid fees as agreed between the Board and Administration Overflow. These fees were progressively billed and expensed as incurred on a weekly basis.

Not For Profit Accounting Services (NFPAS) provided accounting services to the Board in accordance with an agreed contractual engagement. NFPAS was paid fees as agreed between the Board and NFPAS. These fees were progressively billed and expensed as incurred on a fortnightly basis.

15 FINANCES (Cont)

The Crown Solicitor's Office provides legal assistance to the Board and was paid professional fees as they were incurred. Legal fees to the amount of \$34,228 were incurred in the financial year 2017-18.

Audit

The accounts of the board have been audited and the financial statements for the financial year ended 30 June 2018 follow, together with the accompanying notes, and the independent auditor's report.



Presiding Member



Board Member

Dated this day of 2018

ARCHITECTURAL PRACTICE BOARD OF SOUTH AUSTRALIA

ABN 20 167 920 248

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2018**

ARCHITECTURAL PRACTICE BOARD OF SOUTH AUSTRALIA

A.B.N. 20 167 920 248

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		30 June 2018	30 June 2017
	Note	\$	\$
INCOME			
Application and Registration Fees	3	335,800	326,621
Interest		14,951	16,482
Other Income	4	29,825	25,482
Net Income		380,576	368,585
EXPENSES			
Administrative Expenses	5	122,866	126,974
Depreciation		2,042	1,300
Employee Costs		87,763	93,355
Legal Costs		31,117	5,083
Other Expenses	4	19,357	8,110
Prizes		1,000	1,000
Rent		17,848	14,406
Sponsorships		12,909	-
Net Expenses		294,901	250,228
NET OPERATING INCOME		85,675	118,357
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE SURPLUS FOR THE YEAR		85,675	118,357

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

		30 June 2018	30 June 2017
	Note	\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	6	1,217,558	1,097,649
Receivables	7	16,151	14,643
		1,233,709	1,112,292
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	6,316	8,357
TOTAL ASSETS		1,240,025	1,120,649
CURRENT LIABILITIES			
Revenue in Advance	9	240,180	218,846
Trade and Other Payables	10	22,474	12,803
Provisions	11	11,108	8,411
		273,762	240,061
TOTAL LIABILITIES		273,762	240,061
NET ASSETS		966,263	880,588
EQUITY			
Retained Earnings		966,263	880,588
Total Equity		966,263	880,588

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2018

	Note	30 June 2018 \$	30 June 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Income Received		387,447	362,448
Payments to Suppliers & Employees		(280,493)	(259,955)
Interest Received		12,956	16,482
NET CASH FLOWS FROM OPERATING ACTIVITIES	12	119,909	118,975
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		0	(7,457)
NET CASH FLOWS FROM INVESTING ACTIVITIES		0	(7,457)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS			
		119,909	111,518
CASH & EQUIVALENTS AT THE BEGINNING OF THE YEAR			
		1,097,649	986,131
Cash & Cash Equivalents at the end of the year	6	1,217,558	1,097,649

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2018

	Note	Accumulated Funds \$	Total \$
BALANCE AT 1 JULY 2016		762,231	762,231
Total Comprehensive Surplus for the Year		118,357	118,357
BALANCE AT 30 JUNE 2017		880,588	880,588
BALANCE AT 1 JULY 2017		880,588	880,588
Total Comprehensive Surplus for the Year		85,675	85,675
BALANCE AT 30 JUNE 2018		966,263	966,263

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. OBJECTIVES AND FUNDING

The Architectural Practice Board of South Australia ("Board") exercises its functions under the *Architectural Practice Act 2009 (SA)* with the objective of achieving and maintaining professional standards of competence and conduct in the practice of architecture in South Australia.

The Board does not receive Government funding and the principal source of funds consists of monies paid by registered architects as registration fees, annual registrations and renewals received.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations and the requirements of the *Architectural Practice Act 2009 (SA)*.

The Board is a not-for-profit entity, being an entity whose principal activity is not the generation of profit, and so it has applied Australian Accounting Standards that are applicable to not-for-profit entities.

The Board has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, or modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Significant Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates or judgements which have risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(b) Income Tax

The company is exempt from income tax pursuant to the *Income Tax Assessment Act 1997*. Accordingly, Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the financial reports.

(c) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Registration renewals are recognised on receipt except renewals received for the ensuing financial year which are reported as Income Received In Advance.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, plus term deposits with maturity dates of less than 12 months from balance date net of any outstanding bank overdrafts.

(f) Trade and Other Receivables

Trade receivables are recorded at amounts due less any allowance for doubtful debts. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(g) Property, Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value or straight line basis over the useful lives of the assets to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Office Equipment	20% Straight line
Computers	30% Diminishing value

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation.

An impairment of loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (Continued)

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Derecognition and Disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of it or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognised.

(h) Impairment of Assets

At each reporting date, the Board reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

(i) Trade and Other Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. The carrying amount of the creditors and payables is deemed to reflect fair value.

(j) Employee Benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by the employees to balance date. Employee benefits that are expected to be settled within 12 months of the reporting date have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) Provisions

A provision is recognised in the Statement of Financial Position when the company has a present, legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

3. APPLICATION AND REGISTRATION FEES

Revenues are recognised at the fair value of the consideration received.

	30 June 2018	30 June 2017
	\$	\$
Application Fees	7,980	7,840
Registrations	327,820	318,781
	<u>335,800</u>	<u>326,621</u>

4. OTHER INCOME & EXPENSES

Other Income		
- Income from Exams & APE Fees	26,640	17,444
- Fines and penalties	1,540	6,900
- Other Income	1,645	1,138
Total Other Income	<u>29,825</u>	<u>25,482</u>
Other Expenses		
- Exam related costs	19,357	8,110
Total Other Expenses	<u>19,357</u>	<u>8,110</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (Continued)

5. ADMINISTRATIVE EXPENSES

	30 June 2018	30 June 2017
	\$	\$
AACA Costs	7,463	6,176
Administration Costs	59,100	64,308
Auditor's Fees	3,000	4,890
Bank Charges	3,864	1,360
Board Fees	18,508	5,810
Entertainment Expenses	-	225
Prizes & Certificates Function	5,757	6,195
Insurance	2,492	3,165
Printing, Postage & Stationery	4,083	4,622
Project Fund	-	4,065
Storage Fees	1,807	965
Sundry Expenses	10,195	17,031
Telephone	2,814	3,050
Travel & Conference Expense	2,186	4,312
Website & Logo	1,600	800
	<u>122,866</u>	<u>126,974</u>

6. CASH AND CASH EQUIVALENTS

	30 June 2018	30 June 2017
	\$	\$
Cash at Bank	622,379	507,506
Cash on Hand	50	50
Term Deposits	595,129	590,093
	<u>1,217,588</u>	<u>1,097,649</u>

7. TRADE AND OTHER RECEIVABLES

	30 June 2018	30 June 2017
	\$	\$
Trade Debtors	-	-
Accrued Interest	2,283	288
Fines Receivable	5,100	6,000
Prepayments	4,500	4,654
GST Receivable	4,268	3,701
	<u>16,151</u>	<u>14,643</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (Continued)

8. PROPERTY, PLANT & EQUIPMENT

Office Equipment at cost	9,335	9,334
Less: Accumulated Depreciation	<u>(3,746)</u>	<u>(2,197)</u>
	<u>5,589</u>	<u>7,137</u>

Computer Equipment – at cost	1,793	1,793
Less: Accumulated Depreciation	<u>(1,066)</u>	<u>(573)</u>
	<u>727</u>	<u>1,220</u>

Total Property, Plant and Equipment	<u>6,316</u>	<u>8,357</u>
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9. INCOME RECEIVED IN ADVANCE

Registration revenue received in advance	<u>240,180</u>	<u>218,846</u>
	<u>240,180</u>	<u>218,846</u>

10. TRADE AND OTHER PAYABLES

Trade Payables	15,596	7,112
PAYG Payable	<u>6,878</u>	<u>5,691</u>
	<u>22,474</u>	<u>12,803</u>

11. PROVISIONS

Employee Benefits	<u>11,108</u>	<u>8,411</u>
	<u>11,108</u>	<u>8,411</u>

12. RECONCILIATION OF NET RESULT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits at call with banks. Cash held at 30 June as shown in the Statement of Cash Flows is reconciled to the relevant items in the Statement of Financial Position as follows:

Net Surplus/(Deficit) from Operations	85,675	118,357
Non-cash flows in surplus/(deficit) from ordinary activities		
Depreciation and Amortisation	2,041	1,300
Change in Assets & Liabilities		
Decrease/(Increase) in Trade and Other Receivables	(1,508)	(9,466)
(Decrease)/Increase in Income Received in Advance	21,332	19,813
(Decrease)/Increase in Trade and Other Payable	9,672	(12,378)
(Decrease)/Increase in Provisions	<u>2,697</u>	<u>1,349</u>
Net Cash Flows from Operating Activities	<u>119,909</u>	<u>118,975</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (Cont'd)

13. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

At 30 June 2018, all interest bearing financial assets were fixed interest investments. The effective weighted average interest rates on those financial assets is as follows:

	Weighted Average	
	%	
Cash at Bank and on Hand	0.45%	1.27%
Cash Term Deposits	1.76%	2.30%

Period Ended	Interest Bearing		Non Interest Bearing		Total	
	30/06/18	30/06/17	30/06/18	30/06/17	30/06/18	30/06/17
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash at Bank	622,379	507,506		50		507,556
Term Deposits	595,129	590,093		-		590,093
Receivables		-		14,643		14,643
Total	1,217,508	1,097,599		14,693		1,112,291
Financial Liabilities						
Revenue in Advance	-	-	240,180	218,847	240,180	218,847
Creditors & Accruals	-	-	15,596	7,112	15,596	7,112
PAYG Creditors	-	-	6,878	5,691	6,878	5,691
Total	-	-	262,654	231,650	262,654	231,650

(b) Financial Risk Management

The Board has non-interest bearing assets (cash on hand and receivables) and liabilities (sundry creditors and accruals); and significant interest bearing assets (held-to-maturity investments). However the Board's exposure to market risk and cash flow interest risk is minimal.

(c) Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (Cont'd)

(d) Sensitivity Analysis

The Board has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk at 30 June, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	30 June 2018	30 June 2017
	\$	\$
Change in profit		
- Increase in interest rate by 2%	23,152	16,922
- Decrease in interest rate by 2%	(12,956)	(16,922)
Change in equity		
- Increase in interest rate by 2%	23,152	16,922
- Decrease in interest rate by 2%	(12,956)	(16,922)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

14. SUPPLIES AND SERVICES

	Year Ended 30 June 2018	Year Ended 30 June 2017
	\$	\$
Supplies and services provided by entities within the SA Government		
- Legal Costs	31,117	5,083
- Insurance	2,492	3,165
- Workcover	391	912
Supplies and services provided by entities external to the SA Government		
- Administrative and Registrar functions	146,863	157,663
- Other	114,039	83,405
Total	<u>294,901</u>	<u>250,228</u>

15. AUDITOR'S REMUNERATION

Audit fees paid and payable	4,000	4,890
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16. CONTINGENT LIABILITIES

One complaint against an architect is being held in abeyance as at end of June 2018. A settlement is in train and it is anticipated this complaint will be finalised in 2018/19 and not require legal proceedings. The complainants have not proceeded in the other two matters which were held in abeyance.

One alleged holding out as an architect is being investigated, with a view to a potential prosecution.

17. FUTURE COMMITMENTS AND CONSULTANTS

The Registrar is employed as a staff member of the Board. Other administration, accounting staff, Examiners, Assessors and Standing Panel Members are consultants to the Board.

Board Members receive sitting fees for their involvement in Board Meetings.

CERTIFICATE BY THE PRESIDING MEMBER, BOARD MEMBER AND REGISTRAR

- a. The foregoing Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, and notes to the Financial Statements thereto of the Architectural Practice Board of South Australia, present fairly, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Board as at 30 June 2018 and the result of its operations and its cash flows for the financial year then ended; and
- b. Internal controls over financial reporting have been effective throughout the period.

Signed in accordance to the resolution of the Board:



PRESIDING MEMBER



BOARD MEMBER



REGISTRAR

Date: 19th day of September 2018