PART 3

Financial Statements for Health Professional Councils

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INDEPENDENT AUDITOR’S REPORT

Aboriginal and Torres Strait Islander Health Practice Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Aboriginal and Torres Strait Islander Health Practice Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Aboriginal and Torres Strait Islander Health Practice Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Aboriginal and Torres Strait Islander Health Practice Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Mr Christopher O’Brien
President
Date: 12 October 2018

Ms Rosemary MacDougal
Deputy President
Date: 12 October 2018
### Statement of Comprehensive Income

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>EXPENSES EXCLUDING LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>5,553</td>
<td>15,099</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>2,113</td>
<td>10,787</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>30</td>
<td>209</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>-14</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td>7,696</td>
<td>26,109</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>5,472</td>
<td>3,366</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>574</td>
<td>384</td>
</tr>
<tr>
<td>Grants and Other Contributions</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>6,095</td>
<td>28,810</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>(1,601)</td>
<td>2,701</td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td>(1,601)</td>
<td>2,701</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Statement of Financial Position**

as at 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>36,043</td>
<td>37,943</td>
</tr>
<tr>
<td>Receivables</td>
<td>243</td>
<td>768</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>36,286</strong></td>
<td><strong>38,711</strong></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>40</td>
<td>59</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>38</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total Property, Plant &amp; Equipment</strong></td>
<td><strong>78</strong></td>
<td><strong>108</strong></td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td><strong>78</strong></td>
<td><strong>108</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>36,364</strong></td>
<td><strong>38,819</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>3,547</td>
<td>4,824</td>
</tr>
<tr>
<td>Other</td>
<td>2,288</td>
<td>1,865</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>5,835</strong></td>
<td><strong>6,689</strong></td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>1,134</td>
<td>1,134</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td><strong>1,134</strong></td>
<td><strong>1,134</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>6,969</strong></td>
<td><strong>7,823</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td><strong>29,395</strong></td>
<td><strong>30,996</strong></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td>29,395</td>
<td>30,996</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>29,395</strong></td>
<td><strong>30,996</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Part 3: Financial Statements**

**Aboriginal and Torres Strait Islander Health Practice Council of New South Wales**

**Statement of Changes in Equity**

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>Accumulated Funds $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July 2017</td>
<td>31,340</td>
</tr>
<tr>
<td>Correction of Prior Period Errors</td>
<td>(344)</td>
</tr>
<tr>
<td>Total Equity at 1 July 2017</td>
<td>30,996</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>(1,601)</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>29,395</td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>28,295</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>2,701</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>30,996</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Cash Flows
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Payments**
- Personnel services: (6,487) (16,541)
- Other: (2,770) (17,180)

**Total Payments** (9,257) (33,721)

**Receipts**
- Registration Fees: 5,751 6,506
- Interest Received: 574 377
- Grants and Contributions: - 25,000
- Other: 1,032 60

**Total Receipts** 7,357 31,943

**Net Cash Flows from Operating Activities** 19 (1,900) (1,778)

**CASH FLOWS FROM INVESTING ACTIVITIES**

- Purchases of property, plant and equipment: - (36)

**Net Cash Flows from Investing Activities** - (36)

**Net Increase/(Decrease) in Cash and Cash Equivalents**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
| Opening cash and cash equivalents: 11 37,943 39,757
| Closing Cash and Cash Equivalents: 11 36,043 37,943

The accompanying notes form part of these financial statements.
Notes to and forming part of the Financial Statements for the year ended 30 June 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Reporting Entity

The Aboriginal and Torres Strait Islander Health Practice Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) Basis of Preparation

The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($3,210) have been reclassified to ‘Other operating expenses’.

There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.
Part 3: Financial Statements  
Aboriginal and Torres Strait Islander Health Practice Council of New South Wales

Notes to the Financial Statements continued

1. Summary of Significant Accounting Policies continued

   Investment Revenue
   Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

   Grants and Contributions
   Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

   i) Personnel Services
   In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

   j) Accounting for the Goods & Services Tax (GST)
   Income, expenses and assets are recognised net of the amount of GST, except that:
   • amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
   • receivables and payables are stated with the amount of GST included.
   Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

   k) Acquisition of Assets
   Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.
   Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.
   Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

   l) Capitalisation Thresholds
   Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

m) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council. Details of depreciation rates initially applied for major asset categories are as follows:

- **Plant and Equipment**: 25%
- **Leasehold Improvements**: 7.66% - 20.11%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

n) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

o) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

p) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

r) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

s) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

   t) Payables

   These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

   Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

   Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

   u) Personnel Services - Ministry of Health

   In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

   Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

   In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

   The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

   The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

   Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

   The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

   All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Notes to the Financial Statements continued

v) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income. If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

w) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

x) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

   The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

   Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

   The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

   AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for–profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

   AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has one operating lease for the offices on Pitt Street to consider under the new accounting standard. The lease will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

The deferral of some revenues, in particular grant income for the Council may occur in the future. A liability will be recognised when revenue is received and subsequently released to match expenditure. This will smooth out the impact on the net result of the Council over the period the revenue is released.

Financial Instruments

No significant impact is expected on the Council.
2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>4,635</td>
<td>13,094</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>422</td>
<td>1,260</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>186</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>-</td>
<td>40</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>309</td>
<td>705</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,553</strong></td>
<td><strong>15,099</strong></td>
</tr>
</tbody>
</table>

3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancies</td>
<td>23</td>
<td>127</td>
</tr>
<tr>
<td>Contractors</td>
<td>234</td>
<td>2,681</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>12</td>
<td>79</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>369</td>
<td>1,647</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>10</td>
<td>470</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>2</td>
<td>33</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>18</td>
<td>185</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>-</td>
<td>134</td>
</tr>
<tr>
<td>Rental</td>
<td>-</td>
<td>1,483</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>5</td>
<td>278</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>1,436</td>
<td>3,647</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,113</strong></td>
<td><strong>10,787</strong></td>
</tr>
</tbody>
</table>

a. Other includes

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership/Professional Fees</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Security Services</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>1,428</td>
<td>3,174</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>6</td>
<td>461</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,436</strong></td>
<td><strong>3,647</strong></td>
</tr>
</tbody>
</table>

b. Reconciliation of Total Maintenance

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Contracts</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>7</td>
<td>164</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>3</td>
<td>276</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3)</td>
<td>10</td>
<td>470</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>470</strong></td>
</tr>
</tbody>
</table>
### Part 3: Financial Statements

#### Aboriginal and Torres Strait Islander Health Practice Council of New South Wales

#### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

4. **DEPRECIATION AND AMORTISATION**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>11</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td><strong>30</strong></td>
<td><strong>209</strong></td>
</tr>
</tbody>
</table>

5. **FINANCE COSTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td><strong>-</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>

6. **EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH**

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

7. **REGISTRATION FEES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>5,472</td>
<td>3,366</td>
</tr>
<tr>
<td></td>
<td><strong>5,472</strong></td>
<td><strong>3,366</strong></td>
</tr>
</tbody>
</table>

8. **INVESTMENT REVENUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>574</td>
<td>384</td>
</tr>
<tr>
<td></td>
<td><strong>574</strong></td>
<td><strong>384</strong></td>
</tr>
</tbody>
</table>

9. **GRANTS AND OTHER CONTRIBUTIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Grants</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td></td>
<td><strong>-</strong></td>
<td><strong>25,000</strong></td>
</tr>
</tbody>
</table>

10. **ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES**

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>48</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>49</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
11. **CASH AND CASH EQUIVALENTS**

Cash at bank - held by HPCA*

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank - held by HPCA</td>
<td>$36,043</td>
<td>$37,943</td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>$36,043</td>
<td>$37,943</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>$36,043</td>
<td>$37,943</td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. Refer to Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

12. **RECEIVABLES**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>314</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>64</td>
<td>104</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>157</td>
</tr>
<tr>
<td>Prepayments</td>
<td>179</td>
<td>193</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$243</td>
<td>$768</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 20.
13. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

Plant and Equipment - Fair Value

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>37</td>
<td>18</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>40</td>
<td>59</td>
</tr>
</tbody>
</table>

Leasehold Improvements - Fair Value

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>38</td>
<td>49</td>
</tr>
</tbody>
</table>

Total Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying Amount</td>
<td>78</td>
<td>108</td>
</tr>
</tbody>
</table>

13. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

2018

- Net carrying amount at start of year 59 49 108
- Depreciation Expense (19) (11) (30)
- Net carrying amount at end of year 40 38 78

2017

- Net carrying amount at start of year 47 194 241
- Additions 41 - 41
- Write Off of Assets (12) 47 35
- Depreciation Expense (17) (192) (209)
- Net carrying amount at end of year 59 49 108
### Notes to the Financial Statements continued

#### 14. PAYABLES

<table>
<thead>
<tr>
<th>Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>231</td>
<td>1,548</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>338</td>
<td>4</td>
</tr>
<tr>
<td>Creditors</td>
<td>511</td>
<td>761</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>2,467</td>
<td>2,511</td>
</tr>
<tr>
<td><strong>Aggregate Personnel Services and Related On-Costs Liability - Purchase of Personnel Services</strong></td>
<td>569</td>
<td>1,552</td>
</tr>
<tr>
<td><strong>Total Payables</strong></td>
<td><strong>3,547</strong></td>
<td><strong>4,824</strong></td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 20.

#### 15. PROVISIONS

<table>
<thead>
<tr>
<th>Non-Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Good</td>
<td>1,134</td>
<td>1,134</td>
</tr>
<tr>
<td><strong>Total Provisions</strong></td>
<td><strong>1,134</strong></td>
<td><strong>1,134</strong></td>
</tr>
</tbody>
</table>

**Movement in provisions**

Movements in each class of provision during the financial year are set out below:

**Make Good**

| Carrying amount at the beginning of financial year | 1,134 | 1,051 |
| Increase/(Decrease) in provisions recognised      | -     | 70    |
| Unwinding/change in discount rate                 | -     | 13    |
| **Carrying amount at the end of financial year**  | **1,134** | **1,134** |

#### 16. OTHER LIABILITIES

<table>
<thead>
<tr>
<th>Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income in Advance</td>
<td>2,288</td>
<td>1,865</td>
</tr>
<tr>
<td><strong>Total Other Liabilities</strong></td>
<td><strong>2,288</strong></td>
<td><strong>1,865</strong></td>
</tr>
</tbody>
</table>
17. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>58</td>
</tr>
<tr>
<td>Total Capital Expenditure Commitments (Including GST)</td>
<td>-</td>
<td>58</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>2,163</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>8,140</td>
</tr>
<tr>
<td>Total Operating Lease Commitments (Including GST)</td>
<td>-</td>
<td>10,303</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of nil as at 30 June 2018 includes input tax credits of nil that are expected to be recoverable from the Australian Taxation Office (2017: $942).

18. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>(1,900)</td>
<td>(1,778)</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(30)</td>
<td>(209)</td>
</tr>
<tr>
<td>Write off of Non-Current Assets</td>
<td>-</td>
<td>(37)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>(423)</td>
<td>(866)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>127</td>
<td>(15)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>(525)</td>
<td>(2,290)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>1,277</td>
<td>7,896</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td><strong>(1,601)</strong></td>
<td><strong>2,701</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

20. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 11)</td>
<td>N/A</td>
<td>36,043</td>
<td>37,943</td>
</tr>
<tr>
<td>Receivables (note 12)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>471</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>36,043</strong></td>
<td><strong>38,414</strong></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (note 14)**</td>
<td>Financial liabilities measured</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>at amortised cost</td>
<td><strong>3,209</strong></td>
<td><strong>4,820</strong></td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
20. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>471</td>
</tr>
<tr>
<td>Past due but not impaired(^1,(^2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired(^1,(^2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>471</td>
</tr>
</tbody>
</table>

Notes

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
20. **FINANCIAL INSTRUMENTS continued**

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

*Maturity Analysis and interest rate exposure of financial liabilities*

<table>
<thead>
<tr>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Rate Bearing</td>
<td>&lt; 1 Yr</td>
</tr>
<tr>
<td>Variable Rate Bearing</td>
<td></td>
</tr>
<tr>
<td>Non-Interest Bearing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nominal Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 1</td>
<td>3,209</td>
<td>4,820</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,209</td>
<td>4,820</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part 3: Financial Statements  
Aboriginal and Torres Strait Islander Health Practice Council of New South Wales

Notes to the Financial Statements continued

20. FINANCIAL INSTRUMENTS continued  
(d) Market Risk  
The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk  
The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Net Result</th>
<th>Equity</th>
<th>Net Result</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>36,043</td>
<td>(360)</td>
<td>(360)</td>
<td>360</td>
<td>360</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td>3,209</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017 Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>37,943</td>
<td>(379)</td>
<td>(379)</td>
<td>379</td>
<td>379</td>
</tr>
<tr>
<td>Receivables</td>
<td>471</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payables*</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). 
Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

21. CORRECTION OF ERRORS RELATING TO A PREVIOUS REPORTING PERIOD

Auditor Fee was under accrued by $344 at end of financial year FY16-17. Details of the amount and financial statement lines affected are outlined below:

Adjustment to Equity arising from under accrued Audit Fee - (344)

In accordance with AASB 108- Accounting Polices, changes in Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.

These amounted to the following equity adjustments:

- Adjustment to opening equity - 01/07/2017 (relating to adjustment for the 30/06/2017 reporting year end and prior periods) - (344)

Total prior period adjustments - prior period errors - (344)

22. RELATED PARTY TRANSACTIONS

The Council obtains key management personnel services from the NSW Ministry of Health. No compensation was paid for key management personnel services for the current and prior year as no Council meetings were held.

23. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Chinese Medicine Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Chinese Medicine Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:
• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:
• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:
• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Chinese Medicine Council of New South Wales  
Period ended 30 June 2018

Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Chinese Medicine Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Chinese Medicine Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Professor Danform Lim  
President  
Date: 12 October 2018

Ms Christine Berle  
Deputy President  
Date: 12 October 2018
Statement of Comprehensive Income
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>100,352</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>108,225</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>1,783</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>5,900</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td><strong>216,260</strong></td>
<td><strong>176,459</strong></td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>2,742</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>472,971</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>31,897</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td>2,220</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>509,830</strong></td>
<td><strong>509,463</strong></td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td><strong>293,534</strong></td>
<td><strong>333,004</strong></td>
</tr>
</tbody>
</table>

Total other comprehensive income

**TOTAL COMPREHENSIVE INCOME**

293,534  333,004

The accompanying notes form part of these financial statements.
### Statement of Financial Position

**as at 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>2,221,420</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>3,729</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>2,225,149</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>563</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>3,440</td>
</tr>
<tr>
<td><strong>Total Property, Plant &amp; Equipment</strong></td>
<td></td>
<td>4,003</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>187</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>4,190</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>2,229,339</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>16</td>
<td>33,070</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>186,739</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>219,809</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>5,652</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>5,652</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>225,461</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>2,003,878</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>2,003,878</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>2,003,878</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Changes in Equity

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2017</strong></td>
<td>1,710,344</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>293,534</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td><strong>2,003,878</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2016</strong></td>
<td>1,377,340</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>333,004</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td><strong>1,710,344</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Cash Flows
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Payments**

- Personnel Services: (102,727) (106,247)
- Education and Research: (6,406) -
- Other: (112,292) (91,603)

**Total Payments**

(221,425) (197,850)

**Receipts**

- Registration fees: 475,533 491,365
- Interest Received: 31,897 30,170
- Other: 9,827 2

**Total Receipts**

517,257 521,537

**Net Cash Flows from Operating Activities**

21 295,832 323,687

**CASH FLOWS FROM INVESTING ACTIVITIES**

- Proceeds from Sale of Property, Plant and Equipment and Intangibles: - 2,215
- Purchases of Property, Plant and Equipment and Intangibles: (3,735) (761)

**Net Cash Flows from Investing Activities**

(3,735) 1,454

**Net Increase/(Decrease) in Cash and Cash Equivalents**

292,097 325,141

**Opening cash and cash equivalents**

12 1,929,323 1,604,182

**Closing Cash and Cash Equivalents**

12 2,221,420 1,929,323

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Chinese Medicine Council of New South Wales

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Reporting Entity

The Chinese Medicine Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) Basis of Preparation

The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($29,046) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense [premium] is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Part 3: Financial Statements
Chinese Medicine Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and

- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

| Plant and Equipment | 25% |
| Leasehold Improvements | 1.32% - 27.27% |

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs
The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets
The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.
Intangible assets are subsequently measured at fair value only if there is an active market.
As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance
Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

   u) Payables

   These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

   Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

   Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

   v) Personnel Services - Ministry of Health

   In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

   Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

   In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

   The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

   The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

   Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

   The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

   All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative:
Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### 2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>79,559</td>
<td>62,897</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>54</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>6,762</td>
<td>5,722</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>7,908</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>605</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>278</td>
<td>223</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>5,186</td>
<td>3,752</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,352</strong></td>
<td><strong>72,594</strong></td>
</tr>
</tbody>
</table>

### 3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>94</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>397</td>
<td>1,312</td>
</tr>
<tr>
<td>Contractors</td>
<td>16,260</td>
<td>9,378</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>649</td>
<td>722</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>1,899</td>
<td>2,000</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>458</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>15,175</td>
<td>17,133</td>
</tr>
<tr>
<td>Insurance</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>7,977</td>
<td>2,857</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>16</td>
<td>96</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>2,348</td>
<td>1,236</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>1,225</td>
<td>762</td>
</tr>
<tr>
<td>Rental</td>
<td>10,633</td>
<td>13,212</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>1,275</td>
<td>1,504</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>1,378</td>
<td>1,220</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>48,437</td>
<td>41,334</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>108,225</strong></td>
<td><strong>92,772</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

2018  2017
$     $  

3. Other Operating Expenses continued

a. Other includes
   Courier and Freight  5  -
   Legal Services  50  -
   Membership/Professional Fees  16  11
   Security Services  9  2
   Auditor’s Remuneration  6,381  5,790
   General Administration Expenses  216  1,087
   Sitting Fees  20,192  21,684
   NSW Civil & Administrative Tribunal Fixed Costs  10,975  -
   Council Fees  10,593  12,760
   -----------------------------------------------
   48,437  41,334

b. Reconciliation of Total Maintenance
   Maintenance Contracts  780  [67]
   New/Replacement Equipment under $5,000  3,055  793
   Repairs Maintenance/Non Contract  4,142  2,131
   Maintenance Expense - Contracted Labour and Other
   (Non-Employee Related in Note 3)  7,977  2,857
   -----------------------------------------------
   7,977  2,857

4. Depreciation and Amortisation
   Depreciation - Plant and Equipment  138  183
   Depreciation - Leasehold Improvements  220  968
   Amortisation - Intangible Assets  1,425  784
   -----------------------------------------------
   1,783  1,935

5. Education and Research
   Education and Research  5,900  9,091
   -----------------------------------------------
   5,900  9,091

6. Finance Costs
   Other Interest Charges  -  67
   -----------------------------------------------
   -  67
### Part 3: Financial Statements

#### Chinese Medicine Council of New South Wales

**Notes to the Financial Statements continued**

#### 7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

#### 8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>472,971</td>
<td>480,491</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>472,971</strong></td>
<td><strong>480,491</strong></td>
</tr>
</tbody>
</table>

#### 9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>31,897</td>
<td>28,970</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,897</strong></td>
<td><strong>28,970</strong></td>
</tr>
</tbody>
</table>

#### 10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>54</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>2,688</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,742</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### 11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>766</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(730)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Written Down Value</strong></td>
<td><strong>36</strong></td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gain/(Loss) on Disposal of Property, Plant and Equipment</strong></td>
<td><strong>(36)</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Chinese Medicine Council of New South Wales

Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>21,975</td>
<td>27,159</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>2,199,445</td>
<td>1,902,164</td>
</tr>
<tr>
<td></td>
<td><strong>2,221,420</strong></td>
<td><strong>1,929,323</strong></td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>2,221,420</td>
<td>1,929,323</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>2,221,420</td>
<td>1,929,323</td>
</tr>
<tr>
<td>Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Research Account**</td>
<td>21,975</td>
<td>27,159</td>
</tr>
<tr>
<td><strong>Managed by the HPCA, an executive agency of the MOH.</strong></td>
<td>21,975</td>
<td>27,159</td>
</tr>
</tbody>
</table>

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>4,059</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>943</td>
<td>551</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>15,229</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,786</td>
<td>3,190</td>
</tr>
<tr>
<td></td>
<td><strong>3,729</strong></td>
<td><strong>23,029</strong></td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
14. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Plant and Equipment - Fair Value**

<table>
<thead>
<tr>
<th>Gross Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>790</td>
<td>378</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: Accumulated Depreciation and Impairment</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>227</td>
<td>89</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>563</td>
<td>289</td>
</tr>
</tbody>
</table>

**Leasehold Improvements - Fair Value**

<table>
<thead>
<tr>
<th>Gross Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,728</td>
<td>1,171</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: Accumulated Depreciation and Impairment</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>288</td>
<td>798</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,440</td>
<td>373</td>
</tr>
</tbody>
</table>

**Total Property, Plant and Equipment**

<table>
<thead>
<tr>
<th>At Net Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,003</td>
<td>662</td>
</tr>
</tbody>
</table>

* For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 14-01.
Chinese Medicine Council of New South Wales

Notes to the Financial Statements continued

PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plant and Equipment $</td>
<td>Leasehold Improvements $</td>
<td>Total $</td>
<td>Plant and Equipment $</td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>289</td>
<td>373</td>
<td>662</td>
<td>573</td>
</tr>
<tr>
<td>Additions</td>
<td>412</td>
<td>3,408</td>
<td>3,820</td>
<td>204</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(36)</td>
<td>(36)</td>
<td>(305)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(138)</td>
<td>(220)</td>
<td>(358)</td>
<td>(183)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>(85)</td>
<td>(85)</td>
<td>-</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>563</td>
<td>3,440</td>
<td>4,003</td>
<td>289</td>
</tr>
</tbody>
</table>
15. **INTANGIBLE ASSETS**

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangibles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>3,176</td>
<td>3,176</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>2,989</td>
<td>1,564</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td>187</td>
<td>1,612</td>
</tr>
</tbody>
</table>

**INTANGIBLE ASSETS - RECONCILIATION**

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,612</td>
<td>1,612</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(1,425)</td>
<td>(1,425)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>187</td>
<td>187</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>4,395</td>
<td>4,395</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>(2,062)</td>
<td>(2,062)</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(784)</td>
<td>(784)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td>1,612</td>
<td>1,612</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

16. PAYABLES

Current
Personnel Services - Ministry of Health 6,698 19,426
Taxation and Payroll Deductions 8,619 984
Creditors 5,637 3,161
Accrued Expenditure 12,116 10,291

Aggregate Personnel Services and Related On-Costs
Liability - Purchase of Personnel Services 15,317 20,410

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

17. PROVISIONS

Non-Current
Make Good 5,652 5,652

Movement in provisions
Movements in each class of provision during the financial year are set out below:

Make Good
Carrying amount at the beginning of financial year 5,652 5,239
Increase/(Decrease) in provisions recognised - 345
Unwinding/change in discount rate - 68
Carrying amount at the end of financial year 5,652 5,652

18. OTHER LIABILITIES

Current
Income in Advance 186,739 204,768

Notes to the Financial Statements continued
19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>285</td>
</tr>
<tr>
<td>Later than one year and not later than five</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Expenditure Commitments (Including GST)</td>
<td>-</td>
<td>285</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>11,535</td>
<td>16,553</td>
</tr>
<tr>
<td>Later than one year and not later than five</td>
<td>29,885</td>
<td>62,279</td>
</tr>
<tr>
<td>years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Operating Lease Commitments (Including GST)</td>
<td>41,420</td>
<td>78,832</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total `Capital Expenditure Commitments` and `Operating Lease Commitments` of $41,420 as at 30 June 2018 includes input tax credits of $3,755 that are expected to be recoverable from the Australian Taxation Office (2017: $7,192).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>295,832</td>
<td>323,687</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(1,783 )</td>
<td>(1,935 )</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>18,029</td>
<td>(9,574 )</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(67)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>(19,300)</td>
<td>(1,885 )</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>792</td>
<td>22,778</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(36)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td><strong>293,534</strong></td>
<td><strong>333,004</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council's operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council's main risks arising from financial instruments are outlined below, together with the Council's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$ 2,221,420</td>
<td>$1,929,323</td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>19,288</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,221,420</td>
<td>1,948,611</td>
</tr>
</tbody>
</table>

| Financial Liabilities |                                | 24,451               | 32,878               |
| Payables (note 16)**  | Financial liabilities measured at amortised cost |                      |                      |
|                        |                                | 24,451               | 32,878               |

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
22. FINANCIAL INSTRUMENTS continued (b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

**Cash**

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>19,287</td>
</tr>
<tr>
<td>Past due but not impaired(^1)^(^2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired(^1)^(^2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total(^1)^(^2)</strong></td>
<td>-</td>
<td>19,288</td>
</tr>
</tbody>
</table>

Notes
1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
22. **FINANCIAL INSTRUMENTS** continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
<td>Non-Interest Bearing</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$32,878</td>
<td>$32,878</td>
<td>$32,878</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>$32,878</td>
<td>$32,878</td>
<td>$32,878</td>
</tr>
</tbody>
</table>

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th>+1%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Net Result</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>$2,221,420</td>
<td>(22,214)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>24,451</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS
During the year the Council obtained key management personnel services from the NSW Ministry of Health and incurred $22,020 (2017: $12,196) for these services.

24. EVENTS AFTER THE REPORTING PERIOD
There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Chiropractic Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Chiropractic Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/art.pdf. The description forms part of my auditor’s report.

My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Chiropractic Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Chiropractic Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Dr Wayne Minter AM
President
Date: 12 October 2018

Dr Lawrence Whitman
Deputy President
Date: 12 October 2018
### Statement of Comprehensive Income

**for the Year Ended 30 June 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES EXCLUDING LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>100,122</td>
<td>85,484</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>130,691</td>
<td>157,602</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1,762</td>
<td>2,298</td>
</tr>
<tr>
<td>Education and Research</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>-</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td>235,575</td>
<td>245,463</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REVENUE</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>2,294</td>
<td>-</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>318,094</td>
<td>203,946</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>14,705</td>
<td>14,065</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>335,093</td>
<td>218,013</td>
</tr>
</tbody>
</table>

| Gain / (Loss) on Disposal | (41) | - |
| Net Result | 99,477 | (27,450) |

**Total other comprehensive income** | - | -

**TOTAL COMPREHENSIVE INCOME** | 99,477 | (27,450)

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Chiropractic Council of New South Wales

Statement of Financial Position
as at 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12 1,048,582</td>
<td>870,469</td>
</tr>
<tr>
<td>Receivables</td>
<td>13 3,942</td>
<td>14,035</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,052,524</td>
<td>884,504</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>14 1,150</td>
<td>339</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14 5,243</td>
<td>467</td>
</tr>
<tr>
<td><strong>Total Property, Plant &amp; Equipment</strong></td>
<td>6,393</td>
<td>806</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15 803</td>
<td>2,031</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>7,196</td>
<td>2,837</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,059,720</td>
<td>887,341</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>16 28,766</td>
<td>29,754</td>
</tr>
<tr>
<td>Other</td>
<td>18 159,855</td>
<td>85,965</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>188,621</td>
<td>115,719</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>17 6,604</td>
<td>6,604</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>6,604</td>
<td>6,604</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>195,225</td>
<td>122,323</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>864,495</td>
<td>765,018</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>864,495</td>
<td>765,018</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Statement of Changes in Equity**

*for the Year Ended 30 June 2018*

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2017</strong></td>
<td>$765,018</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>99,477</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td><strong>864,495</strong></td>
</tr>
<tr>
<td><strong>Balance at 1 July 2016</strong></td>
<td>792,468</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td><em>(27,450)</em></td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td><strong>765,018</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Statement of Cash Flows**

**for the Year Ended 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Payments**

Personnel Services | (99,291) | (148,094) |
Education and Research | (3,274) | - |
Other | (141,360) | (153,474) |
**Total Payments** | (243,925) | (301,568) |

**Receipts**

Registration fees | 321,096 | 219,439 |
Interest Received | 14,705 | 16,389 |
Other | 92,399 | 2 |
**Total Receipts** | 428,200 | 235,830 |

**Net Cash Flows from Operating Activities**

21 | 184,275 | (65,738) |

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from Sale of Property, Plant and Equipment and Intangibles | - | 570 |
Purchases of Property, Plant and Equipment and Intangibles | (6,162) | (2,206) |
**Net Cash Flows from Investing Activities** | (6,162) | (1,636) |

**Net Increase/(Decrease) in Cash and Cash Equivalents**

178,113 | (67,374) |

**Opening cash and cash equivalents**

12 | 870,469 | 937,843 |

**Closing Cash and Cash Equivalents**

12 | 1,048,582 | 870,469 |

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   **a) The Reporting Entity**

   The Chiropractic Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

   These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   **b) Basis of Preparation**

   The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

   The financial statements of the Council have been prepared on a going concern basis.

   Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   **c) Comparative Information**

   Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

   Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($40,963) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   **d) Statement of Compliance**

   The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Part 3: Financial Statements
Chiropractic Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

- Plant and Equipment: 25%
- Leasehold Improvements: 1.32% - 27.27%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Part 3: Financial Statements
Chiropractic Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

x) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative:
Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

   AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

   The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

   Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

   The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

   AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for–profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

   AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### Notes to the Financial Statements continued

#### 2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>83,948</td>
<td>74,500</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>66</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>6,785</td>
<td>6,615</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>3,553</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>715</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>325</td>
<td>270</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>4,730</td>
<td>4,099</td>
</tr>
<tr>
<td><strong>Total Personnel Services</strong></td>
<td>100,122</td>
<td>85,484</td>
</tr>
</tbody>
</table>

#### 3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>145</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>340</td>
<td>1,246</td>
</tr>
<tr>
<td>Contractors</td>
<td>26,158</td>
<td>22,292</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>690</td>
<td>860</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>2,055</td>
<td>1,914</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>532</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>16,557</td>
<td>16,347</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>9,804</td>
<td>3,439</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>16</td>
<td>142</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>2,380</td>
<td>1,282</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>1,106</td>
<td>758</td>
</tr>
<tr>
<td>Rental</td>
<td>12,728</td>
<td>17,470</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>5,469</td>
<td>9,665</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>744</td>
<td>3,919</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>51,962</td>
<td>78,463</td>
</tr>
<tr>
<td><strong>Total Other Operating Expenses</strong></td>
<td>130,691</td>
<td>157,602</td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

#### Part 3: Financial Statements

**Chiropractic Council of New South Wales**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>3. OTHER OPERATING EXPENSES continued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>a. Other includes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>58</td>
<td>-</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Security Services</td>
<td>10</td>
<td>47</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>6,381</td>
<td>5,790</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>1,301</td>
<td>1,675</td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>25,451</td>
<td>41,804</td>
</tr>
<tr>
<td>NSW Civil &amp; Administrative Tribunal Fixed Costs</td>
<td>10,975</td>
<td>20,405</td>
</tr>
<tr>
<td>Council Fees</td>
<td>7,768</td>
<td>8,732</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51,962</td>
<td>78,463</td>
</tr>
<tr>
<td><strong>b. Reconciliation of Total Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Contracts</td>
<td>922</td>
<td>(42)</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>3,840</td>
<td>927</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>5,042</td>
<td>2,554</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3)</td>
<td>9,804</td>
<td>3,439</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,804</td>
<td>3,439</td>
</tr>
</tbody>
</table>

#### 4. DEPRECIATION AND AMORTISATION

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>219</td>
<td>211</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>315</td>
<td>1,131</td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>1,228</td>
<td>956</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,762</td>
<td>2,298</td>
</tr>
</tbody>
</table>

#### 5. EDUCATION AND RESEARCH

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Education and Research</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,000</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 6. FINANCE COSTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>79</td>
</tr>
</tbody>
</table>
7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>318,094</td>
<td>203,946</td>
</tr>
</tbody>
</table>

9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>14,705</td>
<td>14,065</td>
</tr>
</tbody>
</table>

10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

- Superannuation-defined benefit: 66 -
- Long Service Leave: 2,228 -

Total: 2,294 -

11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>881</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(840)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Written Down Value</strong></td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gain/(Loss) on Disposal of Property, Plant and Equipment</strong></td>
<td>(41)</td>
<td>-</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>18,798</td>
<td>24,035</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>1,029,784</td>
<td>846,434</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,048,582</td>
<td>870,469</td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>1,048,582</td>
<td>870,469</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>1,048,582</td>
<td>870,469</td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research Account**</td>
<td>18,798</td>
<td>24,035</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,798</td>
<td>24,035</td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>3,400</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>1,563</td>
<td>1,020</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>7,045</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,379</td>
<td>2,570</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,942</td>
<td>14,035</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
14. **PROPERTY, PLANT AND EQUIPMENT**

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant and Equipment - Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Carrying Amount</td>
<td>1,473</td>
<td>443</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>323</td>
<td>104</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>1,150</td>
<td>339</td>
</tr>
<tr>
<td><strong>Leasehold Improvements - Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Carrying Amount</td>
<td>5,635</td>
<td>1,384</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>392</td>
<td>917</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>5,243</td>
<td>467</td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At Net Carrying Amount</strong></td>
<td>6,393</td>
<td>806</td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

#### 14. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>339</td>
<td>467</td>
<td>806</td>
</tr>
<tr>
<td>Additions</td>
<td>1,030</td>
<td>5,263</td>
<td>6,293</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(41)</td>
<td>(41)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(219)</td>
<td>(315)</td>
<td>(534)</td>
</tr>
<tr>
<td>WIP Movements</td>
<td>-</td>
<td>(131)</td>
<td>(131)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>1,150</strong></td>
<td><strong>5,243</strong></td>
<td><strong>6,393</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>662</td>
<td>1,170</td>
<td>1,832</td>
</tr>
<tr>
<td>Additions</td>
<td>238</td>
<td>-</td>
<td>238</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(350)</td>
<td>297</td>
<td>(53)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(211)</td>
<td>(1,131)</td>
<td>(1,342)</td>
</tr>
<tr>
<td>WIP Movements</td>
<td>-</td>
<td>131</td>
<td>131</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>339</strong></td>
<td><strong>467</strong></td>
<td><strong>806</strong></td>
</tr>
</tbody>
</table>
15. **INTANGIBLE ASSETS**

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangibles</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>3,928</td>
<td>3,928</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>3,125</td>
<td>1,897</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td><strong>803</strong></td>
<td><strong>2,031</strong></td>
</tr>
</tbody>
</table>

15. **INTANGIBLE ASSETS - RECONCILIATION**

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangibles</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

**2018**

- Net carrying amount at start of year: 2,031
- Amortisation (Recognised in Depreciation and Amortisation): (1,228)
- **Carrying amount at the end of year**: 803

**2017**

- Net carrying amount at start of year: 1,829
- Additions (From Internal Development or Acquired Separately): 172
- Write Off of Intangible Assts: 986
- Amortisation (Recognised in Depreciation and Amortisation): (956)
- **Net carrying amount at end of year**: 2,031
Part 3: Financial Statements  
Chiropractic Council of New South Wales  

Notes to the Financial Statements continued

16. PAYABLES

Current
Personnel Services - Ministry of Health 2,741 10,910
Taxation and Payroll Deductions 6,974 238
Creditors 5,810 4,938
Accrued Expenditure 13,241 13,668

Aggregate Personnel Services and Related On-Costs
Personnel Services - Ministry of Health 9,715 11,148

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

17. PROVISIONS

Non-Current
Make Good 6,604 6,604

Movement in provisions
Movements in each class of provision during the financial year are set out below:

Make Good
Carrying amount at the beginning of financial year 6,604 6,122
Increase/(Decrease) in provisions recognised - 404
Unwinding/change in discount rate - 78
Carrying amount at the end of financial year 6,604 6,604

18. OTHER LIABILITIES

Current
Income in Advance 159,855 85,965

Notes to the Financial Statements continued
Part 3: Financial Statements
Chiropractic Council of New South Wales

Notes to the Financial Statements continued

19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>333</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>333</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>16,743</td>
<td>19,409</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>43,381</td>
<td>73,024</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>60,124</td>
<td>92,433</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $60,124 as at 30 June 2018 includes input tax credits of $5,451 that are expected to be recoverable from the Australian Taxation Office (2017: $8,451).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>184,275</td>
<td>(65,738)</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(1,762)</td>
<td>(2,298)</td>
</tr>
<tr>
<td>[Increase]/ Decrease Income in Advance</td>
<td>(73,890)</td>
<td>(5,406)</td>
</tr>
<tr>
<td>[Increase]/ Decrease in Provisions</td>
<td>-</td>
<td>(79)</td>
</tr>
<tr>
<td>Increase / [Decrease] in Receivables</td>
<td>(10,093)</td>
<td>(12,708)</td>
</tr>
<tr>
<td>[Increase]/ Decrease in Payables from Operating Activities</td>
<td>988</td>
<td>59,344</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(41)</td>
<td>-</td>
</tr>
<tr>
<td>Write off of Non-Current Assets</td>
<td>-</td>
<td>(565)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>99,477</td>
<td>(27,450)</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018 ($)</td>
<td>2017 ($)</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>1,048,582</td>
<td>870,469</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>10,445</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,048,582</td>
<td>880,914</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>21,792</td>
<td>29,516</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21,792</td>
<td>29,516</td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>10,443</td>
</tr>
<tr>
<td>Past due but not impaired¹,²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired¹,²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total¹,²</td>
<td>-</td>
<td>10,445</td>
</tr>
</tbody>
</table>

Notes

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
Notes to the Financial Statements continued

22.  FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>21,792</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,792</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>29,516</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>29,516</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
(d) **Market Risk**

The Council does not have exposure to market risk on financial instruments.

(e) **Interest Rate Risk**

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Net Result</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>1,048,582</td>
<td>(10,486)</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>21,792</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
23. RELATED PARTY TRANSACTIONS

During the financial year, the Council obtained key management personnel services from the following entities:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW Ministry of Health</td>
<td>12,595</td>
<td>11,136</td>
</tr>
<tr>
<td>IPOR Tribunal</td>
<td>1,532</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,127</strong></td>
<td><strong>11,136</strong></td>
</tr>
</tbody>
</table>

24. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
Dental Council of NSW

Financial Statements

Year ended 30 June 2018
INDEPENDENT AUDITOR’S REPORT
Dental Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Dental Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:
• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:
• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:
• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:
- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Dental Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Dental Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Conjoint Associate Professor F Shane Fryer OAM  
President  
Date: 12 October 2018

Dr Kavita Lobo  
Deputy President  
Date: 12 October 2018
## Statement of Comprehensive Income

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>1,073,897</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>1,549,714</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>15,898</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>17,358</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses Excluding Losses</td>
<td></td>
<td>2,656,867</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>10,727</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>2,990,943</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>61,826</td>
</tr>
<tr>
<td>Other Income</td>
<td>792</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td>3,064,288</td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(3,481)</td>
</tr>
<tr>
<td>Net Result</td>
<td>21</td>
<td>403,940</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td></td>
<td>403,940</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Financial Position

**as at 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>3,858,621</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>27,847</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>3,886,468</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>10,706</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>54,302</td>
</tr>
<tr>
<td><strong>Total Property, Plant &amp; Equipment</strong></td>
<td></td>
<td>65,008</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>3,621</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>68,629</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>3,955,097</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>16</td>
<td>308,645</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>1,063,362</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>1,372,007</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>88,468</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>88,468</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>1,460,475</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>2,494,622</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>2,494,622</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>2,494,622</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Dental Council of New South Wales

Statement of Changes in Equity
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Accumulated Funds</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>2,090,682</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>403,940</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>2,494,622</td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>1,253,677</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>837,005</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>2,090,682</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Part 3: Financial Statements

**Dental Council of New South Wales**

#### Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>(1,214,242)</td>
<td>(1,318,769)</td>
</tr>
<tr>
<td>Education and Research</td>
<td>(18,515)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(1,572,339)</td>
<td>(1,211,252)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(2,805,096)</td>
<td>(2,530,021)</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fees</td>
<td>2,688,882</td>
<td>3,468,866</td>
</tr>
<tr>
<td>Interest Received</td>
<td>61,826</td>
<td>51,041</td>
</tr>
<tr>
<td>Other</td>
<td>137,706</td>
<td>5,369</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>2,888,414</td>
<td>3,525,276</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>(83,318)</td>
<td>995,255</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Sale of Property, Plant and Equipment and Intangibles</td>
<td>-</td>
<td>3,717</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment and Intangibles</td>
<td>(61,194)</td>
<td>(4,529)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td>(61,194)</td>
<td>(812)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td>22,124</td>
<td>994,443</td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>3,836,497</td>
<td>2,842,054</td>
</tr>
<tr>
<td><strong>Closing Cash and Cash Equivalents</strong></td>
<td>3,858,621</td>
<td>3,836,497</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **The Reporting Entity**

The Dental Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a [the Law].

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) **Basis of Preparation**

The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) **Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($299,515) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

d) **Statement of Compliance**

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Notes to the Financial Statements continued

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

   l) **Acquisition of Assets**

   Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

   Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

   Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

   m) **Capitalisation Thresholds**

   Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

   n) **Depreciation of Property, Plant and Equipment**

   Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

   Details of depreciation rates initially applied for major asset categories are as follows:

   - Plant and Equipment: 25%
   - Leasehold Improvements: 1.32% - 27.27%

   Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

   o) **Revaluation of Non-Current Assets**

   There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

   p) **Impairment of Property, Plant and Equipment**

   As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- **q) Restoration Costs**
  
  The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

- **r) Intangible Assets**
  
  The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

  Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

  The useful lives of intangible assets are assessed to be finite.

  Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

  The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

- **s) Maintenance**
  
  Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

- **t) Loans and Receivables**
  
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

  Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

  An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Part 3: Financial Statements
Dental Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative:
Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for–profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts.

The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Part 3: Financial Statements
Dental Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued


We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### 2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>888,743</td>
<td>876,645</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>944</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>75,874</td>
<td>74,467</td>
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<tr>
<td>Long Service Leave</td>
<td>27,027</td>
<td>-</td>
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<tr>
<td>Redundancies</td>
<td>10,011</td>
<td>-</td>
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<tr>
<td>Workers’ Compensation Insurance</td>
<td>3,971</td>
<td>253</td>
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<tr>
<td>Payroll Taxes</td>
<td>67,327</td>
<td>50,276</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,073,897</strong></td>
<td><strong>1,001,641</strong></td>
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### 3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>1,456</td>
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<tr>
<td>Consultancies</td>
<td>1,301</td>
<td>6,784</td>
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<tr>
<td>Contractors</td>
<td>479,512</td>
<td>328,141</td>
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<tr>
<td>Domestic Supplies and Services</td>
<td>5,448</td>
<td>6,255</td>
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<tr>
<td>Food Supplies</td>
<td>12,195</td>
<td>10,208</td>
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<tr>
<td>Fuel, Light and Power</td>
<td>6,519</td>
<td>-</td>
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<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>142,401</td>
<td>116,992</td>
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<tr>
<td>Insurance</td>
<td>786</td>
<td>2,209</td>
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<tr>
<td>Maintenance (See 3(b) below)</td>
<td>102,703</td>
<td>34,594</td>
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<tr>
<td>Motor Vehicle Expenses</td>
<td>255</td>
<td>[471]</td>
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<tr>
<td>Postal and Telephone Costs</td>
<td>19,211</td>
<td>11,533</td>
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<tr>
<td>Printing and Stationery</td>
<td>14,373</td>
<td>10,884</td>
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<tr>
<td>Rental</td>
<td>122,810</td>
<td>133,020</td>
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<tr>
<td>Staff Related Costs</td>
<td>31,606</td>
<td>45,886</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>18,289</td>
<td>18,448</td>
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<tr>
<td>Other (See 3(a) below)</td>
<td>590,849</td>
<td>478,873</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,549,714</strong></td>
<td><strong>1,203,780</strong></td>
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Notes to the Financial Statements continued

3. OTHER OPERATING EXPENSES continued

a. Other includes

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courier and Freight</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>22,371</td>
<td>50,166</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>226</td>
<td>37</td>
</tr>
<tr>
<td>Security Services</td>
<td>125</td>
<td>6</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>17,832</td>
<td>16,220</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>20,441</td>
<td>13,018</td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>400,523</td>
<td>315,870</td>
</tr>
<tr>
<td>NSW Civil &amp; Administrative Tribunal Fixed Costs</td>
<td>62,195</td>
<td>29,249</td>
</tr>
<tr>
<td>Council Fees</td>
<td>67,121</td>
<td>54,307</td>
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</table>

Total OPERATING EXPENSES: 590,849

b. Reconciliation of Total Maintenance

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Maintenance Contracts</td>
<td>8,030</td>
<td>(130)</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>44,989</td>
<td>11,302</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>49,684</td>
<td>23,422</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other</td>
<td>102,703</td>
<td>34,594</td>
</tr>
<tr>
<td>(Non-Employee Related in Note 3)</td>
<td></td>
<td></td>
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Total OPERATING EXPENSES: 102,703

4. DEPRECIATION AND AMORTISATION

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>2,328</td>
<td>2,560</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>4,231</td>
<td>15,994</td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>9,339</td>
<td>5,842</td>
</tr>
</tbody>
</table>

Total DEPRECIATION AND AMORTISATION: 15,898

5. EDUCATION AND RESEARCH

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research</td>
<td>17,358</td>
<td>-</td>
</tr>
</tbody>
</table>

Total EDUCATION AND RESEARCH: 17,358

6. FINANCE COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>1,056</td>
</tr>
</tbody>
</table>

Total FINANCE COSTS: 1,056
7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration Fees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration Fees</td>
<td>2,990,943</td>
<td>3,010,150</td>
</tr>
<tr>
<td></td>
<td><strong>2,990,943</strong></td>
<td><strong>3,010,150</strong></td>
</tr>
</tbody>
</table>

8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration Fees</strong></td>
<td>2,990,943</td>
<td>3,010,150</td>
</tr>
<tr>
<td></td>
<td><strong>2,990,943</strong></td>
<td><strong>3,010,150</strong></td>
</tr>
</tbody>
</table>

9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest</strong></td>
<td>61,826</td>
<td>52,359</td>
</tr>
<tr>
<td></td>
<td><strong>61,826</strong></td>
<td><strong>52,359</strong></td>
</tr>
</tbody>
</table>

10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>944</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>9,783</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,727</td>
<td>-</td>
</tr>
</tbody>
</table>

11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>58,753</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(55,272)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Written Down Value</strong></td>
<td>3,481</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gain/(Loss) on Disposal of Property, Plant and Equipment</strong></td>
<td>(3,481)</td>
<td>-</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>430,781</td>
<td>446,055</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>3,427,840</td>
<td>3,390,442</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,858,621</td>
<td>3,836,497</td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>3,858,621</td>
<td>3,836,497</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>3,858,621</td>
<td>3,836,497</td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

<table>
<thead>
<tr>
<th>Account Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research Account**</td>
<td>430,781</td>
<td>446,055</td>
</tr>
<tr>
<td></td>
<td>430,781</td>
<td>446,055</td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>35,077</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>16,251</td>
<td>5,129</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>33,277</td>
</tr>
<tr>
<td>Prepayments</td>
<td>11,596</td>
<td>14,785</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>27,847</td>
<td>88,268</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
14. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Plant and Equipment - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>14,373</td>
<td>5,645</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>3,667</td>
<td>1,339</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>10,706</td>
<td>4,306</td>
</tr>
</tbody>
</table>

**Leasehold Improvements - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>58,822</td>
<td>65,108</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>4,520</td>
<td>55,560</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>54,302</td>
<td>9,548</td>
</tr>
</tbody>
</table>

**Total Property, Plant and Equipment**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying Amount</td>
<td>65,008</td>
<td>13,854</td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

#### 14. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>4,306</td>
<td>9,548</td>
<td>13,854</td>
</tr>
<tr>
<td>Additions</td>
<td>8,728</td>
<td>53,807</td>
<td>62,535</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(3,481)</td>
<td>(3,481)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(2,328)</td>
<td>(4,232)</td>
<td>(6,560)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>(1,340)</td>
<td>(1,340)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>10,706</strong></td>
<td><strong>54,302</strong></td>
<td><strong>65,008</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>11,420</td>
<td>20,403</td>
<td>31,823</td>
</tr>
<tr>
<td>Additions</td>
<td>2,906</td>
<td>-</td>
<td>2,906</td>
</tr>
<tr>
<td>Reclassifications to Intangibles</td>
<td>(7,460)</td>
<td>3,799</td>
<td>(3,661)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(2,560)</td>
<td>(15,994)</td>
<td>(18,554)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>1,340</td>
<td>1,340</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>4,306</strong></td>
<td><strong>9,548</strong></td>
<td><strong>13,854</strong></td>
</tr>
</tbody>
</table>
15. **INTANGIBLE ASSETS**

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>24,471</td>
<td>24,471</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>20,850</td>
<td>11,511</td>
</tr>
<tr>
<td>Total Intangible Assets at Net Carrying Amount</td>
<td>3,621</td>
<td>12,960</td>
</tr>
</tbody>
</table>

### 15. INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net carrying amount at start of year</td>
<td>12,960</td>
<td>12,960</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(9,339)</td>
<td>(9,339)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td><strong>3,621</strong></td>
<td><strong>3,621</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Intangibles $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net carrying amount at start of year</td>
<td>23,581</td>
<td>23,581</td>
</tr>
<tr>
<td>Additions [From Internal Development or Acquired Separately]</td>
<td>1,844</td>
<td>1,844</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>(6,623)</td>
<td>(6,623)</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(5,842)</td>
<td>(5,842)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>12,960</strong></td>
<td><strong>12,960</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

**16. PAYABLES**

<table>
<thead>
<tr>
<th>Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>34,791</td>
<td>258,149</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>85,805</td>
<td>13,255</td>
</tr>
<tr>
<td>Creditors</td>
<td>109,268</td>
<td>20,593</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>78,781</td>
<td>87,051</td>
</tr>
<tr>
<td><strong>Aggregate Personnel Services and Related On-Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>120,596</td>
<td>271,404</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

**17. PROVISIONS**

<table>
<thead>
<tr>
<th>Non-Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Good</td>
<td>88,468</td>
<td>88,468</td>
</tr>
</tbody>
</table>

**Movement in provisions**

Movements in each class of provision during the financial year are set out below:

**Make Good**

| Carrying amount at the beginning of financial year | 88,468 | 82,011 |
| Increase/(Decrease) in provisions recognised      | -      | 5,401  |
| Unwinding/change in discount rate                 | -      | 1,056  |
| **Carrying amount at the end of financial year**  | 88,468 | 88,468 |

**18. OTHER LIABILITIES**

<table>
<thead>
<tr>
<th>Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income in Advance</td>
<td>1,063,362</td>
<td>1,393,381</td>
</tr>
</tbody>
</table>

| Total           | 1,063,362 | 1,393,381 |
### 19. COMMITMENTS FOR EXPENDITURE

**a) Capital Commitments**

Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>4,069</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>4,069</td>
</tr>
</tbody>
</table>

**b) Operating Lease Commitments**

Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>180,215</td>
<td>186,358</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>466,912</td>
<td>701,153</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>647,127</td>
<td>887,511</td>
</tr>
</tbody>
</table>

**c) Contingent Asset Related to Commitments for Expenditure**

The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $647,127 as at 30 June 2018 includes input tax credits of $58,664 that are expected to be recoverable from the Australian Taxation Office (2017: $81,053).

### 20. CONTINGENT LIABILITIES AND ASSETS

There are no material contingent assets or liabilities as at 30 June 2018.

### 21. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>83,318</td>
<td>995,255</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(15,898)</td>
<td>(24,396)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>330,019</td>
<td>(425,730)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(1,056)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>(60,421)</td>
<td>(40,762)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>70,403</td>
<td>333,694</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(3,481)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td><strong>403,940</strong></td>
<td><strong>837,005</strong></td>
</tr>
</tbody>
</table>
22. **FINANCIAL INSTRUMENTS**

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

**(a) Financial Instrument Categories**

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>3,858,621</td>
<td>3,836,497</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>68,354</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>3,858,621</strong></td>
<td><strong>3,904,851</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th></th>
<th>222,840</th>
<th>365,793</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>222,840</strong></td>
<td><strong>365,793</strong></td>
</tr>
</tbody>
</table>

Notes
- * Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
- **Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).

Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

**Cash**

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>68,332</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>68,354</td>
</tr>
</tbody>
</table>

**Notes**

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
22. **FINANCIAL INSTRUMENTS** continued

(c) **Liquidity Risk**

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Fixed Interest Rate</th>
<th>Variable Interest Rate</th>
<th>Non-Interest Bearing</th>
<th>&lt; 1 Yr</th>
<th>1-5 Yr</th>
<th>&gt; 5Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>222,840</td>
<td>-</td>
<td>222,840</td>
<td>222,840</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>222,840</td>
<td>-</td>
<td>222,840</td>
<td>222,840</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>365,793</td>
<td>-</td>
<td>365,793</td>
<td>365,793</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>365,793</td>
<td>-</td>
<td>365,793</td>
<td>365,793</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th></th>
<th>+1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Amount</td>
<td>Net Result</td>
<td>Equity</td>
<td>Net Result</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td>3,858,621</td>
<td>(38,586)</td>
<td>(38,586)</td>
</tr>
<tr>
<td>Financial Assets</td>
<td>3,836,497</td>
<td>(38,365)</td>
<td>(38,365)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>68,354</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>222,840</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payables*</td>
<td>365,793</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).

Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS
During the financial year, the Council obtained key management personnel services from the NSW Ministry of Health and incurred $201,931 (2017: $134,359) for these services.

24. EVENTS AFTER THE REPORTING PERIOD
There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT

Medical Radiation Practice Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Medical Radiation Practice Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services
15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Medical Radiation Practice Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Medical Radiation Practice Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Ms Tracy Vitucci  
President  
Date: 12 October 2018

Mr Warren Stretton  
Council Member  
Date: 12 October 2018
### Statement of Comprehensive Income
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>43,496</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>95,259</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>2,880</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>3,866</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses Excluding Losses</td>
<td></td>
<td>145,501</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>875</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>343,861</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>29,350</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td>374,086</td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(31)</td>
</tr>
<tr>
<td>Net Result</td>
<td>21</td>
<td>228,554</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td></td>
<td>228,554</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Part 3: Financial Statements**  
**Medical Radiation Practice Council of New South Wales**

**Statement of Financial Position**  
as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>2,029,602</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>4,343</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>2,033,945</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>383</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>2,163</td>
</tr>
<tr>
<td><strong>Total Property, Plant &amp; Equipment</strong></td>
<td></td>
<td>2,546</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>1,282</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>3,828</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>2,037,773</td>
</tr>
</tbody>
</table>

| LIABILITIES |          |          |
| Current Liabilities |          |          |
| Payables | 16 | 22,295 | 22,065 |
| Other | 18 | 132,281 | 144,072 |
| **Total Current Liabilities** |  | 154,576 | 166,137 |
| Non-Current Liabilities |          |          |
| Provisions | 17 | 4,057 | 4,057 |
| **Total Non-Current Liabilities** |  | 4,057 | 4,057 |
| **Total Liabilities** |  | 158,633 | 170,194 |
| **Net Assets** |  | 1,879,140 | 1,650,586 |

| EQUITY |          |          |
| Accumulated funds |  | 1,879,140 | 1,650,586 |
| **Total Equity** |  | 1,879,140 | 1,650,586 |

The accompanying notes form part of these financial statements.
## Statement of Changes in Equity

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2017</strong></td>
<td>1,650,586</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>228,554</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td>1,879,140</td>
</tr>
<tr>
<td><strong>Balance at 1 July 2016</strong></td>
<td>1,386,850</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>263,736</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td>1,650,586</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

**Payments**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>(42,825)</td>
<td>(56,345)</td>
</tr>
<tr>
<td>Education and Research</td>
<td>(4,192)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(102,010)</td>
<td>(84,621)</td>
</tr>
</tbody>
</table>

**Total Payments**

|       | (149,027) | (140,966) |

**Receipts**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>344,864</td>
<td>350,551</td>
</tr>
<tr>
<td>Interest Received</td>
<td>29,350</td>
<td>29,425</td>
</tr>
<tr>
<td>Other</td>
<td>11,811</td>
<td>2,789</td>
</tr>
</tbody>
</table>

**Total Receipts**

|       | 386,025 | 382,765 |

**Net Cash Flows from Operating Activities**

|       | 236,998 | 241,799 |

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sale of Property, Plant and Intangibles</td>
<td>-</td>
<td>585</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Intangibles</td>
<td>(2,371)</td>
<td>(2,153)</td>
</tr>
</tbody>
</table>

**Net Cash Flows from Investing Activities**

|       | (2,371) | (1,568) |

### Net Increase/(Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening cash and cash equivalents</td>
<td>1,794,975</td>
<td>1,554,744</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>2,029,602</td>
<td>1,794,975</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   **a) The Reporting Entity**
   
   The Medical Radiation Practice Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).
   
   These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   **b) Basis of Preparation**
   
   The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.
   
   The financial statements of the Council have been prepared on a going concern basis.
   
   Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   **c) Comparative Information**
   
   Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

   Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($45,229) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   **d) Statement of Compliance**
   
   The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense [premium] is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

   The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

   Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

   Investment Revenue

   Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

   i) Personnel Services

   In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

   j) Education and Research

   The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

   k) Accounting for the Goods & Services Tax (GST)

   Income, expenses and assets are recognised net of the amount of GST, except that:

   • amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and

   • receivables and payables are stated with the amount of GST included.

   Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

- Plant and Equipment 25%
- Leasehold Improvements 1.32% - 27.27%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Part 3: Financial Statements  
Medical Radiation Practice Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs
The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets
The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance
Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Part 3: Financial Statements
Medical Radiation Practice Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
   u) Payables

   These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

   Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

   Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

   v) Personnel Services - Ministry of Health

   In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

   Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

   In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

   The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

   The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

   Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

   The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

   All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Part 3: Financial Statements
Medical Radiation Practice Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(ii) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(iii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### Part 3: Financial Statements

#### Medical Radiation Practice Council of New South Wales

**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2. PERSONNEL SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>35,924</td>
<td>33,211</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>56</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>2,832</td>
<td>2,688</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>1,555</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>657</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>139</td>
<td>126</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>2,333</td>
<td>1,988</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>43,496</td>
<td>38,013</td>
</tr>
</tbody>
</table>

| **3. OTHER OPERATING EXPENSES** |       |       |
| Advertising                 | 48    | -     |
| Consultancies               | 992   | 3,124 |
| Contractors                 | 20,150| 16,828|
| Domestic Supplies and Services | 806  | 738   |
| Food Supplies               | 3,046 | 1,507 |
| Fuel, Light and Power       | 227   | -     |
| Information Management Expenses (Software licences, support and maintenance) | 14,065| 22,509|
| Insurance                   | 2     | 16    |
| Maintenance (See 3(b) below) | 3,810 | 1,339 |
| Motor Vehicle Expenses      | 20    | 151   |
| Postal and Telephone Costs  | 3,004 | 889   |
| Printing and Stationery     | 625   | 332   |
| Rental                      | 4,319 | 5,131 |
| Staff Related Costs         | 5,994 | 2,978 |
| Travel Related Costs        | 11,825| 7,951 |
| Other (See 3(a) below)      | 26,326| 22,682|
| **Total**                   | 95,259| 86,175|
### Part 3: Financial Statements  
Medical Radiation Practice Council of New South Wales

**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. <strong>OTHER OPERATING EXPENSES</strong> continued</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>a. Other includes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courier and Freight</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>19</td>
<td>220</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td>Security Services</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>6,381</td>
<td>5,790</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>187</td>
<td>831</td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>8,531</td>
<td>3,056</td>
</tr>
<tr>
<td>Council Fees</td>
<td>11,186</td>
<td>12,751</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,326</td>
<td>22,682</td>
</tr>
<tr>
<td><strong>b. Reconciliation of Total Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Contracts</td>
<td>285</td>
<td>(3)</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>1,705</td>
<td>424</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>1,820</td>
<td>918</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,810</td>
<td>1,339</td>
</tr>
</tbody>
</table>

4. **DEPRECIATION AND AMORTISATION**  
Depreciation - Plant and Equipment | 88    | 136   |
Depreciation - Leasehold Improvements | 144  | 697   |
Amortisation - Intangible Assets     | 2,648 | 1,943 |
| **Total**                          | 2,880 | 2,776 |

5. **EDUCATION AND RESEARCH**  
Education and Research | 3,866 | -     |
| **Total**                   | 3,866 | -     |

6. **FINANCE COSTS**  
Other Interest Charges | - | 48   |
| **Total**                 | - | 48   |
7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council's accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>343,861</td>
<td>360,620</td>
</tr>
</tbody>
</table>

9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>29,350</td>
<td>27,339</td>
</tr>
</tbody>
</table>

10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>56</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>819</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>875</td>
<td>-</td>
</tr>
</tbody>
</table>

11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>656</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(625)</td>
<td>-</td>
</tr>
<tr>
<td>Written Down Value</td>
<td>31</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Property, Plant and Equipment</td>
<td>(31)</td>
<td>-</td>
</tr>
</tbody>
</table>
12. CASH AND CASH EQUIVALENTS

Cash at Bank and On Hand 51,025 53,718
Cash at Bank - Held by HPCA* 1,978,577 1,741,257
2,029,602 1,794,975

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>2,029,602</td>
<td>1,794,975</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>2,029,602</td>
<td>1,794,975</td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

Education and Research Account** 51,025 53,718

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>2,665</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>990</td>
<td>1,189</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>13,931</td>
</tr>
<tr>
<td>Prepayments</td>
<td>3,353</td>
<td>3,652</td>
</tr>
<tr>
<td></td>
<td>4,343</td>
<td>21,437</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
### 14. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Plant and Equipment - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>526</td>
<td>227</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>143</td>
<td>55</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>383</td>
<td>172</td>
</tr>
</tbody>
</table>

**Leasehold Improvements - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>2,356</td>
<td>940</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>193</td>
<td>674</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>2,163</td>
<td>266</td>
</tr>
</tbody>
</table>

**Total Property, Plant and Equipment**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying Amount</td>
<td>2,546</td>
<td>438</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

14. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>172</td>
<td>266</td>
<td>438</td>
</tr>
<tr>
<td>Additions</td>
<td>299</td>
<td>2,125</td>
<td>2,424</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>-</td>
<td>(31)</td>
<td>(31)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(88)</td>
<td>(144)</td>
<td>(232)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>(53)</td>
<td>(53)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>383</td>
<td>2,163</td>
<td>2,546</td>
</tr>
</tbody>
</table>

| 2017:          |                     |                        |        |
| Net carrying amount at start of year | 457 | 724 | 1,181 |
| Additions      | 102                 | -                      | 102    |
| Write Off of Assets | (251)         | 186                    | (65)   |
| Movements in WIP | -               | 53                     | 53     |
| Net carrying amount at end of year | 172 | 266 | 438 |
Part 3: Financial Statements
Medical Radiation Practice Council of New South Wales

Notes to the Financial Statements continued

15. INTANGIBLE ASSETS
The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>7,816</td>
<td>7,816</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>6,534</td>
<td>3,886</td>
</tr>
<tr>
<td>Total Intangible Assets at Net Carrying Amount</td>
<td>1,282</td>
<td>3,930</td>
</tr>
</tbody>
</table>

15. INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>3,930</td>
<td>3,930</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(2,648)</td>
<td>(2,648)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td><strong>1,282</strong></td>
<td><strong>1,282</strong></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>4,735</td>
<td>4,735</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>1,075</td>
<td>1,075</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(1,943)</td>
<td>(1,943)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>3,930</strong></td>
<td><strong>3,930</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

#### 16. PAYABLES

<table>
<thead>
<tr>
<th>Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>1,438</td>
<td>5,383</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>3,984</td>
<td>231</td>
</tr>
<tr>
<td>Creditors</td>
<td>3,072</td>
<td>8,520</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>13,801</td>
<td>7,931</td>
</tr>
<tr>
<td><strong>Aggregate Personnel Services and Related On-Costs</strong></td>
<td><strong>22,295</strong></td>
<td><strong>22,065</strong></td>
</tr>
</tbody>
</table>

#### Aggregate Personnel Services and Related On-Costs

<table>
<thead>
<tr>
<th>Personnel Services - Ministry of Health</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,422</td>
<td>5,614</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

#### 17. PROVISIONS

<table>
<thead>
<tr>
<th>Non-Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Good</td>
<td>4,057</td>
<td>4,057</td>
</tr>
</tbody>
</table>

**Movement in provisions**

Movements in each class of provision during the financial year are set out below:

#### Make Good

| Carrying amount at the beginning of financial year | 4,057 | 3,760 |
| Increase/[Decrease] in provisions recognised      | -     | 248   |
| Unwinding/change in discount rate                 | -     | 49    |

**Carrying amount at the end of financial year**

| 4,057 | 4,057 |

#### 18. OTHER LIABILITIES

<table>
<thead>
<tr>
<th>Current</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income in Advance</td>
<td>132,281</td>
<td>144,072</td>
</tr>
</tbody>
</table>

| 132,281 | 144,072 |
Notes to the Financial Statements continued

19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>142</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>142</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>8,434</td>
<td>6,425</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>21,852</td>
<td>24,173</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>30,286</td>
<td>30,598</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $30,286 as at 30 June 2018 includes input tax credits of $2,745 that are expected to be recoverable from the Australian Taxation Office (2017: $2,795).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>236,998</td>
<td>241,799</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(2,880)</td>
<td>(2,776)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>11,791</td>
<td>12,426</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(48)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>(17,094)</td>
<td>(4,242)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>(230)</td>
<td>16,577</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(31)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td><strong>228,554</strong></td>
<td><strong>263,736</strong></td>
</tr>
</tbody>
</table>
**Notes to the Financial Statements continued**

### 22. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) **Financial Instrument Categories**

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>2,029,602</td>
<td>1,794,975</td>
<td>Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>16,596</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td><strong>2,029,602</strong></td>
<td><strong>1,811,571</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>18,311</td>
<td>21,834</td>
<td>Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td><strong>18,311</strong></td>
<td><strong>21,834</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
22. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>16,595</td>
</tr>
<tr>
<td>Past due but not impaired¹,²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired¹,²</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>16,596</td>
</tr>
</tbody>
</table>

Notes
1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
22. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>18,311</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>18,311</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>21,834</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>21,834</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Net Result</th>
<th>Equity</th>
<th>Net Result</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1%</td>
<td>+1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>2,029,602</td>
<td>(20,296)</td>
<td>(20,296)</td>
<td>20,296</td>
<td>20,296</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>Payables*</td>
<td>18,311</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

2017

Financial Assets

Cash and Cash Equivalents | 1,794,975 | (17,950) | (17,950) | 17,950 | 17,950 |
Receivables | 16,596 | - | - | - | - |
Financial Liabilities

Payables* | 21,834 | - | - | - | - |

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS

During the financial year, the Council obtained key management personnel services from the following entities:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Calvary Mater Newcastle Hospital</td>
<td>2,434</td>
<td>2,318</td>
</tr>
<tr>
<td>- Hunter New England Local Health District</td>
<td>-</td>
<td>2,190</td>
</tr>
<tr>
<td>- Sydney Children’s Hospitals Network</td>
<td>1,314</td>
<td>-</td>
</tr>
<tr>
<td>- NSW Ministry of Health</td>
<td>10,494</td>
<td>11,309</td>
</tr>
<tr>
<td></td>
<td><strong>14,242</strong></td>
<td><strong>15,817</strong></td>
</tr>
</tbody>
</table>

24. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR'S REPORT

Nursing and Midwifery Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Nursing and Midwifery Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards

• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards

• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General

• mandating the Auditor-General as auditor of public sector agencies

• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Nursing & Midwifery Council of New South Wales
Period ended 30 June 2018

Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Nursing & Midwifery Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Nursing & Midwifery Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Adjunct Professor John G Kelly
President
Date: 12 October 2018

Dr Bethne Hart
Deputy President
Date: 12 October 2018
### Statement of Comprehensive Income

#### for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>3,506,961</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>3,952,603</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>56,275</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>326,531</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td></td>
<td><strong>7,842,370</strong></td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v)(ii), 10</td>
<td>16,318</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>8,187,726</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>198,694</td>
</tr>
<tr>
<td>Other Income</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td><strong>8,402,788</strong></td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(22,954)</td>
</tr>
<tr>
<td>Other Gains / (Losses)</td>
<td>12</td>
<td>(131)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>22</td>
<td><strong>537,333</strong></td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td></td>
<td><strong>537,333</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Nursing & Midwifery Council of New South Wales

Statement of Financial Position
as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>13</td>
<td>15,893,940</td>
</tr>
<tr>
<td>Receivables</td>
<td>14</td>
<td>73,024</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>15,966,964</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>15</td>
<td>26,122</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>15</td>
<td>153,098</td>
</tr>
<tr>
<td><strong>Total Property, Plant &amp; Equipment</strong></td>
<td></td>
<td>179,220</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>16</td>
<td>12,321</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>191,541</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>16,158,505</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>17</td>
<td>786,141</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
<td>6,788,728</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>7,574,869</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>18</td>
<td>260,250</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>260,250</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>7,835,119</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>8,323,386</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>8,323,386</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>8,323,386</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Changes in Equity
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2017</strong></td>
<td>$7,786,053</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>$537,333</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td>$8,323,386</td>
</tr>
<tr>
<td><strong>Balance at 1 July 2016</strong></td>
<td>$6,751,236</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>$1,034,817</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td>$7,786,053</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

#### Payments

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>(3,459,559)</td>
<td>(3,853,997)</td>
</tr>
<tr>
<td>Education and Research</td>
<td>(357,894)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(4,260,224)</td>
<td>(4,275,752)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td><strong>(8,077,677)</strong></td>
<td><strong>(8,129,749)</strong></td>
</tr>
</tbody>
</table>

#### Receipts

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>8,261,351</td>
<td>8,094,619</td>
</tr>
<tr>
<td>Interest Received</td>
<td>198,694</td>
<td>212,234</td>
</tr>
<tr>
<td>Other</td>
<td>780,042</td>
<td>387</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>9,240,087</strong></td>
<td><strong>8,307,240</strong></td>
</tr>
</tbody>
</table>

#### Net Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>1,162,410</td>
<td>177,491</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sale of Property, Plant and Equipment and Intangibles</td>
<td>-</td>
<td>6,963</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment and Intangibles</td>
<td>(159,072)</td>
<td>(12,693)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td><strong>(159,072)</strong></td>
<td><strong>(5,730)</strong></td>
</tr>
</tbody>
</table>

### Net Increase/(Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>1,003,338</td>
<td>171,761</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening cash and cash equivalents</td>
<td>14,890,602</td>
<td>14,718,841</td>
</tr>
<tr>
<td><strong>Closing Cash and Cash Equivalents</strong></td>
<td><strong>15,893,940</strong></td>
<td><strong>14,890,602</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Reporting Entity

The Nursing & Midwifery Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) Basis of Preparation

The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($1,509,377) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

   The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

   Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent uneared income at balance date.

   **Investment Revenue**

   Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

   **i) Personnel Services**

   In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

   **j) Education and Research**

   The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

   **k) Accounting for the Goods & Services Tax (GST)**

   Income, expenses and assets are recognised net of the amount of GST, except that:

   - amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and

   - receivables and payables are stated with the amount of GST included.

   Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
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Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Initial Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td>20% - 25%</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>1.32% - 27.27%</td>
</tr>
</tbody>
</table>

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

   **q) Restoration Costs**
   The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

   **r) Intangible Assets**
   The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

   Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

   The useful lives of intangible assets are assessed to be finite.

   Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

   The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

   **s) Maintenance**
   Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

   **t) Loans and Receivables**
   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

   Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

   An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

**u) Payables**

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**v) Personnel Services - Ministry of Health**

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2. PERSONNEL SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>2,922,702</td>
<td>2,595,093</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>10,843</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>247,301</td>
<td>245,187</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>103,433</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>27,107</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>12,196</td>
<td>9,460</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>183,379</td>
<td>155,755</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,506,961</td>
<td>3,005,495</td>
</tr>
</tbody>
</table>

| **3. OTHER OPERATING EXPENSES** |            |            |
| Advertising               | 4,507      | -          |
| Consultancies             | 47,241     | 127,382    |
| Contractors               | 1,336,867  | 1,236,736  |
| Domestic Supplies and Services | 25,782    | 25,752     |
| Food Supplies             | 17,978     | 16,386     |
| Fuel, Light and Power     | 20,027     | -          |
| Information Management Expenses (Software licences, support and maintenance) | 392,102    | 471,248    |
| Insurance                 | 171        | 312        |
| Maintenance (See 3(b) below) | 293,212    | 99,843     |
| Motor Vehicle Expenses    | 763        | 6,164      |
| Postal and Telephone Costs | 54,486     | 37,401     |
| Printing and Stationery   | 42,766     | 32,323     |
| Rental                    | 327,186    | 348,854    |
| Staff Related Costs       | 451,629    | 472,679    |
| Travel Related Costs      | 109,232    | 128,503    |
| Other (See 3(a) below)    | 828,654    | 871,499    |
| **Total**                 | 3,952,603  | 3,875,082  |
### Part 3: Financial Statements

**Nursing & Midwifery Council of New South Wales**

#### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. OTHER OPERATING EXPENSES</strong> continued</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>a. Other includes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courier and Freight</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>48,338</td>
<td>29,206</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>6,299</td>
<td>4,723</td>
</tr>
<tr>
<td>Security Services</td>
<td>383</td>
<td>270</td>
</tr>
<tr>
<td>Auditor's Remuneration</td>
<td>19,648</td>
<td>17,840</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>40,631</td>
<td>64,709</td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>561,538</td>
<td>521,602</td>
</tr>
<tr>
<td>NSW Civil &amp; Administrative Tribunal Fixed Costs</td>
<td>124,390</td>
<td>201,360</td>
</tr>
<tr>
<td>Council Fees</td>
<td>27,422</td>
<td>31,789</td>
</tr>
<tr>
<td></td>
<td><strong>828,654</strong></td>
<td><strong>871,499</strong></td>
</tr>
<tr>
<td><strong>b. Reconciliation of Total Maintenance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Contracts</td>
<td>20,956</td>
<td>25</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>136,296</td>
<td>36,034</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>135,960</td>
<td>63,784</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3)</td>
<td>293,212</td>
<td>99,843</td>
</tr>
<tr>
<td></td>
<td><strong>293,212</strong></td>
<td><strong>99,843</strong></td>
</tr>
<tr>
<td><strong>4. DEPRECIATION AND AMORTISATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>10,592</td>
<td>13,371</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>15,488</td>
<td>50,686</td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>30,195</td>
<td>19,840</td>
</tr>
<tr>
<td></td>
<td><strong>56,275</strong></td>
<td><strong>83,897</strong></td>
</tr>
<tr>
<td><strong>5. EDUCATION AND RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Research</td>
<td>326,531</td>
<td>55,268</td>
</tr>
<tr>
<td></td>
<td><strong>326,531</strong></td>
<td><strong>55,268</strong></td>
</tr>
<tr>
<td><strong>6. FINANCE COSTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>3,106</td>
</tr>
<tr>
<td></td>
<td><strong>-</strong></td>
<td><strong>3,106</strong></td>
</tr>
</tbody>
</table>
### Part 3: Financial Statements  
**Nursing & Midwifery Council of New South Wales**

#### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### 7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

#### 8. REGISTRATION FEES

<table>
<thead>
<tr>
<th>Registration Fees</th>
<th>8,187,726</th>
<th>7,866,105</th>
</tr>
</thead>
</table>

#### 9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th>Interest</th>
<th>198,694</th>
<th>191,173</th>
</tr>
</thead>
</table>

#### 10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

| Superannuation-defined benefit | 10,843 | -     |
| Long Service Leave            | 5,475  | -     |

| Total                          | 16,318 | -     |

#### 11. GAIN / (LOSS) ON DISPOSAL

| Property, Plant and Equipment | 323,695 | -     |
| Accumulated Depreciation      | (300,741)| -    |
| Written Down Value            | 22,954  | -     |
| Proceeds from Disposal        | -       | -     |

| Gain/(Loss) on Disposal of Property, Plant and Equipment | (22,954) | - |
Notes to the Financial Statements continued

12. OTHER GAINS / (LOSSES)
   Impairment of Receivables
   -
   (131)

13. CASH AND CASH EQUIVALENTS
   Cash at Bank and On Hand
   1,104,066 415,010
   Cash at Bank - Held by HPCA*
   14,789,874 14,475,592
   15,893,940 14,890,602

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th>Cash and Cash Equivalents (per Statement of Financial Position)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,893,940</td>
<td>14,890,602</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,893,940</td>
<td>14,890,602</td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

<table>
<thead>
<tr>
<th>Education and Research Account**</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,103,566</td>
<td>414,510</td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.
Part 3: Financial Statements
Nursing & Midwifery Council of New South Wales

Notes to the Financial Statements continued

14. RECEIVABLES

Current
Trade and Other Receivables 99 385,378
Goods and Services Tax 48,794 35,431
Interest Receivable - 80,467
Less Allowance for Impairment - (1,347)
Prepayments 24,131 30,977

73,024 530,906

a) Movement in the Allowance for Impairment
Balance at Commencement of Reporting Period (1,347) -
Amounts written off during the period 131 (1,347)
Amounts recovered during the period 1,347 -
(Increase)/decrease in Allowance Recognised in the Net Result (131) -
Balance at 30 June 2018 - (1,347)

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 23.
Part 3: Financial Statements  
Nursing & Midwifery Council of New South Wales

Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>15. PROPERTY, PLANT AND EQUIPMENT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

### Plant and Equipment - Fair Value

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>53,962</td>
<td>42,455</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>27,840</td>
<td>17,248</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>26,122</td>
<td>25,207</td>
</tr>
</tbody>
</table>

### Leasehold Improvements - Fair Value

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>165,971</td>
<td>342,101</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>12,873</td>
<td>298,126</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>153,098</td>
<td>43,975</td>
</tr>
</tbody>
</table>

### Total Property, Plant and Equipment

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying Amount</td>
<td>179,220</td>
</tr>
</tbody>
</table>
15. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>25,207</td>
<td>43,975</td>
<td>69,182</td>
</tr>
<tr>
<td>Additions</td>
<td>11,507</td>
<td>151,333</td>
<td>162,840</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(22,954)</td>
<td>(22,954)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(10,592)</td>
<td>(15,488)</td>
<td>(26,080)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>(3,768)</td>
<td>(3,768)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>26,122</td>
<td>153,098</td>
<td>179,220</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>65,925</td>
<td>81,389</td>
<td>147,314</td>
</tr>
<tr>
<td>Additions</td>
<td>8,925</td>
<td>-</td>
<td>8,925</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(36,272)</td>
<td>9,504</td>
<td>(26,768)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(13,371)</td>
<td>(50,686)</td>
<td>(64,057)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>3,768</td>
<td>3,768</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>25,207</td>
<td>43,975</td>
<td>69,182</td>
</tr>
</tbody>
</table>
16. **INTANGIBLE ASSETS**

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>81,829</td>
<td>81,829</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>69,508</td>
<td>39,313</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td><strong>12,321</strong></td>
<td><strong>42,516</strong></td>
</tr>
</tbody>
</table>

16. **INTANGIBLE ASSETS - RECONCILIATION**

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>42,516</td>
<td>42,516</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(30,195)</td>
<td>(30,195)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td><strong>12,321</strong></td>
<td><strong>12,321</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>71,686</td>
<td>71,686</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>4,098</td>
<td>4,098</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>(13,428)</td>
<td>(13,428)</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(19,840)</td>
<td>(19,840)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>42,516</strong></td>
<td><strong>42,516</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>17. PAYABLES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>152,761</td>
<td>300,814</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>187,541</td>
<td>7,232</td>
</tr>
<tr>
<td>Creditors</td>
<td>277,181</td>
<td>166,362</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>168,658</td>
<td>232,362</td>
</tr>
<tr>
<td><strong>Aggregate Personnel Services and Related On-Costs</strong></td>
<td><strong>786,141</strong></td>
<td><strong>706,770</strong></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>340,302</td>
<td>308,046</td>
</tr>
<tr>
<td><strong>18. PROVISIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Good</td>
<td>260,250</td>
<td>260,250</td>
</tr>
<tr>
<td><strong>Movement in provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at the beginning of financial year</td>
<td>260,250</td>
<td>241,254</td>
</tr>
<tr>
<td>Increase/(Decrease) in provisions recognised</td>
<td>-</td>
<td>15,891</td>
</tr>
<tr>
<td>Unwinding/change in discount rate</td>
<td>-</td>
<td>3,105</td>
</tr>
<tr>
<td>Carrying amount at the end of financial year</td>
<td>260,250</td>
<td>260,250</td>
</tr>
<tr>
<td><strong>19. OTHER LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income in Advance</td>
<td>6,788,728</td>
<td>6,780,133</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 23.
20. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>12,498</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>12,498</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>495,624</td>
<td>493,798</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>1,284,089</td>
<td>1,857,861</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>1,779,713</td>
<td>2,351,659</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $1,779,713 as at 30 June 2018 includes input tax credits of $161,336 that are expected to be recoverable from the Australian Taxation Office (2017: $214,923).

21. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>1,162,410</td>
<td>177,491</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(56,275)</td>
<td>(83,897)</td>
</tr>
<tr>
<td>Impairment of Receivables</td>
<td>(131)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>(8,595)</td>
<td>(143,128)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(3,106)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>(457,751)</td>
<td>(150,967)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>(79,371)</td>
<td>1,238,424</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(22,954)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>537,333</td>
<td>1,034,817</td>
</tr>
</tbody>
</table>
23. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents [note 13]</td>
<td>N/A</td>
<td>15,893,940</td>
<td>14,890,602</td>
</tr>
<tr>
<td>Receivables [note 14]*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>99</td>
<td>464,498</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td></td>
<td><strong>15,894,039</strong></td>
<td><strong>15,355,100</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Financial liabilities measured at amortised cost</th>
<th>598,600</th>
<th>699,538</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables [note 17]**</td>
<td></td>
<td><strong>598,600</strong></td>
<td><strong>699,538</strong></td>
</tr>
</tbody>
</table>

Notes
- * Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
- **Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
- Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
23. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>463,902</td>
</tr>
<tr>
<td>Past due but not impaired (^1,^2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>465</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>99</td>
<td>131</td>
</tr>
<tr>
<td>Impaired (^1,^2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>1,347</td>
</tr>
<tr>
<td><strong>Total(^1,^2)</strong></td>
<td><strong>99</strong></td>
<td><strong>465,845</strong></td>
</tr>
</tbody>
</table>

Notes
1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
### 23. FINANCIAL INSTRUMENTS continued

#### (c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

#### Maturity Analysis and interest rate exposure of financial liabilities

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates [based on official RBA interest rate volatility over the last five years]. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>-1%</th>
<th>Equity</th>
<th>+1%</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Result</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>15,893,940</td>
<td>(158,939)</td>
<td>(158,939)</td>
<td>158,939</td>
<td>158,939</td>
</tr>
<tr>
<td>Receivables</td>
<td>99</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>598,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>14,890,602</td>
<td>(148,906)</td>
<td>(148,906)</td>
<td>148,906</td>
<td>148,906</td>
</tr>
<tr>
<td>Receivables</td>
<td>464,498</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>699,538</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue [i.e. not within scope of AASB7 Financial Instruments Disclosures]. Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

24. RELATED PARTY TRANSACTIONS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>- NSW Ministry of Health</td>
<td>108,829</td>
<td>90,059</td>
</tr>
<tr>
<td>- Nepean Blue Mountains Local Health District</td>
<td>4,850</td>
<td>6,836</td>
</tr>
<tr>
<td>- NSW Nurses Association</td>
<td>2,124</td>
<td>5,134</td>
</tr>
<tr>
<td>- St Vincent’s Hospital</td>
<td>2,940</td>
<td>2,128</td>
</tr>
<tr>
<td></td>
<td>118,743</td>
<td>104,157</td>
</tr>
</tbody>
</table>

25. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Occupational Therapy Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Occupational Therapy Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards

• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards

• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General

• mandating the Auditor-General as auditor of public sector agencies

• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/art.pdf. The description forms part of my auditor’s report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Occupational Therapy Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Occupational Therapy Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Mr Kim Nguyen  
President  
Date: 12 October 2018

Ms Carolyn Fozzard  
Deputy President  
Date: 12 October 2018
Statement of Comprehensive Income
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>64,513</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>80,110</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(l), 4</td>
<td>2,520</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses Excluding Losses</td>
<td></td>
<td>147,143</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(e)</td>
<td>1,354</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>255,878</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>14,917</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>1,937</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td>272,149</td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(43)</td>
</tr>
<tr>
<td>Net Result</td>
<td>21</td>
<td>124,963</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td></td>
<td>124,963</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Financial Position

as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>1,027,126</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>3,764</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>1,030,890</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Property, Plant and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>391</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>3,079</td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td>3,470</td>
</tr>
<tr>
<td><strong>Intangible Assets</strong></td>
<td>15</td>
<td>1,216</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>4,686</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>1,035,576</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>16</td>
<td>18,243</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>88,010</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>106,253</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>4,464</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>4,464</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>110,717</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td>924,859</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>924,859</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>924,859</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Part 3: Financial Statements

**Occupational Therapy Council of New South Wales**

#### Statement of Changes in Equity

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Accumulated Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July 2017</td>
<td>799,896</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>124,963</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>924,859</td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>705,838</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>94,058</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>799,896</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Cash Flows

**for the Year Ended 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>(67,118)</td>
<td>(78,030)</td>
</tr>
<tr>
<td>Other</td>
<td>(88,799)</td>
<td>(92,959)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(155,917)</td>
<td>(170,989)</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fees</td>
<td>256,732</td>
<td>239,556</td>
</tr>
<tr>
<td>Interest Received</td>
<td>14,917</td>
<td>15,394</td>
</tr>
<tr>
<td>Other</td>
<td>8,252</td>
<td>1,937</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>279,901</td>
<td>256,887</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>123,984</td>
<td>85,898</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Sale of Property, Plant and Equipment and Intangibles</td>
<td>-</td>
<td>772</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment and Intangibles</td>
<td>(3,259)</td>
<td>(2,867)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td>(3,259)</td>
<td>(2,095)</td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>906,401</td>
<td>822,598</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>1,027,126</td>
<td>906,401</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   a) **The Reporting Entity**

      The Occupational Therapy Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

      These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   b) **Basis of Preparation**

      The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

      The financial statements of the Council have been prepared on a going concern basis.

      Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   c) **Comparative Information**

      Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

      Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($46,109) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   d) **Statement of Compliance**

      The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

<table>
<thead>
<tr>
<th>Plant and Equipment</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
<td>1.32% - 27.27%</td>
</tr>
</tbody>
</table>

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### Part 3: Financial Statements

**Occupational Therapy Council of New South Wales**

**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th>2. <strong>PERSONNEL SERVICES</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>54,201</td>
<td>48,973</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>4,375</td>
<td>4,325</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>2,158</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>467</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>219</td>
<td>8</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>3,050</td>
<td>2,680</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64,513</strong></td>
<td><strong>55,986</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. <strong>OTHER OPERATING EXPENSES</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>74</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>1,076</td>
<td>3,235</td>
</tr>
<tr>
<td>Contractors</td>
<td>24,268</td>
<td>17,995</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>839</td>
<td>686</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>939</td>
<td>1,080</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>359</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>14,769</td>
<td>22,882</td>
</tr>
<tr>
<td>Insurance</td>
<td>42</td>
<td>132</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>4,544</td>
<td>1,276</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>24</td>
<td>138</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>2,199</td>
<td>1,031</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>827</td>
<td>517</td>
</tr>
<tr>
<td>Rental</td>
<td>3,526</td>
<td>4,016</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>4,770</td>
<td>9,537</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>1,877</td>
<td>1,762</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>19,977</td>
<td>25,260</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80,110</strong></td>
<td><strong>89,547</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

#### 3. OTHER OPERATING EXPENSES continued

**a. Other includes**

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Services</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>13 30</td>
<td>7 35</td>
</tr>
<tr>
<td>Security Services</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>6,381 5,790</td>
<td></td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>201 675</td>
<td></td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>5,145 5,970</td>
<td></td>
</tr>
<tr>
<td>Council Fees</td>
<td>8,215 12,760</td>
<td></td>
</tr>
</tbody>
</table>

**19,977 25,260**

**b. Reconciliation of Total Maintenance**

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Contracts</td>
<td>304 [82]</td>
<td></td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>2,497 645</td>
<td></td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>1,743 713</td>
<td></td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other</td>
<td>4,544 1,276</td>
<td></td>
</tr>
<tr>
<td>(Non-Employee Related in Note 3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**4,544 1,276**

#### 4. DEPRECIATION AND AMORTISATION

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>103 184</td>
<td></td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>194 769</td>
<td></td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>2,223 1,703</td>
<td></td>
</tr>
</tbody>
</table>

**2,520 2,656**

#### 5. EDUCATION AND RESEARCH

There has been no Education and Research expenditure during the Financial Year 2018.

#### 6. FINANCE COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>53</td>
</tr>
</tbody>
</table>

**- 53**
Part 3: Financial Statements
Occupational Therapy Council of New South Wales

Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH). In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. REGISTRATION FEES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration Fees</td>
<td>255,878</td>
<td>226,251</td>
</tr>
<tr>
<td></td>
<td>255,878</td>
<td>226,251</td>
</tr>
<tr>
<td>9. INVESTMENT REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>14,917</td>
<td>14,112</td>
</tr>
<tr>
<td></td>
<td>14,917</td>
<td>14,112</td>
</tr>
<tr>
<td>10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The following liabilities and expenses have been assumed by the Crown Entity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superannuation-defined benefit</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>1,311</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,354</td>
<td>-</td>
</tr>
<tr>
<td>11. GAIN / (LOSS) ON DISPOSAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>916</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(873)</td>
<td>-</td>
</tr>
<tr>
<td>Written Down Value</td>
<td>43</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Property, Plant and Equipment</td>
<td>(43)</td>
<td>-</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>46,826</td>
<td>45,773</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>980,300</td>
<td>860,628</td>
</tr>
<tr>
<td></td>
<td>1,027,126</td>
<td>906,401</td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and Cash Equivalents (per Statement of Financial Position) 1,027,126 906,401
Closing Cash and Cash Equivalents (per Statement of Cash Flows) 1,027,126 906,401

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

Education and Research Account** 46,826 45,773

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>1,710</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>877</td>
<td>1,195</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>7,232</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,887</td>
<td>3,252</td>
</tr>
<tr>
<td></td>
<td>3,764</td>
<td>13,389</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
14. **PROPERTY, PLANT AND EQUIPMENT**

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Plant and Equipment - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying</td>
<td>564</td>
<td>298</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Accumulated</td>
<td>173</td>
<td>70</td>
</tr>
<tr>
<td>Depreciation and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Carrying</td>
<td>391</td>
<td>228</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Leasehold Improvements - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying</td>
<td>3,319</td>
<td>1,242</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Accumulated</td>
<td>240</td>
<td>919</td>
</tr>
<tr>
<td>Depreciation and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Carrying</td>
<td>3,079</td>
<td>323</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Property, Plant and Equipment**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying</td>
<td>3,470</td>
<td>551</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

14. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>228</td>
<td>323</td>
<td>551</td>
</tr>
<tr>
<td>Additions</td>
<td>266</td>
<td>3,070</td>
<td>3,336</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>-</td>
<td>(43)</td>
<td>(43)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(103)</td>
<td>(194)</td>
<td>(297)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>(77)</td>
<td>(77)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td><strong>391</strong></td>
<td><strong>3,079</strong></td>
<td><strong>3,470</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>585</td>
<td>805</td>
<td>1,390</td>
</tr>
<tr>
<td>Additions</td>
<td>160</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(333)</td>
<td>210</td>
<td>(123)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(184)</td>
<td>(769)</td>
<td>(953)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>77</td>
<td>77</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td><strong>228</strong></td>
<td><strong>323</strong></td>
<td><strong>551</strong></td>
</tr>
</tbody>
</table>
15. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>$6,846</td>
<td>$6,846</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>$5,630</td>
<td>$3,407</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td><strong>$1,216</strong></td>
<td><strong>$3,439</strong></td>
</tr>
</tbody>
</table>

15. INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>$3,439</td>
<td>$3,439</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>$(2,223)</td>
<td>$(2,223)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td><strong>$1,216</strong></td>
<td><strong>$1,216</strong></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>$3,494</td>
<td>$3,494</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>$46</td>
<td>$46</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>$1,602</td>
<td>$1,602</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>$(1,703)</td>
<td>$(1,703)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>$3,439</strong></td>
<td><strong>$3,439</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements continued

#### 16. PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>1,712</td>
<td>9,213</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>3,881</td>
<td>318</td>
</tr>
<tr>
<td>Creditors</td>
<td>3,929</td>
<td>6,888</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>8,721</td>
<td>7,731</td>
</tr>
<tr>
<td><strong>Aggregate</strong></td>
<td>18,243</td>
<td>24,150</td>
</tr>
</tbody>
</table>

#### Aggregate Personnel Services and Related On-Costs

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>5,593</td>
<td>9,531</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,593</td>
<td>9,531</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

#### 17. PROVISIONS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Good</td>
<td>4,464</td>
<td>4,464</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,464</td>
<td>4,464</td>
</tr>
</tbody>
</table>

#### Movement in provisions

Movements in each class of provision during the financial year are set out below:

**Make Good**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at the beginning of financial year</td>
<td>4,464</td>
<td>4,139</td>
</tr>
<tr>
<td>Increase/[Decrease] in provisions recognised</td>
<td>-271</td>
<td></td>
</tr>
<tr>
<td>Unwinding/change in discount rate</td>
<td>-54</td>
<td></td>
</tr>
<tr>
<td><strong>Carrying amount at the end of financial year</strong></td>
<td>4,464</td>
<td>4,464</td>
</tr>
</tbody>
</table>

#### 18. OTHER LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income in Advance</td>
<td>88,010</td>
<td>95,270</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>88,010</td>
<td>95,270</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>224</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>224</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>9,674</td>
<td>4,843</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>25,065</td>
<td>18,219</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>34,739</td>
<td>23,062</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $34,739 as at 30 June 2018 includes input tax credits of $3,149 that are expected to be recoverable from the Australian Taxation Office (2017: $2,117).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>123,984</td>
<td>85,898</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(2,520)</td>
<td>(2,656)</td>
</tr>
<tr>
<td>[Increase]/ Decrease Income in Advance</td>
<td>7,260</td>
<td>(6,526)</td>
</tr>
<tr>
<td>[Increase]/ Decrease in Provisions</td>
<td>-</td>
<td>(53)</td>
</tr>
<tr>
<td>Increase / [Decrease] in Receivables</td>
<td>(9,625)</td>
<td>(8,523)</td>
</tr>
<tr>
<td>[Increase]/ Decrease in Payables from Operating Activities</td>
<td>5,907</td>
<td>25,918</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(43)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>124,963</td>
<td>94,058</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>1,027,126</td>
<td>906,401</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>8,942</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>14,362</td>
<td>23,832</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,362</td>
<td>23,832</td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
22. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td></td>
<td>8,941</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impaired</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>8,942</strong></td>
</tr>
</tbody>
</table>

Notes
1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
Part 3: Financial Statements
Occupational Therapy Council of New South Wales

Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

*Maturity Analysis and interest rate exposure of financial liabilities*

<table>
<thead>
<tr>
<th>Nominal Amount</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors $^2$</td>
<td>14,362</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>14,362</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors $^2$</td>
<td>23,832</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>23,832</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th>+1%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Net Result</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>$1,027,126</td>
<td>(10,271)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>$14,362</td>
<td>-</td>
</tr>
</tbody>
</table>

2017

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th>+1%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Net Result</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>$906,401</td>
<td>(9,064)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>$8,942</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>$23,832</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue [i.e. not within scope of AASB7 Financial Instruments Disclosures]. Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS

During the financial year, the Council obtained key management personnel services from the following entities:

<table>
<thead>
<tr>
<th>Entity</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunter New England Local Health District</td>
<td>1,752</td>
<td>1,808</td>
</tr>
<tr>
<td>NSW Ministry of Health</td>
<td>5,950</td>
<td>4,358</td>
</tr>
<tr>
<td>Northern Sydney Local Health District</td>
<td>1,314</td>
<td>1,314</td>
</tr>
<tr>
<td>Sydney Local Health District</td>
<td>1,442</td>
<td>1,314</td>
</tr>
<tr>
<td>Western Sydney Local Health District</td>
<td>1,314</td>
<td>1,314</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,772</td>
<td>10,108</td>
</tr>
</tbody>
</table>

24. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Optometry Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Optometry Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Optometry Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Optometry Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Mr Albert Lee
President
Date: 12 October 2018

Mr John Davis
Council Member
Date: 12 October 2018
### Statement of Comprehensive Income

**for the Year Ended 30 June 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>EXPENSES EXCLUDING LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>116,717</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>74,955</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>1,513</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td>193,185</td>
<td>162,468</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>2,496</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>222,252</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>8,206</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td>232,954</td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>21</td>
<td>39,728</td>
</tr>
<tr>
<td><strong>TOTAL OTHER COMPREHENSIVE INCOME</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td>39,728</td>
<td>54,676</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Financial Position
as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>548,934</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>3,331</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td></td>
<td>552,265</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>14</td>
<td>491</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>1,741</td>
</tr>
<tr>
<td>Total Property, Plant and Equipment</td>
<td>2,232</td>
<td>736</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>762</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>2,994</td>
<td>2,716</td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td>555,259</td>
</tr>
</tbody>
</table>

| LIABILITIES | $      | $      |
| Current Liabilities |       |        |
| Payables | 16    | 29,965 | 26,007 |
| Other | 18    | 91,425 | 88,909 |
| Total Current Liabilities |      | 121,390| 114,916|
| Non-Current Liabilities |       |        |
| Provisions | 17    | 6,837  | 6,837  |
| Total Non-Current Liabilities | 6,837 | 6,837  |
| Total Liabilities | 128,227| 121,753|
| Net Assets | 427,032| 387,304|

### EQUITY

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>427,032</td>
</tr>
<tr>
<td>Total Equity</td>
<td></td>
<td>427,032</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Changes in Equity

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Account</th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>387,304</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>39,728</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td><strong>427,032</strong></td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>332,628</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>54,676</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td><strong>387,304</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Optometry Council of New South Wales

Statement of Cash Flows
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

Payments
Personnel Services | (114,868) | (106,965) |
Other | (76,518) | (90,938) |

**Total Payments** | (191,386) | (197,903) |

Receipts
Registration fees | 224,652 | 222,998 |
Interest Received | 8,206 | 8,093 |
Other | 12,750 | 2 |

**Total Receipts** | 245,608 | 231,093 |

**Net Cash Flows from Operating Activities** | 54,222 | 33,190 |

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from Sale of Financial Assets | - | 548 |

**Purchases of Property, Plant and Equipment and Intangibles** | (1,832) | (2,045) |

**Net Cash Flows from Investing Activities** | (1,832) | (1,497) |

**Net Increase/(Decrease) in Cash and Cash Equivalents**
Opening cash and cash equivalents | 496,544 | 464,851 |

**Closing Cash and Cash Equivalents** | 548,934 | 496,544 |

The accompanying notes form part of these financial statements.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Reporting Entity

The Optometry Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) Basis of Preparation

The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($29,443) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Part 3: Financial Statements  
Optometry Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

i) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

- Plant and Equipment: 25%
- Leasehold Improvements: 1.32% - 27.27%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

**w) Provision for Make Good**

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

**x) Equity and Reserves**

(i) **Accumulated Funds**

The category "accumulated funds" includes all current and prior period retained funds.

(ii) **Changes in Accounting Policy, including new or revised Australian Accounting Standards**

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

**Leases**

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

**Revenue and Income of Not-for-Profit Entities**

No significant impact is expected on the Council.

**Financial Instruments**

No significant impact is expected on the Council.
### Notes to the Financial Statements continued

#### 2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>93,168</td>
<td>77,092</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>62</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>7,931</td>
<td>7,022</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>8,727</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>743</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>337</td>
<td>261</td>
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<tr>
<td>Payroll Taxes</td>
<td>5,749</td>
<td>4,605</td>
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<tr>
<td><strong>Total</strong></td>
<td>116,717</td>
<td>88,980</td>
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#### 3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>113</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>351</td>
<td>1,249</td>
</tr>
<tr>
<td>Contractors</td>
<td>14,452</td>
<td>10,069</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>606</td>
<td>674</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>365</td>
<td>313</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>553</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>14,978</td>
<td>16,031</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>7,644</td>
<td>3,033</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>17</td>
<td>149</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>2,318</td>
<td>1,337</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>1,047</td>
<td>785</td>
</tr>
<tr>
<td>Rental</td>
<td>10,128</td>
<td>11,882</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>719</td>
<td>2,113</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>2,634</td>
<td>3,590</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>19,025</td>
<td>19,840</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>74,955</td>
<td>71,070</td>
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### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. OTHER OPERATING EXPENSES continued</strong> a. Other includes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courier and Freight</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>49</td>
<td>-</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>19</td>
<td>34</td>
</tr>
<tr>
<td>Security Services</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>6,381</td>
<td>5,790</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>1,133</td>
<td>1,131</td>
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<tr>
<td>Sitting Fees</td>
<td>3,085</td>
<td>2,109</td>
</tr>
<tr>
<td>NSW Civil &amp; Administrative Tribunal Fixed Costs</td>
<td>-</td>
<td>2,042</td>
</tr>
<tr>
<td>Council Fees</td>
<td>8,342</td>
<td>8,732</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,025</td>
<td>19,840</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Reconciliation of Total Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Contracts</td>
<td>652</td>
<td>21</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>3,120</td>
<td>937</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>3,872</td>
<td>2,075</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other</td>
<td>7,644</td>
<td>3,033</td>
</tr>
<tr>
<td>(Non-Employee Related in Note 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,644</td>
<td>3,033</td>
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<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. DEPRECIATION AND AMORTISATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>145</td>
<td>214</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>150</td>
<td>1,171</td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>1,218</td>
<td>951</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,513</td>
<td>2,336</td>
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<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. EDUCATION AND RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There has been no Education and Research expenditure during the Financial Year 2018.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6. FINANCE COSTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>82</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Optometry Council of New South Wales

Notes to the Financial Statements continued

2018  2017
$   $  

7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council's accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>222,252</td>
<td>209,587</td>
</tr>
<tr>
<td></td>
<td><strong>222,252</strong></td>
<td><strong>209,587</strong></td>
</tr>
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</table>

9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>8,206</td>
<td>7,555</td>
</tr>
<tr>
<td></td>
<td><strong>8,206</strong></td>
<td><strong>7,555</strong></td>
</tr>
</tbody>
</table>

10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>62</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>2,434</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>2,496</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>875</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(834)</td>
<td>-</td>
</tr>
<tr>
<td>Written Down Value</td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Property, Plant and Equipment</td>
<td><strong>(41)</strong></td>
<td>-</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Optometry Council of New South Wales

Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>47,036</td>
<td>45,980</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>501,898</td>
<td>450,564</td>
</tr>
<tr>
<td></td>
<td>548,934</td>
<td>496,544</td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and Cash Equivalents (per Statement of Financial Position) | 548,934 | 496,544
Closing Cash and Cash Equivalents (per Statement of Cash Flows) | 548,934 | 496,544

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

Education and Research Account** | 47,036 | 45,980

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>2,642</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>992</td>
<td>565</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>4,106</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,339</td>
<td>2,484</td>
</tr>
<tr>
<td></td>
<td>3,331</td>
<td>9,797</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
Notes to the Financial Statements continued

14. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Plant and Equipment - Fair Value</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>744</td>
<td>459</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>253</td>
<td>108</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>491</td>
<td>351</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leasehold Improvements - Fair Value</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>1,975</td>
<td>1,304</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>234</td>
<td>919</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>1,741</td>
<td>385</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Property, Plant and Equipment At Net Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,232</td>
<td>736</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Optometry Council of New South Wales

Notes to the Financial Statements continued

14. PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment</th>
<th>Leasehold Improvements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>351</td>
<td>385</td>
<td>736</td>
</tr>
<tr>
<td>Additions</td>
<td>285</td>
<td>1,586</td>
<td>1,871</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>-</td>
<td>(41)</td>
<td>(41)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(145)</td>
<td>(150)</td>
<td>(295)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>(39)</td>
<td>(39)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>491</strong></td>
<td><strong>1,741</strong></td>
<td><strong>2,232</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>672</td>
<td>1,209</td>
<td>1,881</td>
</tr>
<tr>
<td>Additions</td>
<td>246</td>
<td>-</td>
<td>246</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(353)</td>
<td>308</td>
<td>(45)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(214)</td>
<td>(1,171)</td>
<td>(1,385)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>351</strong></td>
<td><strong>385</strong></td>
<td><strong>736</strong></td>
</tr>
</tbody>
</table>
### 15. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>3,874</td>
<td>3,874</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>3,112</td>
<td>1,894</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td><strong>762</strong></td>
<td><strong>1,980</strong></td>
</tr>
</tbody>
</table>

#### 15. INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,980</td>
<td>1,980</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(1,218)</td>
<td>(1,218)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td><strong>762</strong></td>
<td><strong>762</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,832</td>
<td>1,832</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>987</td>
<td>987</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(951)</td>
<td>(951)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>1,980</strong></td>
<td><strong>1,980</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

16. PAYABLES

   Current
   Personnel Services - Ministry of Health 7,742 14,854
   Taxation and Payroll Deductions 6,976 482
   Creditors 5,732 2,906
   Accrued Expenditure 9,515 7,765
   \[29,965 \text{ } 26,007\]

Aggregate Personnel Services and Related On-Costs
Personnel Services - Ministry of Health 14,718 15,336
\[14,718 \text{ } 15,336\]

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

17. PROVISIONS

   Non-Current
   Make Good 6,837 6,837
   \[6,837 \text{ } 6,837\]

Movement in provisions
Movements in each class of provision during the financial year are set out below:

   Make Good
   Carrying amount at the beginning of financial year 6,837 6,338
   Increase/[Decrease] in provisions recognised - 418
   Unwinding/change in discount rate - 81
   Carrying amount at the end of financial year 6,837 6,837

18. OTHER LIABILITIES

   Current
   Income in Advance 91,425 88,909
   \[91,425 \text{ } 88,909\]
19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregated capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>345</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>345</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>8,807</td>
<td>16,247</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>22,816</td>
<td>61,126</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>31,623</td>
<td>77,373</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $31,623 as at 30 June 2018 includes input tax credits of $2,867 that are expected to be recoverable from the Australian Taxation Office (2017: $7,065).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>54,222</td>
<td>33,190</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>-1,513</td>
<td>-2,336</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>-2,516</td>
<td>-9,223</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>-82</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>-4,466</td>
<td>-4,519</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>-3,958</td>
<td>-37,646</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>-41</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>39,728</td>
<td>54,676</td>
</tr>
</tbody>
</table>
22. **FINANCIAL INSTRUMENTS**

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

### (a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Cash Equivalents [note 12]</td>
<td>N/A</td>
<td>548,934</td>
<td>496,544</td>
</tr>
<tr>
<td>Receivables [note 13]*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>6,748</td>
</tr>
<tr>
<td></td>
<td></td>
<td>548,934</td>
<td>503,292</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payables [note 16]**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>22,989</td>
<td>25,525</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22,989</td>
<td>25,525</td>
</tr>
</tbody>
</table>

Notes

* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).

** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).

Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
22. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>6,746</td>
</tr>
<tr>
<td>Past due but not impaired1,2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impaired1,2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total1,2</td>
<td></td>
<td>6,748</td>
</tr>
</tbody>
</table>

Notes

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
22. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Rate</td>
<td>Variable Rate</td>
</tr>
<tr>
<td>2018 Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>22,989</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>22,989</td>
<td>-</td>
</tr>
<tr>
<td>2017 Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>25,525</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>25,525</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Part 3: Financial Statements  
Optometry Council of New South Wales

Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates [based on official RBA interest rate volatility over the last five years]. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th></th>
<th>+1%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Net Result</td>
<td>Equity</td>
<td>Net Result</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Carrying Amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>548,934</td>
<td>(5,489)</td>
<td>5,489</td>
<td>5,489</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>22,989</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>496,544</td>
<td>(4,965)</td>
<td>4,965</td>
<td>4,965</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>6,748</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>25,525</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
23. RELATED PARTY TRANSACTIONS
During the financial year, the Council obtained key management personnel services from the NSW Ministry of Health and incurred $13,212 (2017: $8,197) for these services.

24. EVENTS AFTER THE REPORTING PERIOD
There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Osteopathy Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Osteopathy Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:
• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:
• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:
• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Osteopathy Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Osteopathy Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Ms Anne Cooper
President
Date: 12 October 2018

Dr Kerrin Murnane
Deputy President
Date: 12 October 2018
### Statement of Comprehensive Income

#### for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>86,560</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>87,720</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>1,323</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td>175,603</td>
<td>154,192</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>2,098</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>201,802</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>4,744</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>72</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>208,644</td>
<td>196,597</td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>33,009</td>
<td>42,405</td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td>33,009</td>
<td>42,405</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Financial Position

**as at 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>323,588</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>3,263</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td></td>
<td>326,851</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>310</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>1,785</td>
</tr>
<tr>
<td>Total Property, Plant &amp; Equipment</td>
<td></td>
<td>2,095</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>700</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td></td>
<td>2,795</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>329,646</td>
</tr>
</tbody>
</table>

| **LIABILITIES** |       |       |
| **Current Liabilities** |       |       |
| Payables | 16 | 30,638 | 36,662 |
| Other | 18 | 78,441 | 79,770 |
| Total Current Liabilities |  | 109,079 | 116,432 |
| **Non-Current Liabilities** |       |       |
| Provisions | 17 | 5,252 | 5,252 |
| **Total Non-Current Liabilities** |  | 5,252 | 5,252 |
| **Total Liabilities** |  | 114,331 | 121,684 |
| **Net Assets** |  | 215,315 | 182,306 |

| **EQUITY** |       |       |
| Accumulated funds |  | 215,315 | 182,306 |
| **Total Equity** |  | 215,315 | 182,306 |

The accompanying notes form part of these financial statements.
### Statement of Changes in Equity

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Accumulated Funds</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>182,306</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>33,009</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>215,315</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated Funds</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2016</td>
<td>139,901</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>42,405</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>182,306</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM OPERATING ACTIVITIES

**Payments**
- Personnel Services: (95,384) (88,314)
- Other: (89,609) (82,768)

**Total Payments** (184,993) (171,082)

**Receipts**
- Registration fees: 203,857 196,278
- Interest Received: 4,744 4,849
- Other: 8,304 72

**Total Receipts**: 216,905 201,199

**Net Cash Flows from Operating Activities**: 31,912 30,117

#### CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property, Plant and Equipment and Intangibles (1,791) (1,457)

**Net Cash Flows from Investing Activities**: (1,791) (1,457)

**Net Increase/(Decrease) in Cash and Cash Equivalents**: 30,121 28,660

**Opening cash and cash equivalents**: 293,467 264,807

**Closing Cash and Cash Equivalents**: 323,588 293,467

The accompanying notes form part of these financial statements.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Reporting Entity

The Osteopathy Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) Basis of Preparation

The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($28,251) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

e) **Significant Accounting Judgements, Estimates and Assumptions**

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) **Insurance**

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense [premium] is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) **Finance Costs**

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) **Income Recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Part 3: Financial Statements  
Osteopathy Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td>25%</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>1.32% - 27.27%</td>
</tr>
</tbody>
</table>

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However, all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC 15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued


We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
Part 3: Financial Statements  
Osteopathy Council of New South Wales

Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2. PERSONNEL SERVICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>68,357</td>
<td>56,013</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>5,945</td>
<td>5,358</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>7,198</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>351</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>255</td>
<td>201</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>4,424</td>
<td>3,370</td>
</tr>
<tr>
<td></td>
<td>86,560</td>
<td>64,942</td>
</tr>
<tr>
<td>3. OTHER OPERATING EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>181</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>111</td>
<td>523</td>
</tr>
<tr>
<td>Contractors</td>
<td>8,961</td>
<td>5,551</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>395</td>
<td>531</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>21</td>
<td>28</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>421</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>12,452</td>
<td>12,458</td>
</tr>
<tr>
<td>Insurance</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>6,364</td>
<td>2,526</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>10</td>
<td>102</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>2,828</td>
<td>1,099</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>795</td>
<td>919</td>
</tr>
<tr>
<td>Rental</td>
<td>8,636</td>
<td>11,805</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>6,298</td>
<td>6,241</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>2,310</td>
<td>438</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>37,933</td>
<td>45,028</td>
</tr>
<tr>
<td></td>
<td>87,720</td>
<td>87,251</td>
</tr>
</tbody>
</table>
3. OTHER OPERATING EXPENSES continued

a. Other includes
- Legal Services: 41 vs. 4,450
- Membership/Professional Fees: 15 vs. 3
- Security Services: 8 vs. 1
- Auditor’s Remuneration: 6,381 vs. 5,790
- General Administration Expenses: 252 vs. 483
- Sitting Fees: 15,577 vs. 19,445
- NSW Civil & Administrative Tribunal Fixed Costs: 7,317 vs. 6,124
- Council Fees: 8,342 vs. 8,732
- Total: 37,933 vs. 45,028

b. Reconciliation of Total Maintenance
- Maintenance Contracts: 592 vs. 11
- New/Replacement Equipment under $5,000: 2,480 vs. 723
- Repairs Maintenance/Non Contract: 3,292 vs. 1,792
- Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3): 6,364 vs. 2,526
- Total: 6,364 vs. 2,526

4. DEPRECIATION AND AMORTISATION
- Depreciation - Plant and Equipment: 103 vs. 164
- Depreciation - Leasehold Improvements: 136 vs. 900
- Amortisation - Intangible Assets: 1,084 vs. 872
- Total: 1,323 vs. 1,936

5. EDUCATION AND RESEARCH
There has been no Education and Research expenditure during the Financial Year 2018.

6. FINANCE COSTS
- Other Interest Charges: - vs. 63
- Total: - vs. 63
### 7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

### 8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>201,802</td>
<td>192,104</td>
</tr>
</tbody>
</table>

### 9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>4,744</td>
<td>4,421</td>
</tr>
</tbody>
</table>

### 10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>2,068</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,098</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

### 11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>677</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(645)</td>
<td>-</td>
</tr>
<tr>
<td>Written Down Value</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gain/(Loss) on Disposal of Property, Plant and Equipment</strong></td>
<td><strong>(32)</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>231</td>
<td>228</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>323,357</td>
<td>293,239</td>
</tr>
<tr>
<td></td>
<td><strong>323,588</strong></td>
<td><strong>293,467</strong></td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>323,588</td>
<td>293,467</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>323,588</td>
<td>293,467</td>
</tr>
<tr>
<td>Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Research Account**</td>
<td>231</td>
<td>228</td>
</tr>
<tr>
<td></td>
<td><strong>231</strong></td>
<td><strong>228</strong></td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>2,871</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>972</td>
<td>393</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>2,490</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,291</td>
<td>2,410</td>
</tr>
<tr>
<td></td>
<td><strong>3,263</strong></td>
<td><strong>8,164</strong></td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
14. **PROPERTY, PLANT AND EQUIPMENT**

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Plant and Equipment - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>495</td>
<td>349</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>185</td>
<td>82</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>310</td>
<td>267</td>
</tr>
</tbody>
</table>

**Leasehold Improvements - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>1,981</td>
<td>1,013</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>196</td>
<td>705</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>1,785</td>
<td>308</td>
</tr>
</tbody>
</table>

**Total Property, Plant and Equipment**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying Amount</td>
<td>2,095</td>
<td>575</td>
</tr>
</tbody>
</table>
### PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>267</td>
<td>308</td>
<td>575</td>
</tr>
<tr>
<td>Additions</td>
<td>146</td>
<td>1,687</td>
<td>1,833</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(32)</td>
<td>(32)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(103)</td>
<td>(136)</td>
<td>(239)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>(42)</td>
<td>(42)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>310</strong></td>
<td><strong>1,785</strong></td>
<td><strong>2,095</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>516</td>
<td>929</td>
<td>1,445</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(85)</td>
<td>237</td>
<td>152</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(164)</td>
<td>(900)</td>
<td>(1,064)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>267</strong></td>
<td><strong>308</strong></td>
<td><strong>575</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

15. **INTANGIBLE ASSETS**

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangibles</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>3,525</td>
<td>3,525</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>2,825</td>
<td>1,741</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td>$700</td>
<td>$1,784</td>
</tr>
</tbody>
</table>

**INTANGIBLE ASSETS - RECONCILIATION**

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,784</td>
<td>1,784</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(1,084)</td>
<td>(1,084)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>$700</td>
<td>$700</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,522</td>
<td>1,522</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Write Off of Intangible Assets</td>
<td>1,078</td>
<td>1,078</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(872)</td>
<td>(872)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td>1,784</td>
<td>1,784</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

16. PAYABLES

Current
Personnel Services - Ministry of Health 6,211 21,574
Taxation and Payroll Deductions 5,656 1,194
Creditors 4,529 5,709
Accrued Expenditure 14,242 8,185

30,638 36,662

Aggregate Personnel Services and Related On-Costs
Personnel Services - Ministry of Health 11,867 22,768

11,867 22,768

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

17. PROVISIONS

Non-Current
Make Good 5,252 5,252

5,252 5,252

Movement in provisions
Movements in each class of provision during the financial year are set out below:

Make Good
Carrying amount at the beginning of financial year 5,252 4,869
Increase/[Decrease] in provisions recognised - 320
Unwinding/change in discount rate - 63
Carrying amount at the end of financial year 5,252 5,252

18. OTHER LIABILITIES

Current
Income in Advance 78,441 79,770

78,441 79,770
Part 3: Financial Statements
Osteopathy Council of New South Wales

Notes to the Financial Statements continued

19. COMMITMENTS FOR EXPENDITURE
   a) Capital Commitments
   Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th>description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>262</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments</strong> (Including GST)</td>
<td>-</td>
<td>262</td>
</tr>
</tbody>
</table>

   b) Operating Lease Commitments
   Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th>description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>9,054</td>
<td>13,781</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>23,458</td>
<td>51,849</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments</strong> (Including GST)</td>
<td>32,512</td>
<td>65,630</td>
</tr>
</tbody>
</table>

   c) Contingent Asset Related to Commitments for Expenditure
   The total 'Capital Expenditure Commitments' and 'Operating Lease Commitments' of $32,512 as at 30 June 2018 includes input tax credits of $2,947 that are expected to be recoverable from the Australian Taxation Office (2017: $5,990).

20. CONTINGENT LIABILITIES AND ASSETS
   There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th>description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>31,912</td>
<td>30,117</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(1,323)</td>
<td>(1,936)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>1,329</td>
<td>(2,208)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(63)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Prepayments and Other Assets</td>
<td>(4,901)</td>
<td>(4,220)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>6,024</td>
<td>20,715</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(32)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>33,009</td>
<td>42,405</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>323,588</td>
<td>293,467</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>5,361</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>323,588</td>
<td>298,828</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Financial liabilities measured at amortised cost</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>24,982</td>
<td>35,468</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>24,982</strong></td>
<td><strong>35,468</strong></td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

**Cash**

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>5,360</td>
</tr>
<tr>
<td>Past due but not impaired&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>-</td>
<td>5,361</td>
</tr>
</tbody>
</table>

**Notes**

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
22. **FINANCIAL INSTRUMENTS** continued

**Liquidity Risk**

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>&lt; 1 Yr</td>
</tr>
<tr>
<td></td>
<td>Variable Interest Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non - Interest Bearing</td>
<td></td>
</tr>
<tr>
<td>2018 Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors ^2</td>
<td>24,982</td>
<td>24,982</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24,982</td>
</tr>
</tbody>
</table>

| 2017 Payables: |                        |               |        |       |
| - Creditors ^2 | 35,468                 | 35,468        | 35,468 | -     |
|                |                        | 35,468        | 35,468 | -     |

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1%</td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>Net Result</td>
<td>Equity</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>323,588</td>
<td>(3,236)</td>
</tr>
<tr>
<td>Payables*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>24,982</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
23. RELATED PARTY TRANSACTIONS
During the financial year, the Council obtained key management personnel services from the NSW Ministry of Health and incurred $11,933 (2017: $7,777) for these services.

24. EVENTS AFTER THE REPORTING PERIOD
There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT

Paramedicine Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Paramedicine Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the period 8 January 2018 to 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the period 8 January 2018 to 30 June 2018, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the period 8 January 2018 to 30 June 2018 in accordance with Australian Accounting Standards

• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the period ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The Executive Officer of the Council is responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Executive Officer.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Executive Officer’s Responsibilities for the Financial Statements

The Executive Officer of the Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Executive Officer determines necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Officer of the Council is responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

16 October 2018
SYDNEY
Statement by Executive Officer of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, I declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Paramedicine Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Ms Asha Mears
Executive Officer

Date: 1s October 2018
Part 3: Financial Statements
Paramedicine Council of New South Wales

Statement of Comprehensive Income
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>2</td>
</tr>
<tr>
<td>Total Expenses Excluding Losses</td>
<td></td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(f), 4</td>
</tr>
<tr>
<td>Grants and Other Contributions</td>
<td>1(f), 5</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
</tr>
<tr>
<td>Net Result</td>
<td>9</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Paramedicine Council of New South Wales

Statement of Financial Position
as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>

ASSETS
Current Assets
Cash and cash equivalents 6 42,214
Total Current Assets 42,214

Total Assets 42,214

LIABILITIES
Total Liabilities -
Net Assets 42,214

EQUITY
Accumulated funds 42,214
Total Equity 42,214

The accompanying notes form part of these financial statements.
**Part 3: Financial Statements**

**Paramedicine Council of New South Wales**

**Statement of Changes in Equity**

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Accumulated Funds</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 8 January 2018</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result for the period</strong></td>
<td>42,214</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td>42,214</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Part 3: Financial Statements**  
**Paramedicine Council of New South Wales**

**Statement of Cash Flows**  
**for the Year Ended 30 June 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(7,837)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(7,837)</td>
<td></td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Received</td>
<td>51</td>
<td>5</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>50,051</td>
<td></td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>42,214</td>
<td>9</td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td>42,214</td>
<td></td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>42,214</td>
<td>6</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   **a) The Reporting Entity**

   The Paramedicine Council of New South Wales (the Council) established on 8 January 2018 as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

   These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   **b) Basis of Preparation**

   The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards [which include Australian Accounting Interpretations], the requirements of the Health Services Act 1997 and its regulations [including observation of the Accounts and Audit Determination for Public Health Organisations], the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

   The financial statements of the Council have been prepared on a going concern basis.

   Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   **c) Comparative Information**

   No Comparative information as this is the first year of operation. The Council was established on 8 January 2018.

   **d) Statement of Compliance**

   The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

   **e) Significant Accounting Judgements, Estimates and Assumptions**

   The Council will start cost sharing with the other Health Professional Councils from 1 July 2018.

   The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

   These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

   1. Personnel services
   2. Other operating expenses:
      - Rent and building expenses
      - Contracted labour
      - Postage and communication
      - Printing and stationery
   3. Depreciation and amortisation
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

f) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Investment Revenue
Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

Grants and Contributions
Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

g) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and

- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

h) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

i) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

j) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

k) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those applied by HPCA to the other Councils in the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

   AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

   The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

   Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

   The standard permits two methods of adoption: full retrospective – by retroactively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

   AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

   AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Part 3: Financial Statements
Paramedicine Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has one operating lease for the offices on Pitt Street to consider under the new accounting standard. The lease will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

The deferral of some revenues, in particular grant income for the Council may occur in the future. A liability will be recognised when revenue is received and subsequently released to match expenditure. This will smooth out the impact on the net result of the Council over the period the revenue is released.

Financial Instruments

No significant impact is expected on the Council.
Part 3: Financial Statements
Paramedicine Council of New South Wales

Notes to the Financial Statements continued

2. OTHER OPERATING EXPENSES
   Contractors 7,837
   
   7,837

3. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH
   The Council's accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).
   In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

4. INVESTMENT REVENUE
   Interest 51
   
   51

5. GRANTS AND OTHER CONTRIBUTIONS
   Other Grants 50,000
   
   50,000

6. CASH AND CASH EQUIVALENTS
   Cash at Bank and On Hand
   Cash at Bank - Held by HPCA* 42,214
   
   42,214

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft. Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

   Cash and Cash Equivalents (per Statement of Financial Position) 42,214
   Closing Cash and Cash Equivalents (per Statement of Cash Flows) 42,214

Refer to Note 10 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.
7. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td></td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td></td>
</tr>
<tr>
<td>Later than five years</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td></td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>11,163</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>28,922</td>
</tr>
<tr>
<td>Later than five years</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>40,085</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $40,085 as at 30 June 2018 includes input tax credits of $3,634 that are expected to be recoverable from the Australian Taxation Office.

8. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>42,214</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td></td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td></td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td></td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td></td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td></td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>42,214</td>
</tr>
</tbody>
</table>
10. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents [note 6]</td>
<td>N/A</td>
<td>42,214</td>
</tr>
<tr>
<td>Receivables (note n/a)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>Financial liabilities measured at amortised cost</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
10. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
</tr>
<tr>
<td>Past due but not impaired&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
</tr>
<tr>
<td>Impaired&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
</tr>
<tr>
<td>Total&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
Notes to the Financial Statements continued

10. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Payables:
- Creditors 2

<table>
<thead>
<tr>
<th></th>
<th>Fixed Interest Rate</th>
<th>Variable Interest Rate</th>
<th>Non - Interest Bearing</th>
<th>&lt; 1 Yr</th>
<th>1-5 Yr</th>
<th>&gt; 5Yr</th>
</tr>
</thead>
</table>

Notes:
1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Part 3: Financial Statements
Paramedicine Council of New South Wales

Notes to the Financial Statements continued

10. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council holds all ‘at call’ cash deposits with the Treasury Banking System. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates [based on official RBA interest rate volatility over the last five years]. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Net Result -1%</th>
<th>Equity -1%</th>
<th>Net Result +1%</th>
<th>Equity +1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equivalents</td>
<td>42,214</td>
<td>(422)</td>
<td>(422)</td>
<td>422</td>
<td>422</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue [i.e. not within scope of AASB7 Financial Instruments Disclosures]. Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.

11. RELATED PARTY TRANSACTIONS

The Council was established on 8 January 2018 by legislation. It is anticipated that proposed council members will be appointed by the Governor in October 2018. Therefore there were no key management personnel and no key management personnel compensation was paid for the year ended 30 June 2018.

12. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Pharmacy Council of New South Wales

Opinion
I have audited the accompanying financial statements of Pharmacy Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:
• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:
• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:
• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Pharmacy Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Pharmacy Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Mr Stuart Ludington
President
Date: 12 October 2018

Mr Adrian Lee
Deputy President
Date: 12 October 2018
# Statement of Comprehensive Income

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>1,400,134</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>1,718,232</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>91,084</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>12,913</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses Excluding Losses</td>
<td></td>
<td>3,222,363</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>25,986</td>
</tr>
<tr>
<td>Registration Fees and Application Fees</td>
<td>1(h), 8</td>
<td>2,833,993</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>76,777</td>
</tr>
<tr>
<td>Other Income</td>
<td>9,506</td>
<td>13,106</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>2,946,262</td>
<td>3,117,063</td>
</tr>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>4,930</td>
</tr>
<tr>
<td>Other Gains/(Losses)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Net Result</td>
<td>22</td>
<td>(271,171)</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td></td>
<td>(271,171)</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Financial Position

**as at 30 June 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>13</td>
<td>4,930,357</td>
</tr>
<tr>
<td>Receivables</td>
<td>14</td>
<td>43,139</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td><strong>4,973,496</strong></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>15</td>
<td>62,909</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>15</td>
<td>72,641</td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td><strong>135,550</strong></td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>16</td>
<td>23,709</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td><strong>159,259</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td><strong>5,132,755</strong></td>
</tr>
</tbody>
</table>

| **LIABILITIES** | | |
| **Current Liabilities** | | |
| Payables | 17 | 321,550 | 362,804 |
| Other | 19 | 1,367,457 | 1,311,357 |
| **Total Current Liabilities** | | **1,689,007** | **1,674,161** |

| **Non-Current Liabilities** | | |
| Provisions | 18 | 92,893 | 92,893 |
| **Total Non-Current Liabilities** | | **92,893** | **92,893** |
| **Total Liabilities** | | **1,781,900** | **1,767,054** |
| **Net Assets** | | **3,350,855** | **3,622,026** |

| **EQUITY** | | |
| Accumulated funds | | **3,350,855** | **3,622,026** |
| **Total Equity** | | **3,350,855** | **3,622,026** |

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Pharmacy Council of New South Wales

**Statement of Changes in Equity**
For the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>$3,622,026</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>$(271,171)</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>$3,350,855</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2016</td>
<td>$3,162,248</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>$459,778</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>$3,622,026</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Part 3: Financial Statements
Pharmacy Council of New South Wales

Statement of Cash Flows
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>$</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>(1,449,180)</td>
<td>(1,450,766)</td>
</tr>
<tr>
<td>Education and Research</td>
<td>(13,995)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(1,819,230)</td>
<td>(1,490,998)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(3,282,405)</td>
<td>(2,941,764)</td>
</tr>
<tr>
<td>Receipts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration and Application fees</td>
<td>2,844,800</td>
<td>2,427,058</td>
</tr>
<tr>
<td>Interest Received</td>
<td>76,777</td>
<td>90,076</td>
</tr>
<tr>
<td>Other</td>
<td>260,635</td>
<td>351,834</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>3,182,212</td>
<td>2,868,968</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td></td>
<td>(100,193)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Sale of Property, Plant and Equipment and Intangibles</td>
<td>42,537</td>
<td>-</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment and Intangibles</td>
<td>(141,959)</td>
<td>(14,431)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td></td>
<td>(99,422)</td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td></td>
<td>(199,615)</td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>13</td>
<td>5,129,972</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>13</td>
<td>4,930,357</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   a) **The Reporting Entity**

   The Pharmacy Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

   These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   b) **Basis of Preparation**

   The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

   The financial statements of the Council have been prepared on a going concern basis.

   Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   c) **Comparative Information**

   Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

   Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($423,779) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   d) **Statement of Compliance**

   The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
## Notes to the Financial Statements continued

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration and Application Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

   The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

   Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

   Revenue also comprises of monies received by the Pharmacy Council for the regulation of pharmacy businesses in NSW (as per the Law, Schedule 5F). This includes fees for annual registration of pharmacy premises, new or varied applications for pharmacy businesses and acquisition of pecuniary interest in pharmacy body corporate.

   **Investment Revenue**

   Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

   **i) Personnel Services**

   In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

   **j) Education and Research**

   The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

   **k) Accounting for the Goods & Services Tax (GST)**

   Income, expenses and assets are recognised net of the amount of GST, except that:

   - amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
   - receivables and payables are stated with the amount of GST included.

   Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

- Plant and Equipment: 25%
- Leasehold Improvements: 1.32% - 27.27%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued
   
   q) Restoration Costs
   
The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

   r) Intangible Assets
   
The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

   Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

   The useful lives of intangible assets are assessed to be finite.

   Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

   The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

   s) Maintenance
   
   Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

   t) Loans and Receivables
   
   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

   Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

   An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

u) **Payables**

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) **Personnel Services - Ministry of Health**

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative:
Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking 'expected credit losses' impairment model rather than 'only incurred credit losses', which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

   AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

   The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

   Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

   The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

   AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

   AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
**Notes to the Financial Statements continued**

### Part 3: Financial Statements

**Pharmacy Council of New South Wales**

### 2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>1,140,096</td>
<td>892,352</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>1,018</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>97,720</td>
<td>71,056</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>71,090</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>9,901</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>4,382</td>
<td>3,208</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>75,927</td>
<td>53,108</td>
</tr>
</tbody>
</table>

**Total Personnel Services**

|                      | **1,400,134** | **1,019,724** |

### 3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>1,472</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>2,110</td>
<td>10,688</td>
</tr>
<tr>
<td>Contractors</td>
<td>402,312</td>
<td>483,576</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>6,313</td>
<td>7,365</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>19,806</td>
<td>15,978</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>7,196</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>155,006</td>
<td>144,321</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,546</td>
<td>1,203</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>114,394</td>
<td>40,357</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>16,860</td>
<td>7,832</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>21,556</td>
<td>21,417</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>22,033</td>
<td>15,535</td>
</tr>
<tr>
<td>Rental</td>
<td>131,365</td>
<td>143,338</td>
</tr>
<tr>
<td>Inspection Costs</td>
<td>52,306</td>
<td>33,805</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>90,457</td>
<td>56,840</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>73,255</td>
<td>76,111</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>600,245</td>
<td>468,799</td>
</tr>
</tbody>
</table>

**Total Other Operating Expenses**

|                      | **1,718,232** | **1,527,165** |

Notes to the Financial Statements continued...
Notes to the Financial Statements continued

3. OTHER OPERATING EXPENSES continued
   a. Other includes
      Courier and Freight 539 -
      Legal Services 95,216 7,520
      Membership/Professional Fees 2,821 2,577
      Security Services 138 363
      Auditor’s Remuneration 17,865 16,220
      General Administration Expenses 14,375 8,816
      Sitting Fees 275,924 211,328
      NSW Civil & Administrative Tribunal Fixed Costs 36,585 54,423
      Council Fees 156,782 167,552
      600,245 468,799
   b. Reconciliation of Total Maintenance
      Maintenance Contracts 7,473 995
      New/Replacement Equipment under $5,000 52,255 14,452
      Repairs Maintenance/Non Contract 54,666 24,910
      Maintenance Expense - Contracted Labour and Other
      (Non-Employee Related in Note 3) 114,394 40,357
      114,394 40,357

4. DEPRECIATION AND AMORTISATION
   Depreciation - Plant and Equipment 21,369 19,130
   Depreciation - Leasehold Improvements 5,077 16,675
   Amortisation - Intangible Assets 64,638 60,931
   91,084 96,736

5. EDUCATION AND RESEARCH
   Education and Research 12,913 15,861
   12,913 15,861

6. FINANCE COSTS
   Other Interest Charges - 1,109
   - 1,109
Notes to the Financial Statements continued

7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>2,790,155</td>
<td>3,002,993</td>
</tr>
<tr>
<td>Other</td>
<td>43,838</td>
<td>19,794</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,833,993</strong></td>
<td><strong>3,022,787</strong></td>
</tr>
</tbody>
</table>

9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>76,777</td>
<td>81,170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>76,777</td>
<td>81,170</td>
</tr>
</tbody>
</table>

10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>1,018</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>24,967</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,985</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>120,982</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(83,375)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Written Down Value</strong></td>
<td><strong>37,607</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>42,537</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gain/(Loss) on Disposal of Property, Plant and Equipment</strong></td>
<td><strong>4,930</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

12. OTHER GAINS / (LOSSES)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of Receivables</td>
<td>-</td>
<td>3,310</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td><strong>3,310</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

13. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>98,361</td>
<td>10,194</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>4,831,996</td>
<td>5,119,778</td>
</tr>
<tr>
<td></td>
<td><strong>4,930,357</strong></td>
<td><strong>5,129,972</strong></td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

| Cash and Cash Equivalents (per Statement of Financial Position) | 4,930,357 | 5,129,972 |
| Closing Cash and Cash Equivalents (per Statement of Cash Flows) | **4,930,357** | **5,129,972** |

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

Education and Research Account** | 98,361 | 10,194

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

14. RECEIVABLES

Current

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>17,116</td>
<td>48,556</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>15,901</td>
<td>9,328</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>40,255</td>
</tr>
<tr>
<td>Prepayments</td>
<td>10,122</td>
<td>14,978</td>
</tr>
<tr>
<td></td>
<td><strong>43,139</strong></td>
<td><strong>113,117</strong></td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 23.
Part 3: Financial Statements
Pharmacy Council of New South Wales

Notes to the Financial Statements continued

15. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Plant and Equipment - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>76,990</td>
<td>72,353</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>14,081</td>
<td>24,616</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td><strong>62,909</strong></td>
<td><strong>47,737</strong></td>
</tr>
</tbody>
</table>

**Leasehold Improvements - Fair Value**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>78,119</td>
<td>61,778</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>5,478</td>
<td>51,871</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td><strong>72,641</strong></td>
<td><strong>9,907</strong></td>
</tr>
</tbody>
</table>

**Total Property, Plant and Equipment**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At Net Carrying Amount</strong></td>
<td><strong>135,550</strong></td>
<td><strong>57,644</strong></td>
</tr>
</tbody>
</table>
### PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plant and Equipment $</td>
<td>Leasehold Improvements $</td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>47,737</td>
<td>9,907</td>
</tr>
<tr>
<td>Additions</td>
<td>70,907</td>
<td>72,866</td>
</tr>
<tr>
<td>Disposals</td>
<td>(34,366)</td>
<td>(3,241)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>[21,369]</td>
<td>(5,077)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>(1,814)</td>
</tr>
</tbody>
</table>
| **Net carrying amount at end of year** | **62,909** | **72,641** | **135,550** | **47,737** | **9,907** | **57,644**
Notes to the Financial Statements continued

16. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th>Intangibles</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>244,694</td>
<td>244,694</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>220,985</td>
<td>156,347</td>
</tr>
<tr>
<td>Total Intangible Assets at Net Carrying Amount</td>
<td>23,709</td>
<td>88,347</td>
</tr>
</tbody>
</table>

16. INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>88,347</td>
<td>88,347</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(64,638)</td>
<td>(64,638)</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>23,709</td>
<td>23,709</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>141,245</td>
<td>141,245</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>1,367</td>
<td>1,367</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>6,666</td>
<td>6,666</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(60,931)</td>
<td>(60,931)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>88,347</td>
<td>88,347</td>
</tr>
</tbody>
</table>
### Part 3: Financial Statements

#### Pharmacy Council of New South Wales

**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>17. PAYABLES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>69,159</td>
<td>199,194</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>62,959</td>
<td>7,589</td>
</tr>
<tr>
<td>Creditors</td>
<td>87,535</td>
<td>42,766</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>101,897</td>
<td>113,255</td>
</tr>
<tr>
<td><strong>Aggregate Personnel Services and Related On-Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>132,118</td>
<td>206,783</td>
</tr>
<tr>
<td><strong>Total Payables</strong></td>
<td>321,550</td>
<td>362,804</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 23.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>18. PROVISIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Good</td>
<td>92,893</td>
<td>92,893</td>
</tr>
<tr>
<td><strong>Movement in provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movements in each class of provision during the financial year are set out below:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at the beginning of financial year</td>
<td>92,893</td>
<td>86,112</td>
</tr>
<tr>
<td>Increase/(Decrease) in provisions recognised</td>
<td>-</td>
<td>5,672</td>
</tr>
<tr>
<td>Unwinding/change in discount rate</td>
<td>-</td>
<td>1,109</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of financial year</strong></td>
<td>92,893</td>
<td>92,893</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>19. OTHER LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income in Advance</td>
<td>1,367,457</td>
<td>1,311,357</td>
</tr>
<tr>
<td><strong>Total Other Liabilities</strong></td>
<td>1,367,457</td>
<td>1,311,357</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

20. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td></td>
<td>4,490</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Later than five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Capital Expenditure Commitments (Including GST)</td>
<td>-</td>
<td>4,490</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>227,099</td>
<td>194,704</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>588,381</td>
<td>732,554</td>
</tr>
<tr>
<td>Later than five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Lease Commitments (Including GST)</td>
<td>815,480</td>
<td>927,258</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $815,480 as at 30 June 2018 includes input tax credits of $73,926 that are expected to be recoverable from the Australian Taxation Office (2017: $84,704).

21. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>(100,193)</td>
<td>(72,796)</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(91,084)</td>
<td>(96,736)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>(56,100)</td>
<td>283,376</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(6,781)</td>
</tr>
<tr>
<td>Increase / Decrease in Receivables</td>
<td>(69,978)</td>
<td>(44,422)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>41,254</td>
<td>400,171</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>4,930</td>
<td>-</td>
</tr>
<tr>
<td>Write off of Non-Current Assets</td>
<td>-</td>
<td>(3,034)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>(271,171)</td>
<td>459,778</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

23. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018 $</th>
<th>Carrying Amount 2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents [note 13]</td>
<td>N/A</td>
<td>4,930,357</td>
<td>5,129,972</td>
</tr>
<tr>
<td>Receivables [note 14]*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>17,116</td>
<td>88,811</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,947,473</td>
<td>5,218,783</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Category</th>
<th>Carrying Amount 2018 $</th>
<th>Carrying Amount 2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables [note 17]**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>258,591</td>
<td>355,215</td>
</tr>
<tr>
<td></td>
<td></td>
<td>258,591</td>
<td>355,215</td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
Notes to the Financial Statements continued

23. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>73,994</td>
</tr>
<tr>
<td>Past due but not impaired&lt;3 months overdue</td>
<td>-</td>
<td>4,637</td>
</tr>
<tr>
<td></td>
<td>4,435</td>
<td>8,588</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>12,681</td>
<td>1,592</td>
</tr>
<tr>
<td>Impaired&lt;3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>17,116</td>
<td>88,811</td>
</tr>
</tbody>
</table>

Notes
1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
Notes to the Financial Statements continued

23. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>&lt; 1 Yr</td>
</tr>
<tr>
<td></td>
<td>Variable Interest Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non - Interest Bearing</td>
<td></td>
</tr>
</tbody>
</table>

**2018**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors</td>
<td>258,591</td>
<td>258,591</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>258,591</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**2017**

<table>
<thead>
<tr>
<th></th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors</td>
<td>355,215</td>
<td>355,215</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>355,215</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates [based on official RBA interest rate volatility over the last five years]. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount</td>
<td>Net Result</td>
</tr>
<tr>
<td>Financial Assets</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>4,930,357</td>
<td>(49,304)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>17,116</td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>258,591</td>
<td></td>
</tr>
</tbody>
</table>

Financial Liabilities

Payables* 355,215

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

24. RELATED PARTY TRANSACTIONS
During the financial year, the Council obtained key management personnel services from the NSW Ministry of Health and incurred $311,620 (2017: $253,093) for these services.

25. EVENTS AFTER THE REPORTING PERIOD
There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT

Physiotherapy Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Physiotherapy Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.
- are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services
15 October 2018
SYDNEY
Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Physiotherapy Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Physiotherapy Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial ReportingDirections issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Professor Darren Rivett
President
Date: 12 October 2018

Ms Elizabeth Ward
Deputy President
Date: 12 October 2018
**Part 3: Financial Statements**

**Physiotherapy Council of New South Wales**

**Statement of Comprehensive Income**

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES EXCLUDING LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>183,722</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>217,403</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>4,493</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>10,909</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td><strong>416,527</strong></td>
<td><strong>396,440</strong></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(e)(ii), 10</td>
<td>2,557</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>611,762</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>26,837</td>
</tr>
<tr>
<td>Other Income</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>641,186</strong></td>
<td><strong>597,436</strong></td>
</tr>
<tr>
<td><strong>Gain / (Loss) on Disposal</strong></td>
<td>11</td>
<td>(1,680)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>21</td>
<td><strong>222,979</strong></td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td><strong>222,979</strong></td>
<td><strong>200,996</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
**Part 3: Financial Statements**  
**Physiotherapy Council of New South Wales**

**Statement of Financial Position**  
as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>1,843,049</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>7,597</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td><strong>1,850,646</strong></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>935</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>4,704</td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td><strong>5,639</strong></td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>2,066</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td><strong>7,705</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td><strong>1,858,351</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>16</td>
<td>37,154</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>243,176</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td><strong>280,330</strong></td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>12,614</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td><strong>12,614</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td><strong>292,944</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td><strong>1,565,407</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td><strong>1,565,407</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Changes in Equity
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Accumulated Funds $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>1,342,428</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>222,979</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>1,565,407</td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>1,141,432</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>200,996</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>1,342,428</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>(200,333)</td>
<td>(209,045)</td>
</tr>
<tr>
<td>Education and Research</td>
<td>(11,946)</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(246,598)</td>
<td>(257,016)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(458,877)</td>
<td>(466,061)</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration fees</td>
<td>620,735</td>
<td>616,676</td>
</tr>
<tr>
<td>Interest Received</td>
<td>26,837</td>
<td>25,723</td>
</tr>
<tr>
<td>Other</td>
<td>38,056</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>685,628</td>
<td>642,408</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>226,751</td>
<td>176,347</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment and Intangibles</td>
<td>(4,933)</td>
<td>(4,285)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td>(4,933)</td>
<td>(4,285)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td>221,818</td>
<td>172,062</td>
</tr>
<tr>
<td>Opening cash and cash equivalents</td>
<td>1,621,231</td>
<td>1,449,169</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>1,843,049</td>
<td>1,621,231</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   **a) The Reporting Entity**

   The Physiotherapy Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

   These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   **b) Basis of Preparation**

   The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

   The financial statements of the Council have been prepared on a going concern basis.

   Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   **c) Comparative Information**

   Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

   Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($86,048) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   **d) Statement of Compliance**

   The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense [premium] is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

| Plant and Equipment | 25% |
| Leasehold Improvements | 1.32% - 27.27% |

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However, all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market.

As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Notes to the Financial Statements continued

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

   **w) Provision for Make Good**

   Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

   If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

   **x) Equity and Reserves**

   **(i) Accumulated Funds**

   The category "accumulated funds" includes all current and prior period retained funds.

   **(ii) Changes in Accounting Policy, including new or revised Australian Accounting Standards**

   **(i) Effective for the first time in 2017-18**

   The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:

   - **AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative:** Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows.

   **(ii) Issued but not yet effective**

   NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

   - **AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9** are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

   AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

   The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

   Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

   The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

   AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for–profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

   AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### Notes to the Financial Statements continued

#### 2. PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>155,229</td>
<td>146,517</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>144</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>12,465</td>
<td>12,975</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>4,756</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>1,403</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>623</td>
<td>514</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>9,102</td>
<td>8,041</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>183,722</strong></td>
<td><strong>168,047</strong></td>
</tr>
</tbody>
</table>

#### 3. OTHER OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>210</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>1,763</td>
<td>5,393</td>
</tr>
<tr>
<td>Contractors</td>
<td>55,440</td>
<td>41,457</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>2,372</td>
<td>2,411</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>3,662</td>
<td>2,470</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>1,023</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>30,230</td>
<td>40,976</td>
</tr>
<tr>
<td>Insurance</td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>21,565</td>
<td>7,978</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>49</td>
<td>327</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>4,465</td>
<td>2,435</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>2,236</td>
<td>1,461</td>
</tr>
<tr>
<td>Rental</td>
<td>33,996</td>
<td>40,540</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>4,757</td>
<td>11,677</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>5,429</td>
<td>6,115</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>50,197</td>
<td>59,207</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>217,403</strong></td>
<td><strong>222,473</strong></td>
</tr>
</tbody>
</table>

Notes to the Financial Statements continued...
### Part 3: Financial Statements
Physiotherapy Council of New South Wales

**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. OTHER OPERATING EXPENSES continued</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Other includes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>164</td>
<td>170</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>36</td>
<td>48</td>
</tr>
<tr>
<td>Security Services</td>
<td>20</td>
<td>98</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>6,875</td>
<td>6,250</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>3,007</td>
<td>5,005</td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>20,898</td>
<td>15,258</td>
</tr>
<tr>
<td>NSW Civil &amp; Administrative Tribunal Fixed Costs</td>
<td>-</td>
<td>11,562</td>
</tr>
<tr>
<td>Council Fees</td>
<td>19,197</td>
<td>20,816</td>
</tr>
<tr>
<td></td>
<td><strong>50,197</strong></td>
<td><strong>59,207</strong></td>
</tr>
</tbody>
</table>

b. Reconciliation of Total Maintenance

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Contracts</td>
<td>2,986</td>
<td>(729)</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>6,142</td>
<td>1,805</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>12,437</td>
<td>6,902</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3)</td>
<td>21,565</td>
<td>7,978</td>
</tr>
<tr>
<td></td>
<td><strong>21,565</strong></td>
<td><strong>7,978</strong></td>
</tr>
</tbody>
</table>

**4. DEPRECIATION AND AMORTISATION**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>271</td>
<td>450</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>771</td>
<td>2,620</td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>3,451</td>
<td>2,699</td>
</tr>
<tr>
<td></td>
<td><strong>4,493</strong></td>
<td><strong>5,769</strong></td>
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</table>

**5. EDUCATION AND RESEARCH**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research</td>
<td>10,909</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>10,909</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

**6. FINANCE COSTS**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>151</td>
</tr>
<tr>
<td></td>
<td><strong>-</strong></td>
<td><strong>151</strong></td>
</tr>
</tbody>
</table>
### 7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

### 8. REGISTRATION FEES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>611,762</td>
<td>573,433</td>
</tr>
<tr>
<td>Total</td>
<td>611,762</td>
<td>573,433</td>
</tr>
</tbody>
</table>

### 9. INVESTMENT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>26,837</td>
<td>23,994</td>
</tr>
<tr>
<td>Total</td>
<td>26,837</td>
<td>23,994</td>
</tr>
</tbody>
</table>

### 10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES

The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th>Service</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>144</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>2,413</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,557</td>
<td>-</td>
</tr>
</tbody>
</table>

### 11. GAIN / (LOSS) ON DISPOSAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>27,673</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(25,993)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Written Down Value</strong></td>
<td>1,680</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Property, Plant and Equipment</td>
<td>(1,680)</td>
<td>-</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Physiotherapy Council of New South Wales

Notes to the Financial Statements continued

12. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and On Hand</td>
<td>186,320</td>
<td>194,018</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>1,656,729</td>
<td>1,427,213</td>
</tr>
<tr>
<td></td>
<td><strong>1,843,049</strong></td>
<td><strong>1,621,231</strong></td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td><strong>1,843,049</strong></td>
<td><strong>1,621,231</strong></td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td><strong>1,843,049</strong></td>
<td><strong>1,621,231</strong></td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research Account**</td>
<td>186,320</td>
<td>194,018</td>
</tr>
<tr>
<td></td>
<td><strong>186,320</strong></td>
<td><strong>194,018</strong></td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>12,912</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>2,924</td>
<td>2,036</td>
</tr>
<tr>
<td>Other Debtors</td>
<td>-</td>
<td>12,909</td>
</tr>
<tr>
<td>Prepayments</td>
<td>4,673</td>
<td>5,127</td>
</tr>
<tr>
<td></td>
<td><strong>7,597</strong></td>
<td><strong>32,984</strong></td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
14. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

Plant and Equipment - Fair Value

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>1,405</td>
<td>847</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>470</td>
<td>199</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td><strong>935</strong></td>
<td><strong>648</strong></td>
</tr>
</tbody>
</table>

Leasehold Improvements - Fair Value

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Carrying Amount</td>
<td>5,218</td>
<td>28,516</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>514</td>
<td>25,736</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td><strong>4,704</strong></td>
<td><strong>2,780</strong></td>
</tr>
</tbody>
</table>

Total Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Net Carrying Amount</td>
<td>5,639</td>
<td>3,428</td>
</tr>
</tbody>
</table>
## PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>648</td>
<td>2,780</td>
<td>3,428</td>
</tr>
<tr>
<td>Additions</td>
<td>558</td>
<td>4,487</td>
<td>5,045</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>-</td>
<td>(1,680)</td>
<td>(1,680)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(271)</td>
<td>(771)</td>
<td>(1,042)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>(112)</td>
<td>(112)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>935</td>
<td>4,704</td>
<td>5,639</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>2,714</td>
<td>4,796</td>
<td>7,510</td>
</tr>
<tr>
<td>Additions</td>
<td>455</td>
<td>-</td>
<td>455</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(2,071)</td>
<td>492</td>
<td>(1,579)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(450)</td>
<td>(2,620)</td>
<td>(3,070)</td>
</tr>
<tr>
<td>Movement in WIP</td>
<td>-</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>648</td>
<td>2,780</td>
<td>3,428</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Physiotherapy Council of New South Wales

Notes to the Financial Statements continued

15. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>10,905</td>
<td>10,905</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>8,839</td>
<td>5,388</td>
</tr>
<tr>
<td>Total Intangible Assets at Net Carrying Amount</td>
<td>2,066</td>
<td>5,517</td>
</tr>
</tbody>
</table>

INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>5,517</td>
<td>5,517</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(3,451)</td>
<td>(3,451)</td>
</tr>
<tr>
<td>Net carrying amount at the end of year</td>
<td>2,066</td>
<td>2,066</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>4,795</td>
<td>4,795</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>172</td>
<td>172</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>3,249</td>
<td>3,249</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(2,699)</td>
<td>(2,699)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>5,517</td>
<td>5,517</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

16. PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services - Ministry of Health</td>
<td>5,073</td>
<td>35,018</td>
</tr>
<tr>
<td>Taxation and Payroll Deductions</td>
<td>12,386</td>
<td>1,550</td>
</tr>
<tr>
<td>Creditors</td>
<td>7,989</td>
<td>11,403</td>
</tr>
<tr>
<td>Accrued Expenditure</td>
<td>11,706</td>
<td>19,614</td>
</tr>
<tr>
<td>Aggregate Personnel Services and Related On-Costs</td>
<td>17,459</td>
<td>36,568</td>
</tr>
</tbody>
</table>

37,154 67,585

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

17. PROVISIONS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make Good</td>
<td>12,614</td>
<td>12,614</td>
</tr>
</tbody>
</table>

12,614 12,614

Movement in provisions

Movements in each class of provision during the financial year are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at the beginning of financial year</td>
<td>12,614</td>
<td>11,693</td>
</tr>
<tr>
<td>Increase/(Decrease) in provisions recognised</td>
<td>-</td>
<td>770</td>
</tr>
<tr>
<td>Unwinding/change in discount rate</td>
<td>-</td>
<td>151</td>
</tr>
<tr>
<td>Carrying amount at the end of financial year</td>
<td>12,614</td>
<td>12,614</td>
</tr>
</tbody>
</table>

18. OTHER LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income in Advance</td>
<td>243,176</td>
<td>240,533</td>
</tr>
</tbody>
</table>

243,176 240,533
Part 3: Financial Statements
Physiotherapy Council of New South Wales

Notes to the Financial Statements continued

19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>639</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>639</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>22,574</td>
<td>54,870</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>58,485</td>
<td>206,443</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>81,059</td>
<td>261,313</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $81,059 as at 30 June 2018 includes input tax credits of $7,348 that are expected to be recoverable from the Australian Taxation Office (2017: $23,814).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>226,751</td>
<td>176,347</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(4,493)</td>
<td>(5,769)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>(2,643)</td>
<td>(21,212)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(151)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Receivables</td>
<td>(25,387)</td>
<td>(22,123)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>30,431</td>
<td>73,904</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(1,680)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>222,979</td>
<td>200,996</td>
</tr>
</tbody>
</table>
Part 3: Financial Statements  
Physiotherapy Council of New South Wales  

Notes to the Financial Statements continued  

22. FINANCIAL INSTRUMENTS  
The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.  
The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.  
The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.  

(a) Financial Instrument Categories  
Financial Assets Class: 

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>1,843,049</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Financial Liabilities 

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>24,768</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Notes  
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).  
** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).  
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
22. **FINANCIAL INSTRUMENTS** continued (b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

**Cash**

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>25,818</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>25,821</td>
</tr>
</tbody>
</table>

**Notes**

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

*Maturity Analysis and interest rate exposure of financial liabilities*

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>24,768</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>24,768</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>66,035</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>66,035</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th>+1%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying</td>
<td>Net Result</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>$1,843,049</td>
<td>(18,430)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>$24,768</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>$1,621,231</td>
<td>(16,212)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>$25,821</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>$66,035</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue [i.e. not within scope of AASB7 Financial Instruments Disclosures]. Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS
During the financial year, the Council obtained key management personnel services from the NSW Ministry of Health and incurred $37,096 (2017: $35,233) for these services.

24. EVENTS AFTER THE REPORTING PERIOD
There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
INDEPENDENT AUDITOR’S REPORT
Podiatry Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Podiatry Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:
• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:
• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.
Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:
• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Podiatry Council of New South Wales  
Period ended 30 June 2018  

**Statement by members of the council**

Pursuant to s 41C(1B) *Public Finance and Audit Act 1983*, and in accordance with the resolution of the members of the Podiatry Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Podiatry Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Mr Luke Taylor  
President  
Date: 12 October 2018

Mr Ebenezer Banful  
Council Member  
Date: 12 October 2018
### Statement of Comprehensive Income

**for the Year Ended 30 June 2018**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>EXPENSES EXCLUDING LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>117,487</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>87,767</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>1,143</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td>206,397</td>
<td>174,702</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>2,591</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>314,659</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>8,894</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td>326,144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain / (Loss) on Disposal</td>
<td>11</td>
<td>(42)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>21</td>
<td>119,705</td>
</tr>
</tbody>
</table>

|                      |       |       |
| TOTAL other comprehensive income |       | -     |
| **TOTAL COMPREHENSIVE INCOME** |       | 119,705 | 124,681 |

The accompanying notes form part of these financial statements.
### Statement of Financial Position
as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>638,733</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>3,208</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td><strong>641,941</strong></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>498</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>2,168</td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td><strong>2,666</strong></td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>347</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td><strong>3,013</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td><strong>644,954</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>16</td>
<td>31,837</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>128,200</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td><strong>160,037</strong></td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>17</td>
<td>7,126</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td><strong>7,126</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td><strong>167,163</strong></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td><strong>477,791</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td>477,791</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td><strong>477,791</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Changes in Equity

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>$358,086</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>$119,705</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>$477,791</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2016</td>
<td>$233,405</td>
</tr>
<tr>
<td>Net Result for the year</td>
<td>$124,681</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>$358,086</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

#### Payments

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>(116,045)</td>
<td>(104,799)</td>
</tr>
<tr>
<td>Other</td>
<td>(93,904)</td>
<td>(98,735)</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>(209,949)</td>
<td>(203,534)</td>
</tr>
</tbody>
</table>

#### Receipts

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>317,229</td>
<td>306,467</td>
</tr>
<tr>
<td>Interest Received</td>
<td>8,894</td>
<td>7,284</td>
</tr>
<tr>
<td>Other</td>
<td>15,994</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td>342,117</td>
<td>313,751</td>
</tr>
</tbody>
</table>

#### Net Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>132,168</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sale of Property, Plant and Equipment Intangibles</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Purchases of Property, Plant and Equipment Intangibles</td>
<td>(2,259)</td>
<td>(324)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Investing Activities</strong></td>
<td>(2,259)</td>
<td>(276)</td>
</tr>
</tbody>
</table>

### Net Increase/(Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening cash and cash equivalents</td>
<td>508,824</td>
<td>398,883</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>638,733</td>
<td>508,824</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   a) **The Reporting Entity**

   The Podiatry Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

   These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   b) **Basis of Preparation**

   The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

   The financial statements of the Council have been prepared on a going concern basis.

   Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   c) **Comparative Information**

   Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

   Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($35,122) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   d) **Statement of Compliance**

   The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology.

These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense [premium] is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset’s cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and Equipment</td>
<td>25%</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>1.32% - 27.27%</td>
</tr>
</tbody>
</table>

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or at an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued**

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2. PERSONNEL SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>93,973</td>
<td>75,405</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>137</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>7,873</td>
<td>7,078</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>8,871</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>614</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>343</td>
<td>24</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>5,676</td>
<td>4,530</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>117,487</td>
<td>87,037</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. OTHER OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>146</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>267</td>
<td>971</td>
</tr>
<tr>
<td>Contractors</td>
<td>17,401</td>
<td>10,899</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>574</td>
<td>720</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>898</td>
<td>570</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>565</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>14,493</td>
<td>14,731</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>235</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>8,145</td>
<td>3,122</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>16</td>
<td>146</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>2,354</td>
<td>1,313</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>1,231</td>
<td>800</td>
</tr>
<tr>
<td>Rental</td>
<td>10,655</td>
<td>12,475</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>1,397</td>
<td>3,089</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>10,799</td>
<td>10,106</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>18,821</td>
<td>26,409</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>87,767</td>
<td>85,586</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

3. OTHER OPERATING EXPENSES continued
   a. Other includes
      Courier and Freight 5 -
      Legal Services 52 -
      Membership/Professional Fees 20 7
      Security Services 11 1
      Auditor’s Remuneration 6,381 5,790
      General Administration Expenses 495 775
      Sitting Fees 4,738 3,625
      NSW Civil & Administrative Tribunal Fixed Costs - 7,479
      Council Fees 7,119 8,732
      \[18,821 \ 26,409\]

   b. Reconciliation of Total Maintenance
      Maintenance Contracts 737 (25)
      New/Replacement Equipment under $5,000 3,278 975
      Repairs Maintenance/Non Contract 4,130 2,172
      Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3) 8,145 3,122
      \[8,145 \ 3,122\]

4. DEPRECIATION AND AMORTISATION
   Depreciation - Plant and Equipment 148 220
   Depreciation - Leasehold Improvements 173 1,220
   Amortisation - Intangible Assets 822 554
   \[1,143 \ 1,994\]

5. EDUCATION AND RESEARCH
   There has been no Education and Research expenditure during the Financial Year 2018.

6. FINANCE COSTS
   Other Interest Charges - 85
   \[- \ 85\]
**7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH**

The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).

In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration Fees</strong></td>
<td>314,659</td>
<td>292,061</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>8,894</td>
<td>7,321</td>
</tr>
<tr>
<td><strong>Superannuation-defined benefit</strong></td>
<td>137</td>
<td>-</td>
</tr>
<tr>
<td><strong>Long Service Leave</strong></td>
<td>2,454</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>314,659</td>
<td>292,061</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property, Plant and Equipment</strong></td>
<td>902</td>
<td>-</td>
</tr>
<tr>
<td><strong>Accumulated Depreciation</strong></td>
<td>(860)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Written Down Value</strong></td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td><strong>Proceeds from Disposal</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Gain/(Loss) on Disposal of Property, Plant and Equipment</strong></td>
<td>(42)</td>
<td>-</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>12. CASH AND CASH EQUIVALENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at Bank and On Hand</td>
<td>65,737</td>
<td>64,224</td>
</tr>
<tr>
<td>Cash at Bank - Held by HPCA*</td>
<td>572,996</td>
<td>444,600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>638,733</strong></td>
<td><strong>508,824</strong></td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (per Statement of Financial Position)</td>
<td>638,733</td>
<td>508,824</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents (per Statement of Cash Flows)</td>
<td>638,733</td>
<td>508,824</td>
</tr>
</tbody>
</table>

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research Account**</td>
<td>65,737</td>
<td>64,224</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65,737</strong></td>
<td><strong>64,224</strong></td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

<table>
<thead>
<tr>
<th></th>
<th>13. RECEIVABLES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and Other Receivables</td>
<td>-</td>
<td>3,084</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>1,059</td>
<td>659</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>4,284</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,149</td>
<td>2,305</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,208</strong></td>
<td><strong>10,332</strong></td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
### 14. PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plant and Equipment - Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Carrying Amount</td>
<td>757</td>
<td>472</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>259</td>
<td>111</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>498</td>
<td>361</td>
</tr>
<tr>
<td><strong>Leasehold Improvements - Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Carrying Amount</td>
<td>2,424</td>
<td>1,352</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>256</td>
<td>943</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>2,168</td>
<td>409</td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At Net Carrying Amount</strong></td>
<td>2,666</td>
<td>770</td>
</tr>
</tbody>
</table>


**Part 3: Financial Statements**

**Podiatry Council of New South Wales**

**Notes to the Financial Statements continued**

**PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION**

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plant and Equipment $</td>
<td>Leasehold Improvements $</td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>361</td>
<td>409</td>
</tr>
<tr>
<td>Additions</td>
<td>285</td>
<td>2,024</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(42)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(148)</td>
<td>(173)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>(50)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>498</td>
<td>2,168</td>
</tr>
</tbody>
</table>
15. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost (Gross Carrying Amount)</td>
<td>2,270</td>
<td>2,270</td>
</tr>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>1,923</td>
<td>1,101</td>
</tr>
<tr>
<td><strong>Total Intangible Assets at Net Carrying Amount</strong></td>
<td><strong>347</strong></td>
<td><strong>1,169</strong></td>
</tr>
</tbody>
</table>

**INTANGIBLE ASSETS - RECONCILIATION**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibles</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,169</td>
<td>1,169</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(822)</td>
<td>(822)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td><strong>347</strong></td>
<td><strong>347</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net carrying amount at start of year</td>
<td>1,865</td>
<td>1,865</td>
</tr>
<tr>
<td>Additions</td>
<td>(From Internal Development or Acquired Separately)</td>
<td>88</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>(230)</td>
<td>(230)</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(554)</td>
<td>(554)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td><strong>1,169</strong></td>
<td><strong>1,169</strong></td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Podiatry Council of New South Wales

Notes to the Financial Statements continued

16. PAYABLES

Current
Personnel Services - Ministry of Health 10,556 17,090
Taxation and Payroll Deductions 6,077 660
Creditors 5,948 2,886
Accrued Expenditure 9,256 10,789

Aggregate Personnel Services and Related On-Costs
Personnel Services - Ministry of Health 16,633 17,750

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.

17. PROVISIONS

Non-Current
Make Good 7,126 7,126

Movement in provisions
Movements in each class of provision during the financial year are set out below:

Make Good
Carrying amount at the beginning of financial year 7,126 6,606
Increase/[Decrease] in provisions recognised - 435
Unwinding/change in discount rate - 85
Carrying amount at the end of financial year 7,126 7,126

18. OTHER LIABILITIES

Current
Income in Advance 128,200 124,458

128,200 124,458
19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments
Aggregated capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>-</td>
<td>352</td>
</tr>
<tr>
<td>Later than one year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>and not later than</td>
<td></td>
<td></td>
</tr>
<tr>
<td>five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure Commitments (Including GST)</td>
<td>-</td>
<td>352</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments
Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>6,201</td>
<td>17,188</td>
</tr>
<tr>
<td>Later than one year</td>
<td>16,067</td>
<td>64,667</td>
</tr>
<tr>
<td>and not later than</td>
<td></td>
<td></td>
</tr>
<tr>
<td>five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating</td>
<td>22,268</td>
<td>81,855</td>
</tr>
<tr>
<td>Lease Commitments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Including GST)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure
The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $22,268 as at 30 June 2018 includes input tax credits of $2,019 that are expected to be recoverable from the Australian Taxation Office (2017: $7,473).

20. CONTINGENT LIABILITIES AND ASSETS
There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>132,168</td>
<td>110,217</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(1,143)</td>
<td>(1,994)</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>(3,742)</td>
<td>(11,523)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(85)</td>
</tr>
<tr>
<td>Increase / (Decrease) in Prepayments and Other</td>
<td>(7,124)</td>
<td>(2,633)</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating</td>
<td>(412)</td>
<td>30,699</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and</td>
<td>(42)</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Result</td>
<td>119,705</td>
<td>124,681</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council's operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council's main risks arising from financial instruments are outlined below, together with the Council's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>638,733</td>
<td>508,824</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>-</td>
<td>7,368</td>
</tr>
<tr>
<td></td>
<td></td>
<td>638,733</td>
<td>516,192</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (note 16)**</td>
<td>Financial liabilities measured at amortised cost</td>
<td>25,760</td>
<td>30,765</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25,760</td>
<td>30,765</td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
** Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
22. **FINANCIAL INSTRUMENTS continued**

(b) **Credit Risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

**Cash**

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

**Receivables - trade debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>7,367</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impaired</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>7,368</td>
</tr>
</tbody>
</table>

**Notes**

1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
22. **FINANCIAL INSTRUMENTS** continued

(c) **Liquidity Risk**

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>25,760</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>25,760</td>
<td>-</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>30,765</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>30,765</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:**

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th></th>
<th>2017</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Amount -1%</td>
<td>$</td>
<td>$</td>
<td>Carrying Amount +1%</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash</td>
<td>638,733</td>
<td>(6,387)</td>
<td>(6,387)</td>
<td>508,824</td>
<td>(5,088)</td>
<td>(5,088)</td>
</tr>
<tr>
<td>Equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>7,368</td>
<td></td>
<td></td>
<td>7,368</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>25,760</td>
<td></td>
<td></td>
<td>30,765</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS

During the financial year, the Council obtained key management personnel services from the following entities:

<table>
<thead>
<tr>
<th>Entity</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW Ministry of Health</td>
<td>9,994</td>
<td>5,157</td>
</tr>
<tr>
<td>South Western Sydney Local Health District</td>
<td>2,929</td>
<td>2,482</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,923</strong></td>
<td><strong>7,639</strong></td>
</tr>
</tbody>
</table>

24. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT
Psychology Council of NSW
Financial Statements
Year ended 30 June 2018
INDEPENDENT AUDITOR’S REPORT
Psychology Council of New South Wales

To Members of the New South Wales Parliament

Opinion
I have audited the accompanying financial statements of Psychology Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:
• give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
• are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of my report.

I am independent of the Council in accordance with the requirements of the:
• Australian Auditing Standards
• Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants’ (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:
• providing that only Parliament, and not the executive government, can remove an Auditor-General
• mandating the Auditor-General as auditor of public sector agencies
• precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.
Other Information

Other information comprises the information included in the Council’s annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor’s Report thereon. The members of the Council are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprise the Statement by the Members of the Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Council’s Responsibilities for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Council are responsible for assessing the Council’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

• obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
• issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.


My opinion does not provide assurance:

• that the Council carried out its activities effectively, efficiently and economically
• about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
• about any other information which may have been hyperlinked to/from the financial statements.

Somaiya Ahmed
Director, Financial Audit Services

15 October 2018
SYDNEY
Statement by members of the council

Pursuant to s 41C(1B) Public Finance and Audit Act 1983, and in accordance with the resolution of the members of the Psychology Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Psychology Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.

2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Ms Gail Purkis
President
Date: 12 October 2018

Associate Professor Christopher Wilcox
Deputy President
Date: 12 October 2018
**Statement of Comprehensive Income**

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES EXCLUDING LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>2</td>
<td>569,656</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>3</td>
<td>690,937</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1(n), 4</td>
<td>9,180</td>
</tr>
<tr>
<td>Education and Research</td>
<td>5</td>
<td>5,111</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1(g), 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses Excluding Losses</strong></td>
<td></td>
<td>1,274,884</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptance by the Crown Entity of Personnel Services</td>
<td>1(v), 10</td>
<td>10,318</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>1(h), 8</td>
<td>1,681,705</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>1(h), 9</td>
<td>50,287</td>
</tr>
<tr>
<td>Other Income</td>
<td>102</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td>1,742,412</td>
</tr>
<tr>
<td>Loss on Disposal</td>
<td>11</td>
<td>(2,700)</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>21</td>
<td>464,828</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td></td>
<td>464,828</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Statement of Financial Position

as at 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>3,482,246</td>
</tr>
<tr>
<td>Receivables</td>
<td>13</td>
<td>14,677</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td></td>
<td>3,496,923</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>14</td>
<td>4,462</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>14</td>
<td>35,721</td>
</tr>
<tr>
<td>Total Property, Plant and Equipment</td>
<td></td>
<td>40,183</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>15</td>
<td>2,544</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td></td>
<td>42,727</td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td>3,539,650</td>
</tr>
</tbody>
</table>

| LIABILITIES | | |
| Current Liabilities | | |
| Payables | 16 | 160,887 | 152,928 |
| Other | 18 | 705,015 | 708,266 |
| Total Current Liabilities | | 865,902 | 861,194 |
| Non-Current Liabilities | | |
| Provisions | 17 | 49,667 | 49,667 |
| Total Non-Current Liabilities | | 49,667 | 49,667 |
| Total Liabilities | | 915,569 | 910,861 |
| Net Assets | | 2,624,081 | 2,159,253 |

| EQUITY | | |
| Accumulated funds | | 2,624,081 | 2,159,253 |
| Total Equity | | 2,624,081 | 2,159,253 |

The accompanying notes form part of these financial statements.
### Statement of Changes in Equity
for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2017</strong></td>
<td>2,159,253</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>464,828</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td><strong>2,624,081</strong></td>
</tr>
<tr>
<td><strong>Balance at 1 July 2016</strong></td>
<td>1,847,097</td>
</tr>
<tr>
<td><strong>Net Result for the year</strong></td>
<td>312,156</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td><strong>2,159,253</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Cash Flows

for the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM OPERATING ACTIVITIES

**Payments**

- Personnel Services: $(572,915) \quad (675,347)
- Education and Research: $(5,545) \quad -$-
- Other: $(726,469) \quad (652,545)

**Total Payments**: $(1,304,929) \quad (1,327,892)

**Receipts**

- Registration fees: 1,695,007 \quad 1,599,910
- Interest Received: 50,287 \quad 48,033
- Other: 93,970 \quad 62

**Total Receipts**: 1,839,264 \quad 1,648,005

**Net Cash Flows from Operating Activities**: 534,335 \quad 320,113

#### CASH FLOWS FROM INVESTING ACTIVITIES

- Purchases of Property, Plant & Equipment and Intangibles: $(38,052) \quad (3,233)

**Net Cash Flows from Investing Activities**: $(38,052) \quad (3,233)

**Net Increase/(Decrease) in Cash and Cash Equivalents**: 496,283 \quad 316,880

- Opening cash and cash equivalents: 2,985,963 \quad 2,669,083
- **Closing Cash and Cash Equivalents**: 3,482,246 \quad 2,985,963

The accompanying notes form part of these financial statements.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   a) **The Reporting Entity**

      The Psychology Council of New South Wales (the Council) as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

      These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

   b) **Basis of Preparation**

      The Council’s financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

      The financial statements of the Council have been prepared on a going concern basis.

      Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

   c) **Comparative Information**

      Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

      Certain prior year amounts have been reclassified for consistency with the current year presentation. ‘Other expenses’ ($182,695) have been reclassified to ‘Other operating expenses’. There was no impact on the net result reported in 2016-17. Similarly, motor vehicles and office equipment that were separately disclosed on the Statement of Financial Position as at 30 June 2017 have now been combined and are shown as ‘Plant and Equipment’. There was no impact on the net assets reported as at 30 June 2017. Elsewhere in the financial statements, a number of new line items have been included, and the comparative amounts reclassified following adoption of a new chart of accounts and new financial reporting template in 2017-18.

   d) **Statement of Compliance**

      The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

e) Significant Accounting Judgements, Estimates and Assumptions

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology. These indirect costs are shown as part of the Council’s statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
   - Rent and building expenses
   - Contracted labour
   - Postage and communication
   - Printing and stationery
3. Depreciation and amortisation

f) Insurance

The Council’s insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare).

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with NSW Treasury’s Mandate to not-for-profit general government sector entities.

h) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Registration Fees

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010, with a further 4 Councils established on 1 July 2012 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission (HCCC).

Under s 26A of the Law, the complaints element of the registration fees payable by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.
Part 3: Financial Statements
Psychology Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Council, under the Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2018 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent unearned income at balance date.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

i) Personnel Services

In accordance with an agreed Memorandum of Understanding, the Ministry of Health (MOH) being the employer charges the Council for personnel services relating to the provision of all employees. Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Amounts owing for personnel services in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

j) Education and Research

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

k) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

• amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

• receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

l) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

m) Capitalisation Thresholds

Individual items of Property, Plant and Equipment are capitalised where their cost is at least $5,000 or above. The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method.

n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council.

Details of depreciation rates initially applied for major asset categories are as follows:

<table>
<thead>
<tr>
<th>Plant and Equipment</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
<td>1.32% - 27.27%</td>
</tr>
</tbody>
</table>

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported. The depreciation rates of leasehold improvements have changed from prior year due to Pitt street office refurbishment. However all other depreciation rates remain the same.

o) Revaluation of Non-Current Assets

There has been no revaluation on any of the Council’s plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

p) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

q) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

r) Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council’s intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council’s intangible assets are amortised using the straight line method over a period of four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

s) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

t) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.
Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

u) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

v) Personnel Services - Ministry of Health

In accordance with an agreed Memorandum of Understanding, personnel services are acquired from the MOH. As such the MOH accounting policy is below.

Liabilities for salaries and wages (including non-monetary benefits), recreation leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

In accordance with NSWTC 15/09 ‘Accounting for Long Service Leave and Annual Leave’, the Council’s annual leave has been assessed as a short-term liability as these short-term benefits are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee renders the related services.

The Council’s liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity. In accordance with NSWTC15-07, the Council accounts for superannuation and LSL assumed by the Crown, as part of the personnel services expense and revenue as resources received free of charge.

The Council accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as ‘Acceptance by the Crown Entity of Personnel Services’.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax and workers’ compensation insurance premiums, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

All employees receive the Superannuation Guarantee Levy contribution. Contributions are made by the Ministry of Health to an employee superannuation fund and are charged as an expense when incurred.
Part 3: Financial Statements
Psychology Council of New South Wales

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

w) Provision for Make Good

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

x) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

y) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:


(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** continued

   **AASB 16 Leases** replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below $10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

   The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

   **Lessor accounting** is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

   The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

   **AASB 15 Revenue from contracts with customers** and **AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15** becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

   **AASB 1058 Income of Not-for-Profit Entities** applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.
Potentially Impact on Council’s Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has two leases to consider under the new accounting standard, both of which are operating leases. The lease for the offices on Pitt Street will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

No significant impact is expected on the Council.

Financial Instruments

No significant impact is expected on the Council.
### Notes to the Financial Statements continued

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. PERSONNEL SERVICES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>475,261</td>
<td>462,005</td>
</tr>
<tr>
<td>Superannuation - Defined Benefit Plans</td>
<td>551</td>
<td>-</td>
</tr>
<tr>
<td>Superannuation - Defined Contribution Plans</td>
<td>39,774</td>
<td>39,865</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>18,050</td>
<td>-</td>
</tr>
<tr>
<td>Redundancies</td>
<td>5,932</td>
<td>-</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
<td>2,058</td>
<td>1,590</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>28,030</td>
<td>27,647</td>
</tr>
<tr>
<td><strong>Total Personnel Services</strong></td>
<td>569,656</td>
<td>531,107</td>
</tr>
<tr>
<td>3. OTHER OPERATING EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>697</td>
<td>-</td>
</tr>
<tr>
<td>Consultancies</td>
<td>2,168</td>
<td>7,912</td>
</tr>
<tr>
<td>Contractors</td>
<td>242,058</td>
<td>134,221</td>
</tr>
<tr>
<td>Domestic Supplies and Services</td>
<td>3,882</td>
<td>4,235</td>
</tr>
<tr>
<td>Food Supplies</td>
<td>5,265</td>
<td>7,004</td>
</tr>
<tr>
<td>Fuel, Light and Power</td>
<td>3,379</td>
<td>-</td>
</tr>
<tr>
<td>Information Management Expenses (Software licences, support and maintenance)</td>
<td>71,251</td>
<td>72,463</td>
</tr>
<tr>
<td>Insurance</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Maintenance (See 3(b) below)</td>
<td>56,451</td>
<td>18,834</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>104</td>
<td>100</td>
</tr>
<tr>
<td>Postal and Telephone Costs</td>
<td>10,114</td>
<td>6,380</td>
</tr>
<tr>
<td>Printing and Stationery</td>
<td>6,690</td>
<td>5,089</td>
</tr>
<tr>
<td>Rental</td>
<td>65,873</td>
<td>73,853</td>
</tr>
<tr>
<td>Staff Related Costs</td>
<td>32,176</td>
<td>40,395</td>
</tr>
<tr>
<td>Travel Related Costs</td>
<td>11,971</td>
<td>14,505</td>
</tr>
<tr>
<td>Other (See 3(a) below)</td>
<td>178,829</td>
<td>207,877</td>
</tr>
<tr>
<td><strong>Total Other Operating Expenses</strong></td>
<td>690,937</td>
<td>592,902</td>
</tr>
</tbody>
</table>
### 3. OTHER OPERATING EXPENSES continued

#### a. Other includes

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courier and Freight</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Legal Services</td>
<td>11,338</td>
<td>2,131</td>
</tr>
<tr>
<td>Membership/Professional Fees</td>
<td>117</td>
<td>485</td>
</tr>
<tr>
<td>Security Services</td>
<td>65</td>
<td>10</td>
</tr>
<tr>
<td>Auditor’s Remuneration</td>
<td>8,047</td>
<td>7,300</td>
</tr>
<tr>
<td>General Administration Expenses</td>
<td>9,287</td>
<td>10,637</td>
</tr>
<tr>
<td>Sitting Fees</td>
<td>118,923</td>
<td>103,122</td>
</tr>
<tr>
<td>NSW Civil &amp; Administrative Tribunal Fixed Costs</td>
<td>18,293</td>
<td>71,432</td>
</tr>
<tr>
<td>Council Fees</td>
<td>12,754</td>
<td>12,760</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>178,829</strong></td>
<td><strong>207,877</strong></td>
</tr>
</tbody>
</table>

#### b. Reconciliation of Total Maintenance

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance Contracts</td>
<td>4,107</td>
<td>198</td>
</tr>
<tr>
<td>New/Replacement Equipment under $5,000</td>
<td>24,889</td>
<td>5,915</td>
</tr>
<tr>
<td>Repairs Maintenance/Non Contract</td>
<td>27,455</td>
<td>12,721</td>
</tr>
<tr>
<td>Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 3)</td>
<td>56,451</td>
<td>18,834</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56,451</strong></td>
<td><strong>18,834</strong></td>
</tr>
</tbody>
</table>

### 4. DEPRECIATION AND AMORTISATION

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation - Plant and Equipment</td>
<td>1,103</td>
<td>1,450</td>
</tr>
<tr>
<td>Depreciation - Leasehold Improvements</td>
<td>2,822</td>
<td>9,193</td>
</tr>
<tr>
<td>Amortisation - Intangible Assets</td>
<td>5,255</td>
<td>3,617</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,180</strong></td>
<td><strong>14,260</strong></td>
</tr>
</tbody>
</table>

### 5. EDUCATION AND RESEARCH

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and Research</td>
<td>5,111</td>
<td>23,190</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,111</strong></td>
<td><strong>23,190</strong></td>
</tr>
</tbody>
</table>

### 6. FINANCE COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Interest Charges</td>
<td>-</td>
<td>593</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>593</strong></td>
</tr>
</tbody>
</table>
Part 3: Financial Statements  
Psychology Council of New South Wales

Notes to the Financial Statements continued

7. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH
The Council’s accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).
In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

8. REGISTRATION FEES
Registration Fees

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,681,705</td>
<td>$1,429,607</td>
</tr>
<tr>
<td>Total</td>
<td>1,681,705</td>
<td>1,429,607</td>
</tr>
</tbody>
</table>

9. INVESTMENT REVENUE
Interest

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$50,287</td>
<td>$44,539</td>
</tr>
<tr>
<td>Total</td>
<td>50,287</td>
<td>44,539</td>
</tr>
</tbody>
</table>

10. ACCEPTANCE BY THE CROWN ENTITY OF PERSONNEL SERVICES
The following liabilities and expenses have been assumed by the Crown Entity:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation-defined benefit</td>
<td>$551</td>
<td>-</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>$9,767</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10,318</td>
<td>-</td>
</tr>
</tbody>
</table>

11. GAIN / (LOSS) ON DISPOSAL
Property, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>$45,129</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(42,429)</td>
<td>-</td>
</tr>
<tr>
<td>Written Down Value</td>
<td>$2,700</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Disposal</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Property, Plant and Equipment</td>
<td>$(2,700)</td>
<td>-</td>
</tr>
</tbody>
</table>
12. CASH AND CASH EQUIVALENTS

Cash at Bank and On Hand

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>76,736</td>
</tr>
<tr>
<td>2017</td>
<td>80,496</td>
</tr>
</tbody>
</table>

Cash at Bank - Held by HPCA*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,405,510</td>
</tr>
<tr>
<td>2017</td>
<td>2,905,467</td>
</tr>
</tbody>
</table>

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and Cash Equivalents (per Statement of Financial Position) 3,482,246 2,985,963

Closing Cash and Cash Equivalents (per Statement of Cash Flows) 3,482,246 2,985,963

Cash comprises Cash on hand and bank balances within the NSW Treasury Banking System. The Council operates the bank accounts shown below:

Education and Research Account**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>76,736</td>
</tr>
<tr>
<td>2017</td>
<td>80,496</td>
</tr>
</tbody>
</table>

**Managed by the HPCA, an executive agency of the MOH.

Refer to Note 22 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

13. RECEIVABLES

Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and Other Receivables</td>
<td>1,332</td>
<td>34,019</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>8,319</td>
<td>3,494</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>24,461</td>
</tr>
<tr>
<td>Less Allowance for Impairment</td>
<td>-</td>
<td>(462)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>5,026</td>
<td>6,084</td>
</tr>
</tbody>
</table>

| Total                              | 14,677   | 67,596   |

a) Movement in the Allowance for Impairment

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at Commencement of Reporting Period</td>
<td>(462)</td>
</tr>
<tr>
<td>Amounts written off during the period</td>
<td>-</td>
</tr>
<tr>
<td>Amounts recovered during the period</td>
<td>462</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>-</td>
</tr>
</tbody>
</table>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 22.
**Notes to the Financial Statements continued**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14. PROPERTY, PLANT AND EQUIPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Council has an interest in plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Plant and Equipment - Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Carrying Amount</td>
<td>6,294</td>
<td>3,044</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>1,832</td>
<td>729</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td><strong>4,462</strong></td>
<td><strong>2,315</strong></td>
</tr>
<tr>
<td><strong>Leasehold Improvements - Fair Value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Carrying Amount</td>
<td>38,515</td>
<td>48,842</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>2,794</td>
<td>42,401</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td><strong>35,721</strong></td>
<td><strong>6,441</strong></td>
</tr>
<tr>
<td><strong>Total Property, Plant and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At Net Carrying Amount</strong></td>
<td><strong>40,183</strong></td>
<td><strong>8,756</strong></td>
</tr>
</tbody>
</table>
PROPERTY, PLANT AND EQUIPMENT - RECONCILIATION

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>2,315</td>
<td>6,441</td>
<td>8,756</td>
</tr>
<tr>
<td>Additions</td>
<td>3,250</td>
<td>35,691</td>
<td>38,941</td>
</tr>
<tr>
<td>Disposals</td>
<td>&amp; (-2,700)</td>
<td></td>
<td>-2,700</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(1,103)</td>
<td>(2,822)</td>
<td>(3,925)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>(889)</td>
<td>(889)</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>4,462</td>
<td>35,721</td>
<td>40,183</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Plant and Equipment $</th>
<th>Leasehold Improvements $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>6,686</td>
<td>12,645</td>
<td>19,331</td>
</tr>
<tr>
<td>Additions</td>
<td>1,506</td>
<td>-</td>
<td>1,506</td>
</tr>
<tr>
<td>Write Off of Assets</td>
<td>(4,427)</td>
<td>2,100</td>
<td>(2,327)</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(1,450)</td>
<td>(9,193)</td>
<td>(10,643)</td>
</tr>
<tr>
<td>Movements in WIP</td>
<td>-</td>
<td>889</td>
<td>889</td>
</tr>
<tr>
<td>Net carrying amount at end of year</td>
<td>2,315</td>
<td>6,441</td>
<td>8,756</td>
</tr>
</tbody>
</table>

15. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The assets are not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

**Intangibles**

<table>
<thead>
<tr>
<th>Cost (Gross Carrying Amount)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Accumulated Amortisation and Impairment</td>
<td>12,415</td>
<td>7,160</td>
</tr>
<tr>
<td>Total Intangible Assets at Net Carrying Amount</td>
<td>2,544</td>
<td>7,799</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements continued

INTANGIBLE ASSETS - RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>7,799</td>
<td>7,799</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(5,255)</td>
<td>(5,255)</td>
</tr>
<tr>
<td><strong>Net carrying amount at the end of year</strong></td>
<td>2,544</td>
<td>2,544</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net carrying amount at start of year</td>
<td>11,278</td>
<td>11,278</td>
</tr>
<tr>
<td>Additions (From Internal Development or Acquired Separately)</td>
<td>817</td>
<td>817</td>
</tr>
<tr>
<td>Write Off of Intangible Assts</td>
<td>(679)</td>
<td>(679)</td>
</tr>
<tr>
<td>Amortisation (Recognised in Depreciation and Amortisation)</td>
<td>(3,617)</td>
<td>(3,617)</td>
</tr>
<tr>
<td><strong>Net carrying amount at end of year</strong></td>
<td>7,799</td>
<td>7,799</td>
</tr>
</tbody>
</table>

16. PAYABLES

Current
Personnel Services - Ministry of Health | 17,682 | 66,550 |
Taxation and Payroll Deductions | 38,198 | 2,732 |
Creditors | 46,347 | 16,618 |
Accrued Expenditure | 58,660 | 67,028 |

Aggregate Personnel Services and Related On-Costs
Liability - Purchase of Personnel Services | 55,880 | 69,282 |

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 22.
### 17. PROVISIONS

**Non-Current**

<table>
<thead>
<tr>
<th>Make Good</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make Good</td>
<td>49,667</td>
<td>49,667</td>
</tr>
</tbody>
</table>

**Movement in provisions**

Movements in each class of provision during the financial year are set out below:

<table>
<thead>
<tr>
<th>Make Good</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at the beginning of financial year</td>
<td>49,667</td>
<td>46,042</td>
</tr>
<tr>
<td>Increase/(Decrease) in provisions recognised</td>
<td>-</td>
<td>3,032</td>
</tr>
<tr>
<td>Unwinding/change in discount rate</td>
<td>-</td>
<td>593</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of financial year</strong></td>
<td><strong>49,667</strong></td>
<td><strong>49,667</strong></td>
</tr>
</tbody>
</table>

### 18. OTHER LIABILITIES

**Current**

<table>
<thead>
<tr>
<th>Income in Advance</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income in Advance</td>
<td>705,015</td>
<td>708,266</td>
</tr>
</tbody>
</table>

| **Total** | **705,015** | **708,266** |
Notes to the Financial Statements continued

19. COMMITMENTS FOR EXPENDITURE

a) Capital Commitments

Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td></td>
<td>2,108</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Later than five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Expenditure Commitments (Including GST)</strong></td>
<td>-</td>
<td>2,108</td>
</tr>
</tbody>
</table>

b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>92,650</td>
<td>98,845</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>240,043</td>
<td>371,896</td>
</tr>
<tr>
<td>Later than five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Lease Commitments (Including GST)</strong></td>
<td>332,693</td>
<td>470,741</td>
</tr>
</tbody>
</table>

c) Contingent Asset Related to Commitments for Expenditure

The total ‘Capital Expenditure Commitments’ and ‘Operating Lease Commitments’ of $332,693 as at 30 June 2018 includes input tax credits of $30,160 that are expected to be recoverable from the Australian Taxation Office (2017: $42,986).

20. CONTINGENT LIABILITIES AND ASSETS

There are no material contingent assets or liabilities as at 30 June 2018.

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>534,335</td>
<td>320,113</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(9,180 )</td>
<td>(14,260 )</td>
</tr>
<tr>
<td>(Increase)/ Decrease Income in Advance</td>
<td>3,251</td>
<td>(165,814 )</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Provisions</td>
<td>-</td>
<td>(593 )</td>
</tr>
<tr>
<td>Increase / [Decrease] in Receivables</td>
<td>(52,919)</td>
<td>(20,076 )</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Payables from Operating Activities</td>
<td>(7,959 )</td>
<td>192,786</td>
</tr>
<tr>
<td>Net Gain/ (Loss) on Sale of Property, Plant and Equipment</td>
<td>(2,700 )</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td><strong>464,828</strong></td>
<td><strong>312,156</strong></td>
</tr>
</tbody>
</table>
Part 3: Financial Statements
Psychology Council of New South Wales

Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS

The Council’s principal financial instruments are outlined below. These financial instruments arise directly from the Council’s operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council’s main risks arising from financial instruments are outlined below, together with the Council’s objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

<table>
<thead>
<tr>
<th>Financial Assets Class:</th>
<th>Category</th>
<th>Carrying Amount 2018</th>
<th>Carrying Amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Cash Equivalents (note 12)</td>
<td>N/A</td>
<td>3,482,246</td>
<td>2,985,963</td>
</tr>
<tr>
<td>Receivables (note 13)*</td>
<td>Loans and receivables (at amortised cost)</td>
<td>1,332</td>
<td>58,018</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,483,578</td>
<td>3,043,981</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial liabilities measured at amortised cost</td>
<td>122,689</td>
<td>150,196</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>122,689</td>
<td>150,196</td>
</tr>
</tbody>
</table>

Notes
* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).
**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).
Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.
Note to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neither past due nor impaired</td>
<td>-</td>
<td>56,673</td>
</tr>
<tr>
<td>Past due but not impaired</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>1,332</td>
<td>1,332</td>
</tr>
<tr>
<td>Impaired</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3 - 6 months overdue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; 6 months overdue</td>
<td>-</td>
<td>462</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,332</td>
<td>58,480</td>
</tr>
</tbody>
</table>

Notes
1 Each column in the table reports “gross receivables”.
2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the “total” will not reconcile to the receivables total recognised in the statement of financial position.
Part 3: Financial Statements
Psychology Council of New South Wales

Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council’s financial liabilities together with the interest rate exposure.

**Maturity Analysis and interest rate exposure of financial liabilities**

<table>
<thead>
<tr>
<th>Nominal Amount 1</th>
<th>Interest Rate Exposure</th>
<th>Maturity Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Interest Rate</td>
<td>Variable Interest Rate</td>
</tr>
<tr>
<td>Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>122,689</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>122,689</td>
<td>-</td>
</tr>
<tr>
<td>2017 Payables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Creditors 2</td>
<td>150,196</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>150,196</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

22. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council transferred all ‘at call’ cash deposits to the Treasury Banking System on 2 September 2015. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council’s exposure to interest rate risk is set out below.

<table>
<thead>
<tr>
<th></th>
<th>-1%</th>
<th></th>
<th></th>
<th>+1%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carry</td>
<td>Net Res</td>
<td>Equity</td>
<td>Carry</td>
<td>Net Res</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>$</td>
<td>$</td>
<td>Amount</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>3,482,246</td>
<td>(34,822)</td>
<td>(34,822)</td>
<td>34,822</td>
<td>34,822</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,332</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>122,689</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>2,985,963</td>
<td>(29,860)</td>
<td>(29,860)</td>
<td>29,860</td>
<td>29,860</td>
</tr>
<tr>
<td>Receivables</td>
<td>58,018</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>150,196</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.
Notes to the Financial Statements continued

23. RELATED PARTY TRANSACTIONS
   During the financial year, the Council obtained key management personnel services from the NSW Ministry of Health and incurred $90,060 (2017: $78,358) for these services.

24. EVENTS AFTER THE REPORTING PERIOD
   There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT