

THE BOARD OF SURVEYING AND SPATIAL INFORMATION **FINANCIAL STATEMENTS**

161

Independent Audit Report	162
Statement by Members of the Board	164
Income Statement	165
Balance Sheet	166
Statement of Cash Flow	167
Statement of Changes in Equity	168
Notes to the Financial Statements	169





GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT
BOARD OF SURVEYING AND SPATIAL INFORMATION

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Board of Surveying and Spatial Information:

- presents fairly the Board's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

Scope

The Financial Report and the Board's Responsibility

The financial report comprises the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes to the financial statements for the Board, for the year ended 30 June 2006.

The members of the Board are responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board in preparing the financial report, and
- examined a sample of evidence that supports the amounts and disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Board had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Board of Surveying and Spatial Information,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

S R Stanton CPA
Director, Financial Audit Services


SYDNEY
23 October 2006

Statement by Members of the Board

Pursuant to Section 41C (1B) of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Board of Surveying and Spatial Information, we declare on behalf of the Board that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance for the year ended 30 June, 2006 of the Board of Surveying and Spatial Information.
2. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2005 and with the Treasurer's Directions as they relate to the preparation of those accounts.

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

Signed 

Des Mooney
Acting President and Surveyor-General

Date: 20 OCT 2006

Signed 

Mark Gordon
Member – Board of Surveying and Spatial Information

Date: 18.10.06

BOARD OF SURVEYING AND SPATIAL INFORMATION

INCOME STATEMENT

For the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Revenue	2(a)	450,860	441,947
Investment revenue	2(b)	33,027	37,535
Depreciation	4(a)	(15,332)	(11,909)
Other expenses	4(b)	(539,842)	(495,728)
(Loss) for the year		<u>(71,287)</u>	<u>(28,155)</u>

The accompanying notes form part of these financial statements.

BOARD OF SURVEYING AND SPATIAL INFORMATION

BALANCE SHEET

As at 30 June 2006

	Notes	2006 \$	2005 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8(a)	535,525	538,825
Trade and other receivables	5	25,549	35,765
Total Current Assets		561,074	574,590
Non-Current Assets			
Plant & Equipment	7	26,892	42,224
Total Non-Current Assets		26,892	42,224
TOTAL ASSETS		587,966	616,814
LIABILITIES			
Current Liabilities			
Trade and other payables	6	89,388	46,948
Total Current Liabilities		89,388	46,948
TOTAL LIABILITIES		89,388	46,948
NET ASSETS		498,578	569,866
EQUITY			
Retained earnings	12	498,578	569,866
TOTAL EQUITY		498,578	569,866

The accompanying notes form part of these financial statements.

BOARD OF SURVEYING AND SPATIAL INFORMATION

STATEMENT OF CASH FLOWS

For the year ended 30 June 2006

	Notes	2006 \$	2005 \$
Cash flows from operating activities			
Receipts from customers		457,092	447,572
Interest received		35,685	35,895
GST refund		48,050	45,294
Payments to suppliers		(544,127)	(595,314)
Net cash flows used in operating activities	8(b)	(3,300)	(66,553)
Cash flows from investing activities			
Purchases of property, plant and equipment		-	(24,347)
Net cash flows used in investing activities		-	(24,347)
Net (decrease) in cash and cash equivalents		(3,300)	(90,900)
Opening cash and cash equivalents		538,825	629,725
Closing cash and cash equivalents	8(a)	535,525	538,825

The accompanying notes form part of these statements

BOARD OF SURVEYING AND SPATIAL INFORMATION

Statement of Changes in Equity

For the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		-	-
(Loss) for the year		(71,287)	(28,155)
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	12	<u>(71,287)</u>	<u>(28,155)</u>

The accompanying notes form part of these statements

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Board of Surveying and Spatial Information, (The Board), is constituted under the *Surveying Act 2002* to provide for the registration of Land and Mining surveyors, to regulate the making of surveys and to advise the Government on Spatial Information.

The financial report for the year ended 30 June 2006 was authorised for issue by the Board on the date the accompanying Statement by members of the Board was signed.

b) Basis of Accounting

The Board's financial report is a general purpose financial report, which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian equivalents to International Financial Reporting Standards (AIFRS));
- Urgent Issues Group Interpretations
- the requirements of the *Public Finance and Audit Act 1983* and Regulations.

Property, plant and equipment are measured at fair value. Other financial report items are prepared in accordance with historical cost convention.

The Board is a not-for-profit entity and has no cash generating units.

All amounts are rounded to the nearest dollar, unless otherwise stated, and are expressed in Australian currency.

c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include AIFRS.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly, except as stated below:

In accordance with AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* and Treasury Mandates, the date of transition to AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* has been deferred to 1 July 2005, and, as a result, comparative information for these two Standards is presented under the previous Australian Accounting Standards which applied to the year ended 30 June 2005.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

170

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Statement of Compliance (continued)

The following new Accounting Standards amendments that have been issued but are not yet effective, have not been adopted for the annual reporting period ending 30 June 2006:

AASB Amendment	Affected Standards
2005-1	AASB 139 <i>Financial Instruments: Recognition and Measurement</i>
2005-5	AASB 1 <i>First-time adoption of AIFRS</i> AASB 139 <i>Financial Instruments: Recognition and Measurement</i>
2005-10	AASB 132 <i>Financial Instruments: Disclosures and Presentations</i> ; AASB 101 <i>Presentation of Financial Statements</i> ; AASB 114 <i>Segment Reporting</i> ; AASB 117 <i>Leases</i> ; AASB 133 <i>Earnings Per Share</i> ; AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ; AASB 1 <i>First-time adoption of AIFRS</i> AASB 4 <i>Insurance Contracts</i> ; AASB 1023 <i>General Insurance Contracts</i> ; AASB 1038 <i>Life Insurance Contracts</i>
New Standard	AASB 7 <i>Financial Instruments: Disclosures</i>

The application of the new Australian Accounting Standards will have a nil impact on the Board's financial report.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

171

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Significant accounting judgements, estimates and assumptions

In the application of AIFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods in the revision effects both current and future period.

e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Member fees and Subscriptions

Registration revenue is recognised once the registration renewal applications and fees are received and the receipt is issued. Invoices are no longer raised prior to the renewal date as registration renewal is now optional and cannot be reliably measured until the application and fees are received.

(ii) Rendering of Services

Revenue is recognised when services such as workshops or training are provided.

(iii) Investment Revenue

Interest revenue is recognised using the effective interest method

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

172

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Employee Benefits

Salaries and Wages, Annual Leave, Sick Leave and On-Costs:

The Board has no employees. All the Board's human resources are provided by the Department of Lands on a fee for services rendered basis. This fee includes employee related costs (salaries, superannuation, leave entitlement, payroll tax, and workers' compensation insurance) and an administration oncost.

Accordingly the Board has no liability for employee entitlements.

g) Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund manager based on past experience.

h) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisition of assets controlled by the Board. Cost is determined as the amount of cash paid or fair value of other consideration given plus costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenue at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

173

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Capitalisation Threshold

Plant and equipment costing \$5,000 and above is capitalised. Individual items of computer equipment costing \$1,000 and above are capitalised when they form part of a network.

k) Depreciation

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

Depreciation Rates:

Plant and Equipment	20%
Furniture and fittings	10%
EDP Equipment	25%

l) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. 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. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade debtors. The carrying amount approximates fair value.

m) Trade and other payables

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.

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

174

2) REVENUE

Registration and other fees collected by the Board in accordance with the *Surveying Act 2002*, are now retained by the Board to fund their operations and no longer remitted to the Consolidated Fund.

The Board does not receive any funding by way of grants from the Department of Lands or Treasury and its operating expenditure is solely funded by revenue from Registration and other fees.

	2006	2005
	\$	\$
	<u> </u>	<u> </u>
2(a) Revenue		
Annual Registration	367,100	367,033
Application for Registration	1,980	1,260
Candidate Workshop Fees	23,828	20,290
Certificate of Registration	-	(60)
Enrolment as Candidate	13,392	15,736
Examination Fees	24,750	21,725
Letters of Accreditation	420	300
Professional Training Agreement Fees	3,490	4,263
Restoration to Register	15,900	11,400
	<u>450,860</u>	<u>441,947</u>
2(b) Investment Revenue		
Interest	33,027	37,535
	<u>33,027</u>	<u>37,535</u>

3) BOARD MEMBERS' FEES

Board members' fees payable for 2005-2006 amounted to \$27,810 (2004-2005 - \$24,720). In addition Board members received \$17,030 (2004-05 - \$10,790) for acting as examiners and other Board related activities (included under other service fees) and were refunded travelling and accommodation expenses incurred in connection with the Board's operations (included under travelling and subsistence).

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

175

4) EXPENSES

	2006	2005
	\$	\$
	<u> </u>	<u> </u>
4(a) Depreciation		
Building and Improvement	-	354
Plant and Equipment	6,641	4,675
EDP Equipment	8,691	6,880
	<u>15,332</u>	<u>11,909</u>
4(b) Other Expenses		
Audit	9,377	9,023
Board Member Fees	27,810	24,720
Continuing Professional Development Assessment	1,897	570
Lands Administration Fee	29,772	28,915
Lands Personnel Services comprising:		
Salaries and Wages	152,838	119,176
Fringe Benefit and Payroll Taxes	14,191	11,065
Recreation Leave	13,362	10,419
Long Service Leave	15,136	11,802
Superannuation	11,295	8,807
Lands rent	15,176	14,420
Examination Related Expenses	72,569	64,554
Maintenance	1,770	4,773
Other Service Fees	122,927	144,271
Postage Telephone and Courier	7,098	5,714
Stores and Stationery	9,222	7,086
Travel and Subsistence	35,402	30,220
Loss on disposal of fixed asset	-	193
	<u>539,842</u>	<u>495,728</u>

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

176

5) TRADE AND OTHER RECEIVABLES

	2006	2005
	\$	\$
Trade debtors	1,647	2,987
Interest receivable	15,641	18,299
GST	8,261	14,479
	<u>25,549</u>	<u>35,765</u>

6) TRADE AND OTHER PAYABLES

Trade payables and accruals	44,100	46,948
Prepaid registration fees	45,288	-
	<u>89,388</u>	<u>46,948</u>

7) PROPERTY, PLANT AND EQUIPMENT

	Plant	EDP Equipment	Total
	\$	\$	\$
At 1 July 2005			
At Fair Value	33,203	37,124	70,327
Accumulated depreciation and impairment	(14,252)	(13,851)	(28,103)
Net Carrying Amount	<u>18,951</u>	<u>23,273</u>	<u>42,224</u>
At 30 June 2006			
At Fair Value	33,203	37,124	70,327
Accumulated depreciation and impairment	(20,892)	(22,543)	(43,435)
Net Carrying Amount	<u>12,311</u>	<u>14,581</u>	<u>26,892</u>

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

177

7) NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

	Building Improvements \$	Plant \$	EDP Equipment \$	Total \$
2005				
Carrying amount at 1 July 2004	548	8,884	20,547	29,979
Addition	-	14,742	9,605	24,347
Disposal	(193)	-	-	(193)
Depreciation expense	(355)	(4,675)	(6,879)	(11,909)
Carrying amount at 30 June 2005	<u>-</u>	<u>18,951</u>	<u>23,273</u>	<u>42,224</u>
2006				
Carrying amount at 1 July 2005	-	18,951	23,273	42,224
Addition	-	-	-	-
Disposal	-	-	-	-
Depreciation expense	-	(6,640)	(8,692)	(15,332)
Carrying amount at 30 June 2006	<u>-</u>	<u>12,311</u>	<u>14,581</u>	<u>26,892</u>

8) CASH AND CASH EQUIVALENTS

a) For the purposes of the Statement of Cash Flows cash consists of cash at bank. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	2006 \$	2005 \$
Cash at bank	535,525	538,825
Cash at the end of financial period	<u>535,525</u>	<u>538,825</u>

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

8) CASH AND CASH EQUIVALENTS (continued)

b) RECONCILIATION OF NET (LOSS) TO CASH FLOWS FROM OPERATIONS:

Net (Loss)	(71,287)	(28,155)
Adjustment for non – cash items:		
Depreciation	15,332	11,909
Loss on disposal of fixed asset	-	193
Changes in Assets & Liabilities		
Decrease/(increase) in receivables	10,215	(674)
Increase/(decrease) in payables	42,440	(49,826)
	(3,300)	(66,553)

9) CAPITAL COMMITMENTS

At 30 June 2006 there were no capital commitments. (2005 - NIL)

10) CONTINGENT LIABILITIES

At 30 June 2006 there were no contingent liabilities. (2005 - NIL)

11) ASSISTANCE FROM OTHER AGENCIES

Land and Property Information NSW provided the Board with assistance for development of the spatial information project free of charge. The fair value of the assistance provided was \$20,558.

12) EQUITY

	2006	2005
	\$	\$
Opening balance at the beginning of financial year	569,865	598,021
(Loss) for the year	(71,287)	(28,155)
Closing balance at the end of financial year	498,578	569,866

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

13) FINANCIAL INSTRUMENTS

The entity's principal financial instruments include cash and cash equivalents, trade receivables, trade payables and other liabilities. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. The entity does not enter into or trade financial instruments for speculative purposes. The entity does not use financial derivatives.

Financial instruments give rise to positions that are a financial asset of either the Board or its counterparty and a financial liability (or equity instrument) of the other party. For the Board these include cash and cash equivalents, receivables, and creditors. These are recorded at 'cost' being the contractual amount owing or owed. All financial instrument cash flows are recognised on an accruals basis.

In accordance with AASB 132 "Financial Instruments: Disclosure and Presentation," information is disclosed here in respect of the interest rate risk and credit risk of financial instruments. Such amounts are carried in the accounts at net fair value unless otherwise stated. Financial instruments applicable to this Board consist of cash at bank, receivables and creditors.

(a) Interest rate risk

Interest rate risk is the risk that the value of the instruments will fluctuate due to changes in market interest rates. The Board's exposure to interest rate risk and the weighted average effective interest rates of financial assets and liabilities at the balance date are as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturities			Non Interest Bearing	Total Carrying Amount As per the Balance Sheet
			1 year Or less	1 to 5 years	More than 5 years		
	%	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2006							
Financial Assets							
Cash and cash equivalents	5.00	536	-	-	-	-	536
Trade and other receivables		-	-	-	-	26	26
Total Financial Assets		536	-	-	-	26	562
30 June 2005							
Cash and cash equivalents	4.33	539	-	-	-	-	630
Trade and other receivables		-	-	-	-	36	35
Total Financial Assets		539	-	-	-	36	665
30 June 2006							
Financial Liabilities							
Trade and other payables		-	-	-	-	44	44
Total Financial Liabilities		-	-	-	-	44	44
30 June 2005							
Trade and other payables		-	-	-	-	47	47
Total Financial Liabilities		-	-	-	-	47	47

BOARD OF SURVEYING AND SPATIAL INFORMATION

Notes to the Financial Statements

For the year ended 30 June 2006

180

(13) FINANCIAL INSTRUMENTS (continued)

(b) Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to Treasury.

(c) Trade Creditors and Accruals

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 out in Treasurer's Direction 219.01. 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. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

14) IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Board of Surveying and Spatial Information (BOSSI) applies the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The adoption of AEIFRS does not have any material impacts on its reported equity, profit/loss or its cash flows.

END OF AUDITED FINANCIAL STATEMENTS