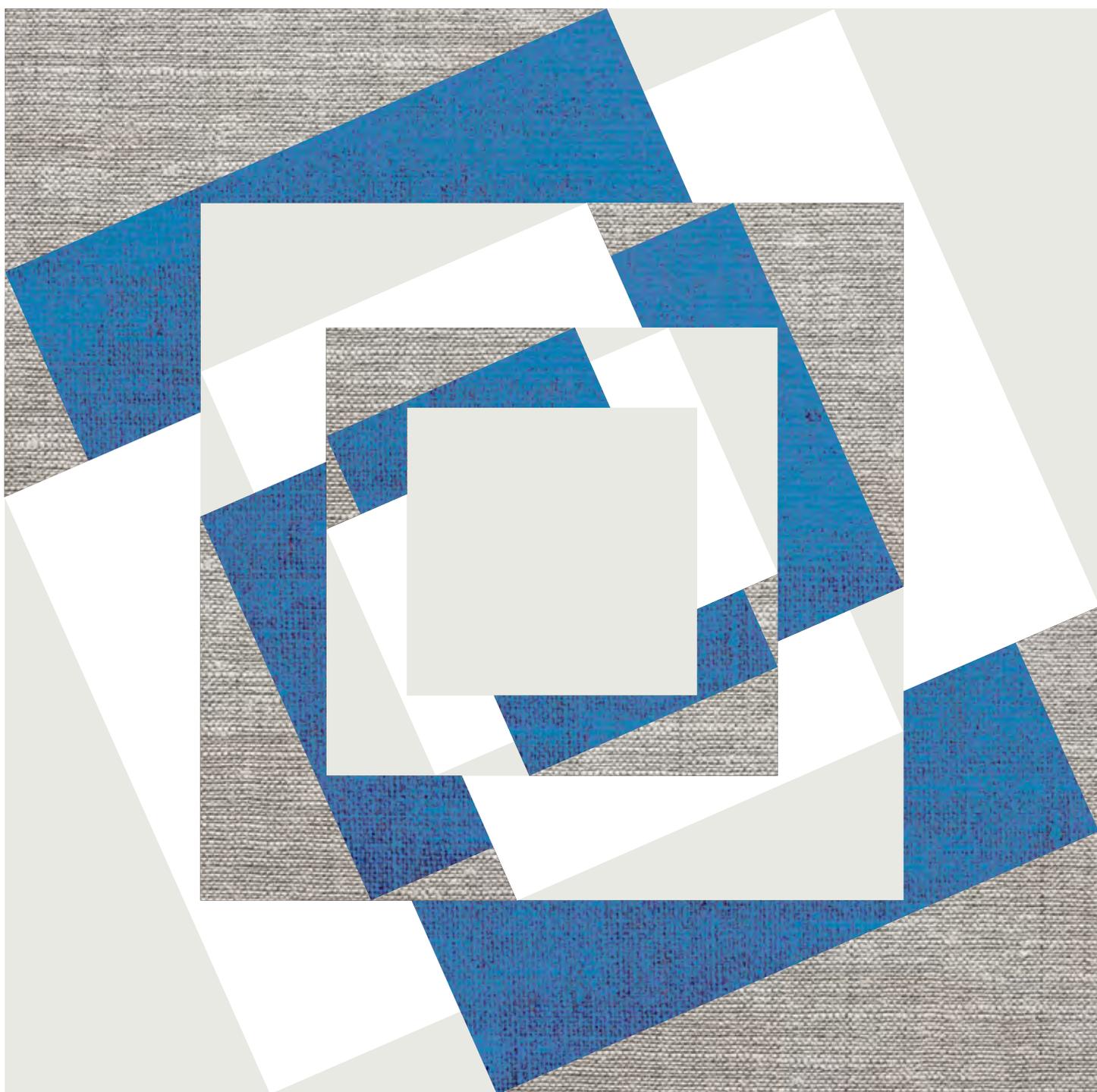


**Accounting
Professional &
Ethical Standards
Board Limited**

ACN 118 227 259

Annual Report

for the year ended
30 June 2015





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APESB's Strategic Plan 2013 – 2015

Vision

Exemplary levels of professionalism and ethical behaviour in the accounting profession.

Statement of Purpose

To develop and issue, in the public interest, high quality professional and ethical standards.

Values

To be consultative and transparent in all our activities and work independently and resourcefully in the public interest.

We will promote professionalism and ethical behaviour and maximise the integrity of the accounting profession by:

Standards

Issuing professional and ethical standards that are relevant to members of the three major accounting bodies in Australia while serving the public interest

Strategies

- Monitor the external environment to ensure the issued pronouncements remain relevant and up to date and identify the need for new standards and guidance.
- Attract and retain an appropriate mix of skills and knowledge to the Board.
- Ensure the organisation is governed, structured and resourced appropriately with transparent oversight.
- Ensure that the concepts of professionalism and public interest are the cornerstones of the standard setting process.
- Attract and retain experienced management, staff and high calibre individuals with the necessary subject matter expertise to taskforces.

Engagement

Effectively engaging our key stakeholders, including professional accountants, the public, government bodies, regulators and the three major accounting bodies

Strategies

- Engage with key stakeholders in order to provide leadership in respect of accounting, professional and ethical matters.
- Develop and maintain an ongoing communication and awareness raising program for the Members in Business, SMP/SME sector and others as required.
- Maintain an effective user friendly website.
- Develop and maintain a central information resource to enable effective communications.

Influence

Influencing and responding to the national and international agenda in relation to professional and ethical standards

Strategies

- Respond to relevant exposure drafts of regulators, government bodies and other Australian standard setters.
- Respond to international exposure drafts of the International Federation of Accountants (IFAC) and the International Ethics Standards Board for Accountants (IESBA).
- Develop and maintain a communication and awareness raising program for the Asia-Pacific region.
- Contribute to the agenda of the IESBA National Standard Setters Group.

Advocacy

Advocating that professionalism and ethical conduct drive the behaviour of accountants

Strategies

- Maintain regular communication with the staff of the three major accounting bodies who are involved in professional standards, quality review and disciplinary activities to respond effectively to emerging issues.
- Demonstrate leadership in ethical thinking.
- Advocate and promote to the public the professionalism and ethical conduct of accountants in the public sphere.

Achievements for 2014 – 2015

APESB Strategy and Work Plan

APESB has successfully moved into its consolidation phase with a focus on communication and awareness raising activities following the revision and relaunch of the full suite of professional standards inherited from the accounting profession. Significant developments in the current year include the launch of APESB's new responsive website and mobile apps which are expected to facilitate access and build awareness of APESB standards with professional accountants who are members of the Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants (the Professional Bodies).

To achieve its aim, APESB identified four strategic priorities over the 2013-2015 strategic period which are:

- Issuing and/or maintaining professional and ethical standards that are relevant to members of the Professional Bodies while serving the public interest;

- Effectively engaging our key stakeholders, including professional accountants, the public, government bodies, regulators and the Professional Bodies;
- Influencing and responding to the national and international agenda in relation to professional and ethical standards; and
- Advocating that professionalism and ethical conduct underpin the behaviour of accountants.

Improving Professional Practice through Standard Setting

APESB delivered on its primary strategic objective of developing and issuing professional and ethical standards by issuing and revising the following standards, exposure drafts and guidance notes:

Proposed Revision of APESB Pronouncements

A revision of the following standards and guidance notes was initiated primarily due to definitional changes arising from the revision of APES 110 *Code of Ethics for Professional*

Accountants and other editorial matters addressed in APESB's Issues Register in respect of these pronouncements:

- APES 205 *Conformity with Accounting Standards*;
- APES 210 *Conformity with Auditing and Assurance Standards*;
- APES 220 *Taxation Services*;
- APES 305 *Terms of Engagement*;
- APES 325 *Risk Management for Firms*;
- APES 345 *Reporting on Prospective Financial Information prepared in connection with a Public Document*;
- APES GN 30 *Outsourced Services*; and
- APES GN 40 *Ethical Conflicts in the Workplace – Considerations for Members in Business*.

APESB expects to complete the work on this project early in the 2015/2016 financial year.

Proposed Revision of APES 350 ED Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document

A revision of this standard was initiated primarily due to definitional changes arising from the revision of APES 110 *Code of Ethics for Professional Accountants*, to update references to auditing and assurance standards and to address other matters raised by stakeholders. An exposure draft was issued in April 2015 and work is still continuing on this project.

Revision of APES 315 Compilation of Financial Information

The revision of APES 315 *Compilation of Financial Information* (APES 315) was initiated primarily due to IAASB's revision of its equivalent standard. The revisions to APES 315 incorporate additional requirements and guidance based on changes to the international equivalent (ISRS 4410 *Compilation Engagements*) and other Australian enhancements developed by the APESB, such as guidance on a compilation engagement, the applicable financial reporting

framework and circumstances in which an accountant's report disclaimer can be issued. The revised standard for compilation engagements will be effective from 1 July 2015.

Revision of APES 330 Insolvency Services

The revision of APES 330 *Insolvency Services* was undertaken due to the need for consistency with revisions made by the Australian Restructuring Insolvency and Turnaround Association (ARITA) to their Code of Professional Conduct (ARITA Code). The revised standard expands the scope to include members' voluntary liquidations, introduces new obligations in respect of referrers, clarifies disclosure requirements and has revised remuneration requirements. The revised standard was effective from 1 January 2015.

Revision of APES 310 Dealing with Client Monies

The revision of APES 310 *Dealing with Client Monies* is being undertaken to address the impact of developments in e-commerce to ensure the standard appropriately addresses the increased

use of electronic record keeping and electronic data processing. The project has utilised valuable input and perspectives on the developments in e-commerce and other issues from industry participants. Work is continuing on this project.

Proposed APES GN 21 Valuation for Financial Reporting

APESB commenced the development of APES GN 21 *Valuation for Financial Reporting* (APES GN 21) in response to an identified need to provide members with guidance following the adoption of International Financial Reporting Standards and the ensuing demand for Valuation Services. APES GN 21 will provide relevant guidance on the professional aspects of undertaking and reporting on engagements in respect of Valuations for Financial Reporting in accordance with APES 225 *Valuation Services*. The taskforce is close to completing an Exposure Draft for the Board's consideration.

Proposed APES GN 41 Management Representations

APESB commenced the development of APES GN 41 *Management Representations* (APES GN 41) to provide guidance that assists Members in Business in understanding the contents, implications and responsibilities associated with management representation letters. This project is in the early stages and the work will continue in the 2015/16 financial year.

Enhanced Stakeholder Engagement and Advocacy Activities

APESB continued to deliver on its strategic objectives of engagement and advocacy by enhancing its communication platforms, roundtable events for stakeholders and engaging subject matters experts on its taskforces.

Thought Leadership Activities

APESB Roundtables: IESBA's Proposed Changes to the Code Addressing Long Association

APESB hosted two roundtable events in October 2014 in Melbourne and Sydney to consider the IESBA's Exposure Draft on *Proposed Changes to Certain Provisions of the Code Addressing the Long Association of Personnel with an Audit or Assurance Client*. The APESB roundtables provided the opportunity to discuss and exchange the views of practitioners and other interested constituents on issues related to the long association provisions of the *International Code of Ethics for Professional Accountants* which primarily impacts the audit partner rotation provisions.

APESB Roundtables: IESBA's Proposed Changes to the Code Addressing Non Compliance with Laws and Regulations

APESB hosted two roundtable events in July 2015 in Melbourne and Sydney in respect of IESBA's *Non-Compliance with Laws And Regulations* (NOCLAR) Exposure Draft. The events were conducted to obtain feedback from constituents regarding the IESBA's Exposure Draft *Responding to Non-Compliance with Laws and Regulations*. The stakeholders who participated at the APESB roundtables discussed and evaluated IESBA's proposed framework to guide auditors and accountants in deciding how best to act in the public interest when they come across an act or suspected act of non-compliance with laws and regulations.

These APESB roundtable events were well-attended by stakeholders representing accounting firms, the Auditor-General's office, G100, industry participants, standards setters and the Professional Bodies. The Board greatly appreciates the input and feedback provided by stakeholders at these events in formulating the Board's response to IESBA's exposure drafts.

Engaging with Experts in the Development of Professional and Ethical Standards

During the financial year APESB convened 4 taskforces and 1 working party to provide expert advice on the development of key standards in the following areas:

- Due Diligence Committees;
- Compilation of Financial Information;
- Valuation Services;
- Management Representations; and
- Dealing with Client Monies (working party).

Influencing the international and national Standard Setting Agenda

APESB is focussed on the need to engage with standards setters and raise the awareness of APESB in both the domestic and the international arena. Since implementation of the 2013 – 2015 Strategic Plan, APESB has achieved this engagement both locally and internationally utilising a number of mechanisms as follows.

International developments

APESB is one of the National Standards Setters of the IESBA National Standards Setters Group (IESBA NSS Group) and represents Australia's interests in this group. The IESBA NSS Group held their seventh annual meeting in New York in May 2015 and APESB Chairman, Nicola Roxon, and Technical Director, Channa Wijesinghe, attended this meeting. The meeting provides a valuable forum in which National Standards Setters share information on, and insights into, emerging ethical issues and developments in jurisdictions around the world that are of international relevance.

National developments

As noted above, APESB has collaborated with other National Standards Setters such as the AUASB in the development of standards as well as in engaging with regulators and other key stakeholders. APESB continues to work to increase awareness of Accounting Professional and Ethical Standards by making presentations at relevant conferences and member professional development events.

Communication Strategy

APESB has achieved significant milestones in respect of the implementation of its communication strategy as part of the strategic direction and approach outlined in its 2013 – 2015 Communication Strategy.

In line with the company's strategic objectives, two significant communication initiatives were successfully completed and released during the year. APESB now has a responsive website that provides professional accountants with a cost effective and convenient platform by which to access APESB standards from a multitude of different mobile devices. In addition, the company developed a mobile app across multiple platforms to engage stakeholders through current technologically relevant mediums. The app is available for Apple, Android, and Windows devices and is available free from the respective App Stores. APESB is proud to be the first accounting standards setting body in Australia to develop an app for accessing its standards and one of only a handful worldwide.

APESB's social media presence continues to grow which is largely driven by its LinkedIn profile. The success of the company's LinkedIn page continues to grow with the number of followers now exceeding 400. APESB posts regular updates which have on average received more than 6,000 views per update. The LinkedIn page also promotes the company's E-Newsletter – *Professionalism* with the number of subscribers growing steadily over time.

The APESB website continues to engage its stakeholders, providing updates on exposure drafts, details of finalisation of standards and media releases in respect of APESB activities. APESB meeting information including agenda items, board papers and meeting minutes are published providing transparency of activities to our stakeholders in a timely manner

consistent with the strategic goals set out in the APESB Communication Strategy. APESB continues to make presentations at relevant conferences and member professional development events and liaises with the media as appropriate.

Maintaining Strong Governance of APESB

The Board experienced some changes during the year, one of which was the retirement of Harley McHutchison. Harley was an integral part of the Board since his appointment as a founding Director in 2006. His dedication, commitment and insights during the development of APESB pronouncements and other activities of the Board have been invaluable. APESB would like to place on record its strong appreciation of the significant contributions Harley made during his nine year tenure with the company and the Board wishes Harley well in his retirement.

APESB welcomes the appointment of Craig Farrow to the Board for an initial term of three years and looks forward to his valued contributions stemming from numerous experiences including his service as a past President of the Institute of Chartered Accountants in Australia (ICAA) and as Executive Chair of the merger project that led to the creation of Chartered Accountants Australia and New Zealand. Craig brings a wealth of experience to APESB as a highly knowledgeable company director who is currently the Chairman of Brentnalls SA, M2 Group Limited, Australian Independent Rural Retailers, Tonkin Consulting Engineers and Scientists, AMPS Agribusiness, Doctors Health SA and General Practice SA. He is also a non-executive Director on a number of other Boards.



2013 – 2015 Strategic Achievements Highlights

Standards

18

Suite of 18 APESB Standards & Guidance Notes issued since inception.

37

Completed 100% of Scheduled Reviews of APESB pronouncements addressing issues raised by stakeholders.

6

Technical updates to keep the profession informed of changes to the technical requirements.

Engagement

Communications

6 million

In 2015 APESB reached over 6 million hits on its website since inception in 2010.

323,270

LinkedIn impressions since inception in 2014.

48.7%

LinkedIn followers at the Director, Senior and Partner level.

21.9%

LinkedIn followers at the Graduate or accounting entry level.

15.9%

LinkedIn followers at the Manager level.

Engaging stakeholders at all levels of experience.

7 Articles

contributed to professional body publications.

18 Media Releases

promoting and communicating APESB's activities.

APESB Mobile App



APESB is the first accounting standards setting body in Australia to develop an app for accessing its standards and one of only a handful worldwide. The app is available for Apple, Android, and Windows devices and is now available free from the respective App Stores.

“We are pleased to be able to provide a tool that allows our stakeholders to interact more readily with APESB standards and we believe this app will help promote the use of our standards by professionals in their day to day work.”

**The Honourable Nicola Roxon
Chair of APESB**



Influence

**Stakeholders
National & International**



**APESB Board Members with
positions on International Boards
& Committees.**



**International submissions with
contributions from national
stakeholders.**



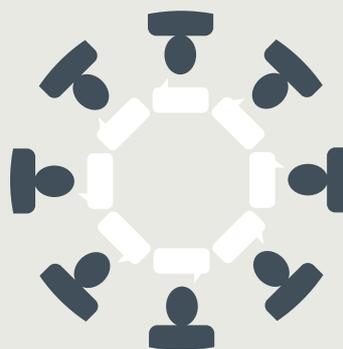
**Attendance at IESBA's annual
National Standards Setters
meeting.**

Advocacy

**APESB International Thought
Leadership Events**

In **September 2013**, APESB hosted over 200 national and international guests at two thought leadership events in collaboration with the International Ethics Standards Board of Accountants' (IESBA) visit to Sydney.

APESB Roundtables



These roundtables provided the opportunity for practitioners and other interested constituents to discuss and exchange their views.

In **November 2013** APESB held two roundtable events in conjunction with the AUASB in respect of *Due Diligence committees* in Melbourne and Sydney.

In **October 2014** APESB held two roundtable events in Sydney and Melbourne to elicit feedback from constituents in respect of IESBA's proposed changes to the Code addressing *Long Association*.

In **July 2015** APESB held two roundtable events in Sydney and Melbourne to elicit feedback from constituents in respect of IESBA's Exposure Draft Responding to *Non-Compliance with Laws and Regulations*.

Taskforce/ Working Party Composition

as at 30 June 2015

Due Diligence Committees - Taskforce

Channa Wijesinghe
APESB (Chairman)

Jeff Cook
KPMG

Marina Stuart
Deloitte

Claire Cardno
Ernst & Young

Mark Haberlin
PricewaterhouseCoopers

Jeffrey Luckins
William Buck

Kristen Wydell
Chartered Accountants Australia
and New Zealand nominee

Dr John Purcell
CPA Australia nominee

Colin Parker
IPA nominee

Valuation Services - Taskforce

Channa Wijesinghe
APESB (Chairman)

Richard Stewart
PricewaterhouseCoopers

Brendan Halligan
Halligan & Co

Alan Max
Moore Stephens

Tapan Parekh
Deloitte

Dr Eva Tsahuridu
CPA Australia nominee

Management Representations - Taskforce

Channa Wijesinghe
APESB (Chairman)

David Castle
Solicitor

Geoff Harris
G100 nominee

Alan Lee
Wolseley Private Equity

Michael Ford
Commonwealth Bank of Australia

Dr Eva Tsahuridu
CPA Australia nominee

Justin Reid
IPA nominee

Liz Stamford
Chartered Accountants Australia
and New Zealand nominee

Dealing with Client Monies - Working party

Channa Wijesinghe
APESB (Chairman)

Rob Florence
Florence Audit & Assurance

Geoff Gray
Pitcher Partners

Caroline Karavias
CPA Australia nominee

Sonya Sinclair
IPA nominee

Hana Thompson
Chartered Accountants Australia
and New Zealand nominee

Dr Eva Tsahuridu
CPA Australia nominee

Directors left to right:

Mr Kevin Osborn

Mr John Cahill

Ms Nicola Roxon (Chairman)

Mr Craig Farrow

Mr Peter Day

Mr Stuart Black AM

Staff left to right:

Aleasha McCallion

(Admin and Communications Officer)

Ms Rebecca Williams

(Admin & Communications Officer)

Ms Saras Shanmugam

(Senior Project Manager)

Mr Channa Wijesinghe

(Technical Director/Company Secretary)

Ms Rozelle Azad

(Senior Project Manager)



Chairman's Report

2015 marks the full 'coming of age' of the APESB. Nearing its 10 year anniversary, the Board is proud to be able to point to a full range of professional standards and guidance notes that have been issued to assist accountants in their increasingly complex and varied working lives.

APESB's success in developing a world class suite of accounting professional and ethical pronouncements now needs to be supported and enhanced by effective communication and building further awareness.

I look forward to leading the Board into its tenth year of operations in 2016 continuing a considered approach that provides leadership and strategic direction within the profession. The maintenance of high professional standards for accountants is in both the profession's interest and the public's interest and, accordingly, will always be a key driver of APESB's activities.

During my first year with APESB I have taken the opportunity to actively engage with numerous APESB

stakeholders including representatives of the professional bodies, regulators, large accounting firms, consumer groups and national standards setters. APESB has also conducted a number of roundtable consultations. These activities assist in providing insight into some of the challenges faced by the accounting profession and underscore the importance of APESB's role in providing the professional framework to guide their conduct.

APESB also has an international profile as one of the members of the IESBA's National Standards Setters Group. The Technical Director and I attended the annual National Standards Setters meeting in New York which provided an opportunity to discuss emerging issues.

We also met with key personnel of IESBA and IFAC during this visit and they were complimentary of APESB's activities and how the professional standards framework has evolved and developed in Australia in collaboration with regulators, professional bodies and other stakeholders.

APESB's Strategic Direction

The Board is in the final six months of its current strategic period of 2013 – 2015.

In the period APESB has completed the review and relaunch of the pronouncements inherited from the accounting profession, as well as the development of new pronouncements. APESB now has a responsive website and a mobile app available across three platforms.

APESB's evolving role will see the company progress from its first decade which was focussed on standards development to a new phase that involves:

1. consolidation and maintenance of the existing pronouncements
2. enhanced communication activities to influence and build awareness of APESB standards and
3. emphasising the importance of business ethics and professionalism that should underpin the work of professional accountants.

It is with enthusiasm that the Board has commenced the development of its 2016 – 2020 Strategic Plan to build on its successes and leverage its existing activities to provide leadership in the local and international arenas in respect of accounting professional standards.

Taskforce Program and stakeholders

As at 30 June 2015, APESB has four active taskforces/working parties in the areas of:

- due diligence committees,
- valuation services,
- management representations and
- client monies.

APESB relies significantly on the interest, commitment and hard work of the members of these volunteer taskforces throughout the year. Much of the preparatory work of developing standards and guidance notes is completed by these groups and, on behalf of the Board, I would like to heartily thank the participants and acknowledge their valuable input.

The Board is also grateful for the valuable contributions made by our stakeholders including staff of the accounting bodies, accounting firms, government bodies, regulators and others who provide input and different perspectives to our standard setting process. We particularly acknowledge

the interest of those who attend the APESB board meetings and offer valuable input at the time we are deliberating on matters.

Board

I take this opportunity to extend the Board's deep appreciation to Mr Harley McHutchison who retired from the Board in February 2015 and was one of APESB's founding Directors. Harley's insights and contributions to the work and shaping of APESB's activities over his nine year appointment were invaluable and we thank Harley for his dedication, precision and wisdom.

I welcome Craig Farrow to the Board and look forward to his valuable contributions to APESB's activities. Craig is the Chairman/Partner of Brentnalls SA and is an experienced company director of listed and unlisted entities. Craig's experience as the Executive Chair of the merger project that led to the creation of Chartered Accountants Australia and New Zealand is going to provide a valuable insight for the APESB.

Staff

The APESB Secretariat is a small team lead by Channa Wijesinghe (Technical Director / Company Secretary). Channa is supported by Saras Shanmugam (Senior Project Manager), Rozelle Azad (Senior Project Manager), Aleasha McCallion and Rebecca Williams (Administration & Communications Officers) and Dolla Wilkinson (Bookkeeper).

I'd like to thank Channa for his persistence, attention to detail and engagement with the profession over many complex issues. He and his small team work very hard to deliver for the profession and the public and I would like to thank them for all their effort. On behalf of the Board and our stakeholders, I acknowledge their commitment to their work and the high quality output they produce in an area requiring deep technical expertise.

I look forward to sharing our progress with you as APESB enters its 10th year of operations in 2016.



Nicola Roxon
Chairman

10 September 2015

Directors' Report

The directors of Accounting Professional & Ethical Standards Board Limited (APESB or the company) submit herewith the financial report of the company for the year ended 30 June 2015. In complying with the provisions of the *Corporations Act 2001*, the directors report as follows:

Principal Activities

The principal activities of APESB during the year were the development and issue in the public interest of professional and ethical standards that apply to the members of the Professional Bodies and the provision of a formal and rigorous forum for the consideration, promulgation and approval of professional and ethical standards in an open, timely, independent and proactive manner.

The company's objectives are to monitor and evaluate the robustness of professional and ethical pronouncements for professional accountants in Australia and to develop in the public interest additional pronouncements as required. To achieve its objectives, the company has adopted the following strategies:

- Communicating and raising awareness of APESB pronouncements with our constituency;
- Engaging in and keeping up to date with international developments in ethical standard setting;

- Requesting input in terms of work plan inclusions from the Professional Bodies;
- Maintaining awareness of the business environment and legislative developments to identify opportunities where APESB should develop pronouncements in the public interest; and
- Engaging in stakeholder consultation when developing pronouncements for members.

Results of Operations

The company's operations for the year ended 30 June 2015 resulted in a surplus of \$82,634 (2014: surplus \$74,153).

Review of Operations

The major focus of the company's operations for the year continued to be the review of existing standards and guidance notes and the development of new pronouncements as required.

Significant Changes in the State of Affairs

There were no significant changes in the company's state of affairs during the financial year.

Environmental Issues

The operations of the company are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations. The company is continually updating, reviewing and improving its management and governance practices to ensure that the strategic objectives of the company are met.

Dividends

The company is limited by guarantee and its Constitution precludes the payments of dividends.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or are likely to significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated. None of the directors listed had any special responsibilities during the year other than as noted below.

Nicola Roxon (Chairman)

Ms Nicola Roxon was appointed Chairman of APESB in June 2014. Nicola became Australia's first female Attorney-General in 2011. Nicola Roxon was first elected to the federal seat of Gellibrand in 1998, she was a senior cabinet minister and held the complex portfolio of Minister for Health and Ageing for four years. Nicola holds a BA/LLB (first class honours) from Melbourne University and is a graduate member of the Australian Institute of Company Directors. Since 2014 Nicola has developed her career as a non-executive director and currently serves in this capacity on the Board of BUPA ANZ and is the Chairman of Cancer Council Australia. Nicola is an Adjunct Professor within the College of Law and Justice at Victoria University and is a well-known public speaker nationally and internationally.

Date of Appointment: 1 June 2014

Stuart Black AM

Mr Stuart Black is a past President and a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of both CPA Australia and the Australian Institute of Company Directors. He is a former managing partner of the mid-sized accountancy practice Chapman Eastway. Stuart serves as a non-executive director of Australian Agricultural Company Limited, NetComm Wireless Ltd and is a former non-executive director of Coffey International Ltd. He chairs the Chartered Accountants Benevolent Foundation Ltd and is a non-executive director of the Country Education Foundation of Australia Ltd. He recently retired from the International Federation of Accountants Small and Medium Practices Committee.

Date of Appointment: 7 February 2006

W Peter Day

Mr Peter Day is a non-executive director of Ansell, Alumina, Boart Longyear, Central Gippsland Region Water Corporation Board, Financial Executives Institute of Australia, Multiple Sclerosis Ltd and SAI Global. Peter is the Chair of the Australian Prudential Regulation Authority (APRA) Audit Committee, a Member of APRA's Risk Management Committee, and a Member of the Takeovers Panel. Peter was formerly CFO of Amcor for seven years and previously held senior positions with Bonlac Foods, Rio Tinto, CRA and Comalco. Peter is a past Chairman of the Australian Accounting Standards Board and a past Deputy Chairman

of the Australian Securities and Investments Commission. He is a Fellow of both CPA Australia and the Chartered Accountants Australia and New Zealand, and a Fellow of the Australian Institute of Company Directors.

Date of Appointment: 15 April 2009

John Cahill

Mr John Cahill is a past President/Chairman, a Fellow and life member of CPA Australia Ltd, a Graduate member of the Australian Institute of Company Directors and a member of the Australian Institute of Management. John is a non-executive Director of Emeco Holdings Ltd, Toro Energy Ltd and a Councillor at Edith Cowan University. John's past roles include being Chief Executive Officer of Alinta Infrastructure Holdings, Chief Financial Officer of Alinta Ltd and other senior management roles in treasury, finance, accounting and risk management, predominantly in the energy industry.

Date of Appointment: 1 February 2014

Craig Farrow

Mr Craig Farrow is the Chairman and a Partner of Brentnalls SA and is a past President of the Institute of Chartered Accountants Australia (ICAA). Craig played a pivotal role in ICAA's historic merger with the New Zealand Institute of Chartered Accountants as the Executive Chair of the merger project that led to the creation of Chartered Accountants Australia and New Zealand. Craig is the Chairman and a non-executive Director of M2 Group Limited, Australian Independent Rural Retailers, Tonkin Consulting Engineers and Scientists, AMPS Agribusiness, Doctor's Health SA and General Practice SA. He is also a non-executive Director of Petrosys Pty Ltd and Centre State Exports Group. Craig is a Fellow of both the Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors, and a Fellow of the Australian Institute of Management (AIM). He is also a certified practicing manager and holds a Diploma of Financial Services.

Date of Appointment:
10 February 2015

Harley McHutchison

Mr Harley McHutchison is a former partner and past Chairman of professional services firm Deloitte Touche Tohmatsu. He is a Fellow of the Chartered Accountants Australia and New Zealand.

He is also a former Chairman of Colonial Mutual Superannuation Pty Ltd, Commonwealth Custodial Services Ltd and the Compliance Committees of Commonwealth Managed Investments Ltd, Colonial First State Investments Ltd and CFS Managed Property Ltd.

Date of Appointment: 7 February 2006
Date of Retirement: 6 February 2015

Kevin Osborn

Mr Kevin Osborn is Chairman of VUCA Pty Ltd, Deputy Chairman of Port Adelaide Football Club, a non-executive Director of the Australian Institute of Company Directors (AICD) and the President of AICD's SA/NT Division. Kevin is a Director of Pateka Pty Ltd which consults to Australian and International clients. Kevin is a Foundation Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Public Accountants. He was formerly the Deputy Chairman of Bendigo and Adelaide Bank and a non-executive Director of Calgary based Viterro Inc. Prior to his career as a non-executive Director, Kevin had a 25 year career in international financial markets where he held various global senior management positions with the USA's then 4th largest Banking Corporation, Bank One, which is now part of JP Morgan Chase.

Date of Appointment: 18 March 2013

Company Secretary

Channa Wijesinghe

Mr Channa Wijesinghe is the Technical Director and Company Secretary of APESB. He is a Fellow of both Chartered Accountants Australia and New Zealand and CPA Australia. Channa has been with APESB since January 2007 and was previously an Audit Director at Deloitte Touche Tohmatsu.



Indemnification of Officers and Auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the cover and the amount of the premium.

The company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such officer or auditor.

Directors' Meetings

The table sets out the number of directors' meetings held during the financial reporting year and the number of meetings attended by each director. During the financial reporting year, six directors' meetings were held.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not a party to any such proceedings during the year.

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2015 the number of members was 3 (2014: 3 members).

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2015 has been received and can be found in the directors' report on page 19.

Signed in accordance with a resolution of the Board of Directors.

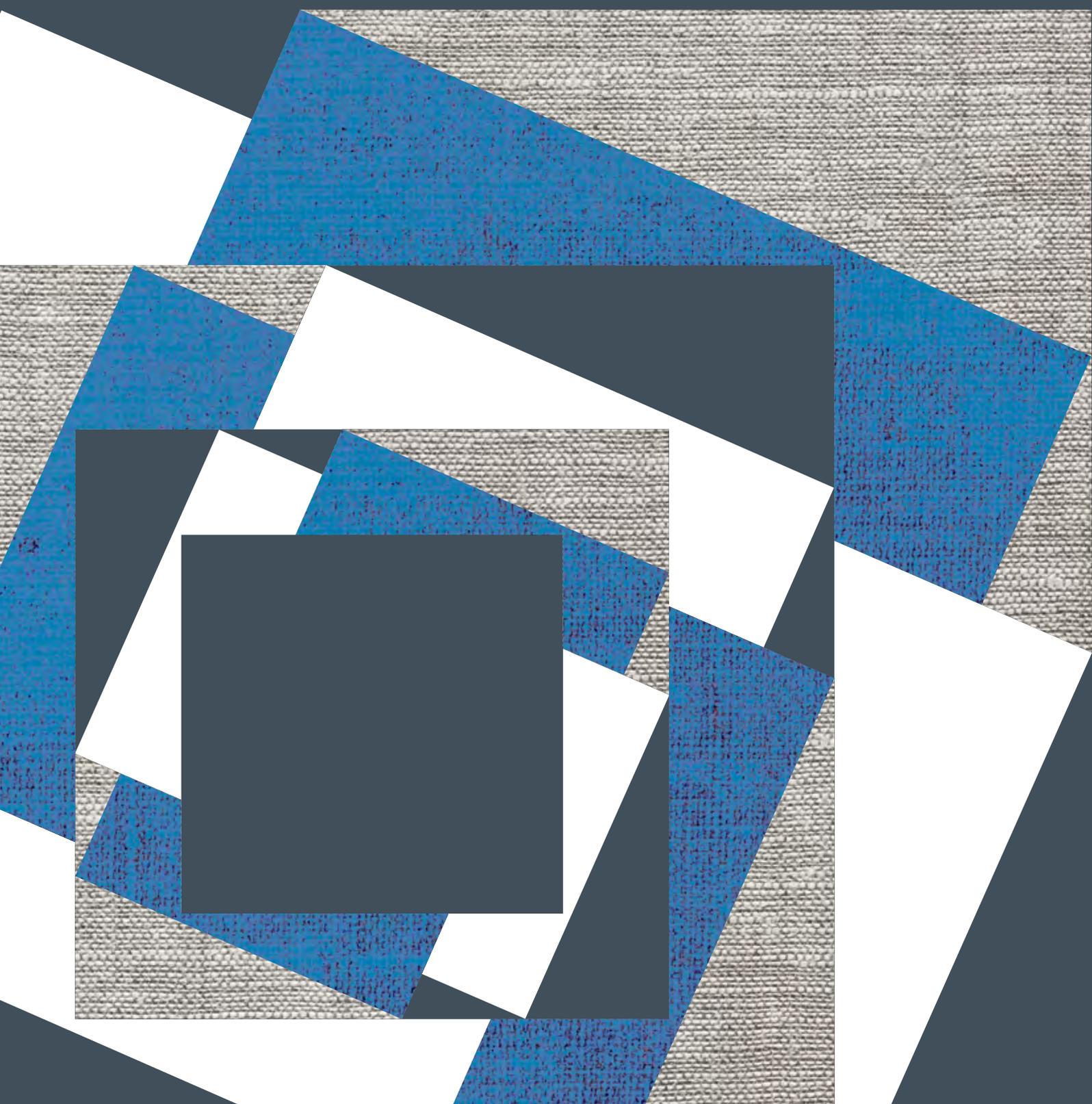


Nicola Roxon
Chairman

10 September 2015

Director	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Nicola Roxon	6	6
Stuart Black	6	6
John Cahill	6	6
Peter Day	6	4
Craig Farrow	2	1
Harley McHutchison	4	4
Kevin Osborn	6	6

Financial Statements



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Scott Phillips

Scott Phillips
Partner
Melbourne, 10th September 2015

Directors' Declaration

The directors of the company declare that:

- (1) The financial statements and notes, as set out on pages 21 to 39 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS) and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company.
- (2) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Nicola Roxon
Chairman
10 September 2015

Statement of Comprehensive Income

for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	2	1,350,000	1,346,745
Other income	2	24,948	27,774
Employee costs and directors fees		(899,668)	(822,857)
Employee benefits expense	3	(44,441)	(49,468)
Rent		(63,863)	(67,867)
Board meeting costs		(62,904)	(66,697)
Conferences and events		(31,724)	(61,741)
Consulting fees		(4,800)	(54,206)
Depreciation and amortisation	3	(9,492)	(8,680)
Finance writebacks/(charges)		304	(321)
Accounting and legal fees		(39,534)	(23,869)
Cleaning and outgoings		(25,413)	(24,674)
Information technology support and development		(24,485)	(21,375)
Marketing		(26,952)	(35,366)
Insurance		(9,164)	(9,656)
Postage, printing and stationery		(13,094)	(18,617)
Communications		(11,668)	(11,829)
Other expenses		(25,416)	(23,143)
Surplus before income tax		82,634	74,153
Income tax expense	1(i)	-	-
Surplus after income tax		82,634	74,153
Surplus for the financial year		82,634	74,153
Other comprehensive income for the year		-	-
Total comprehensive income for the year		82,634	74,153

The accompanying notes form part of these financial statements

Statement of Financial Position

at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current Assets			
Cash and cash equivalents	4,14(a)	1,177,914	1,072,887
Other assets	5	20,684	16,550
Total Current Assets		1,198,598	1,089,437
Non-Current Assets			
Property, plant and equipment	6	10,027	15,313
Total Non-Current Assets		10,027	15,313
Total Assets		1,208,625	1,104,750
Current Liabilities			
Trade and other payables	7	88,339	76,346
Provisions	8	79,461	65,848
Total Current Liabilities		167,800	142,194
Non-Current Liabilities			
Other payables	7	(46)	5,172
Provisions	8	28,589	27,736
Total Non-Current Liabilities		28,543	32,908
Total Liabilities		196,343	175,102
Net Assets		1,012,282	929,648
Accumulated surplus		1,012,282	929,648
Total Equity		1,012,282	929,648

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended 30 June 2015

	Accumulated Surplus \$
Balance at 1 July 2013	855,495
Net surplus for the financial year	74,153
Other comprehensive income for the year	-
Balance at 30 June 2014	929,648
Balance at 1 July 2014	929,648
Net surplus for the financial year	82,634
Other comprehensive income for the year	-
Balance at 30 June 2015	1,012,282

The accompanying notes form part of these financial statements

Statement of Cash Flows

for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash Flows from Operating Activities			
Receipts from Professional Bodies		1,485,000	1,481,420
Receipts from other operating activities		-	-
Payments to suppliers and employees		(1,405,536)	(1,395,104)
Interest received		28,644	28,376
Net cash generated by operating activities	14(b)	108,108	114,692
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(3,081)	(6,942)
Net cash used in investing activities		(3,081)	(6,942)
Cash Flows from Financing Activities			
Net cash used in financing activities		-	-
Net Increase in Cash and Cash Equivalents		105,027	107,750
Cash and Cash Equivalents at the Beginning of the Financial Year		1,072,887	965,137
Cash and Cash Equivalents at the End of the Financial Year	14(a)	1,177,914	1,072,887

The accompanying notes form part of these financial statements

Notes to the Financial Statements

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Accounting Professional & Ethical Standards Board Limited (APESB or the company) is an individual company, incorporated and domiciled in Australia. APESB is a not-for-profit company limited by guarantee. The address of its registered office and principal place of business is disclosed in note 18. The financial report was authorised for issue on 10 September 2015 by the Board of Directors.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are General Purpose Financial Statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in financial statements that contain relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The functional and presentation currency of the company is in Australian dollars.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Accounting Policies

(a) Revenue

Revenue primarily consists of subscriptions paid by the Professional Bodies (Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants) in the form of transfers of resources to the company in return for past or future compliance with certain conditions relating to the operating activities of the company. Revenue is recognised when it is receivable.

Interest revenue

Revenue is recognised as interest accrues.

(b) Property, Plant and Equipment

Plant and equipment and leasehold improvements are measured on the basis of cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of improvements.

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

Class of fixed asset	Depreciation Rate
Leasehold improvements	20%
Lease assets	10%
Furniture	20%
Computer equipment	25% - 33.3%
Office equipment	25% - 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets are recognised when the company becomes entitled to the risks and rewards of ownership of the asset. The company's financial assets are classified as cash and cash equivalents and trade and other receivables.

Financial liabilities are recognised when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation, and the amount at which settlement will take place can be measured reliably.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the profit or loss.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified at 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months of the end of the reporting period.

(iv) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Comprehensive Income.

(e) Impairment of Assets

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

As a not-for-profit company where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows, value in use is determined as the depreciated replacement cost of an asset.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits expected to be settled within 12 months together with benefits arising from wages, salaries and annual leave which may be settled after 12 months, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions to defined contribution superannuation plans are expensed when incurred.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

(i) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Make Good Provision

A provision is recognised for the present value of anticipated costs of future restoration of leased office premises.

The provision includes future cost estimates associated with the dismantling of office premises, fixtures and fittings. The calculation of this provision is based on the best estimate of future costs which may result in future actual expenditure differing from the amounts currently provided. The provision recognised for the office premises is periodically reviewed and updated based on the facts and information available at the time. Changes to the estimated future costs for the office premises are recognised in the Statement of Financial Position by adjusting both the expense and asset (if applicable) and provision. The related carrying amounts are disclosed in notes 6 and 8 to the financial statements.

(m) Comparative Figures

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

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the company.

The company did not have any significant accounting estimates or judgements that required any further disclosures during the year.

(o) Economic Dependency

APESB is dependent on the Professional Bodies (CPA Australia, Chartered Accountants Australia and New Zealand* and the Institute of Public Accountants) for the majority of its revenue used to operate the business. As per clause 2.2 of the Memorandum of Agreement between the Chartered Accountants Australia and New Zealand*, CPA Australia and APESB, funding is on a three year rolling cycle, reviewable annually.

At the date of this report the Board of Directors has no reason to believe the Professional Bodies will not continue to support APESB.

* Formerly known as the Institute of Chartered Accountants Australia

(p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of these new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company and are applicable in future reporting periods is set out below:

- **AASB 9:** Financial Instruments (December 2014), AASB 2014-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) and AASB 2014-8 and Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) are applicable for annual reporting periods commencing on or after 1 January 2018.
- **AASB 2014-4:** Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation is applicable for annual reporting periods beginning on or after 1 January 2016.
- **AASB 2015-1:** Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle is applicable for annual reporting periods beginning on or after 1 January 2016.
- **AASB 2015-2:** Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 is applicable for annual reporting periods beginning on or after 1 January 2016.
- **AASB 2015-3:** Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality is applicable from 1 July 2015.

These standards are not expected to impact the company's financial statements.

(q) Correction of Prior Period Classification Error

The comparative classification in relation to the long service leave provision has been amended to correctly classify the current portion of the provision. As a result, \$37,250 of the comparative long service leave provision balance has been re-classified as a current liability in the financial statements.

Note 2: Revenue

	2015 \$	2014 \$
Revenue from Professional Bodies		
Operating revenue	1,350,000	1,346,745
Total Revenue	1,350,000	1,346,745
Other Income		
Bank deposits interest revenue	24,948	27,774
Total other income	24,948	27,774
Total Revenue and Other Income	1,374,948	1,374,519

Note 3: Surplus for the Year

	2015 \$	2014 \$
Expenses		
Depreciation and Amortisation		
— Lease asset/leasehold improvement make good	3,259	2,625
— Computer equipment	5,416	4,846
— Office equipment	817	1,209
Total Depreciation and Amortisation	9,492	8,680
Employee Benefits Expense		
— Annual leave	37,663	39,527
— Long service leave	6,778	9,941
Total Employee Benefits Expense	44,441	49,468
Auditor's Remuneration		
— Audit services	12,500	12,000
— Other services	8,600	-
Total Auditor's Remuneration	21,100	12,000

Note 4: Cash and Cash Equivalents

	2015 \$	2014 \$
Current		
Cash at bank	1,177,864	1,072,877
Cash on hand	50	10
	1,177,914	1,072,887

Note 5: Other Assets

	2015 \$	2014 \$
Current		
Accrued interest	5,531	9,227
Prepayments and deposits	15,153	7,323
	20,684	16,550

The company has assessed the recoverability of amounts receivable and on the basis that no amounts are past due or are considered impaired, a provision for impairment of receivables is not required. Further there is no material credit risk exposure to any single receivable or group of receivables.

Note 6: Property, Plant and Equipment

	Lease Asset/ Leasehold Improvement Make Good	Leasehold Improvements	Furniture	Computer Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$	\$
Gross Carrying Amount						
Balance at 1 July 2014	22,464	197,072	38,511	18,967	13,125	290,139
Additions	-	-	-	2,536	545	3,081
Increase in make good provision	1,125	-	-	-	-	1,125
Disposals	-	-	-	-	(273)	(273)
Balance at 30 June 2015	23,589	197,072	38,511	21,503	13,397	294,072
Accumulated Depreciation/ Amortisation and Impairment						
Balance at 1 July 2014	(17,971)	(197,072)	(38,511)	(8,949)	(12,323)	(274,826)
Depreciation and amortisation expense	(3,259)	-	-	(5,416)	(817)	(9,492)
Eliminated on disposal of assets	-	-	-	-	273	273
Balance at 30 June 2015	(21,230)	(197,072)	(38,511)	(14,365)	(12,867)	(284,045)
Net Book Value						
As at 1 July 2014	4,493	-	-	10,018	802	15,313
As at 30 June 2015	2,359	-	-	7,138	530	10,027
Gross Carrying Amount						
Balance at 1 July 2013	21,923	197,072	38,511	20,953	14,600	293,059
Additions	-	-	-	6,942	-	6,942
Increase in make good provision	541	-	-	-	-	541
Disposals	-	-	-	(8,928)	(1,475)	(10,403)
Balance at 30 June 2014	22,464	197,072	38,511	18,967	13,125	290,139
Accumulated Depreciation/ Amortisation and Impairment						
Balance at 1 July 2013	(15,346)	(197,072)	(38,511)	(13,029)	(12,589)	(276,547)
Depreciation and amortisation expense	(2,625)	-	-	(4,846)	(1,209)	(8,680)
Eliminated on disposal of assets	-	-	-	8,926	1,475	10,401
Balance at 30 June 2014	(17,971)	(197,072)	(38,511)	(8,949)	(12,323)	(274,826)
Net Book Value						
As at 1 July 2013	6,577	-	-	7,924	2,011	16,512
As at 30 June 2014	4,493	-	-	10,018	802	15,313

Note 7: Trade and Other Payables

	2015 \$	2014 \$
Current		
Trade payables	26,149	19,444
Goods and services tax payable	23,302	21,938
Rent payable	5,218	2,110
PAYG payable	16,620	18,686
Paid parental leave	-	3,718
Audit fees payable	17,050	10,450
	88,339	76,346
Non Current		
Rent (receivable)/payable	(46)	5,172
	(46)	5,172
	88,293	81,518

Note 8: Provisions

	2015 \$	2014 \$
Current		
Annual leave provision	35,465	28,598
Long service leave provision	43,996	37,250
	79,461	65,848
Non-Current		
Make good provision	28,191	27,370
Long service leave provision	398	366
	28,589	27,736
	108,050	93,584

	Annual Leave Provision \$	Make Good Provision \$	Long Service Leave Provision \$
Opening Balance at 1 July 2013	28,829	26,508	27,675
Additional provisions recognised	39,527	541	9,941
Finance writebacks	-	321	-
Reductions arising from payments	(39,758)	-	-
Closing Balance at 30 June 2014	28,598	27,370	37,616
Opening Balance at 1 July 2014	28,598	27,370	37,616
Additional provisions recognised	37,663	821	6,778
Reductions arising from payments	(30,796)	-	-
Closing Balance at 30 June 2015	35,465	28,191	44,394

Note 9: Leasing Commitments

Leasing Arrangements

The company has operating leases relating to office facilities and office equipment.

The office facilities lease was for an initial term of five years which expired on 31 August 2011. Thereafter the company exercised its option to extend the lease for a further period of four years and eleven months which ends on 30 July 2016.

The office equipment lease is for a fixed term of four years with no options to extend or to purchase the leased asset at the expiry of the lease period.

A provision has been made for the present value of anticipated costs of future restoration of leased office premises. The provision includes future cost estimates associated with the dismantling of office premises, fixtures and fittings. The calculation of this provision is based on the best estimate of future costs which may result in future actual expenditure differing from the amounts currently provided. The provision recognised for the office premises is periodically reviewed and updated based on the facts and information available at the time. Changes to the estimated future costs for the office premises are recognised in the Statement of Financial Position by adjusting both the expense and asset (if applicable) and provision. The related carrying amounts are disclosed in note 6 and 8 to the financial statements.

Non-Cancellable Operating Lease Commitments

	2015 \$	2014 \$
Not longer than 1 year	63,650	63,650
Longer than 1 year and not longer than 5 years	5,304	68,954
Greater than 5 years	-	-
	68,954	132,604

In respect of non-cancellable operating leases the following prepayments and liabilities have been recognised:

	2015 \$	2014 \$
Current	5,218	2,110
Non-current (prepayment)/liability	(46)	5,172
	5,172	7,282

Note 10: Contingent Liabilities

The directors are not aware of any material contingent liabilities as at 30 June 2015 (2014: Nil).

Note 11: Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial reporting year to the date of this report that have or may significantly affect the activities of the company, the results of those activities or the state of affairs of the company in the ensuing or any financial year.

Note 12: Key Management Personnel Compensation

The aggregate compensation paid to directors and other key management personnel of the company is set out below:

	2015 \$	2014 \$
Short-term employee benefits ¹	526,202	491,657
Post-employment benefits ²	73,980	60,955
	600,182	552,612

¹ Includes payments to directors for their services.

² Comprises payments to contributory superannuation funds.

Note 13: Related Party Transactions

(a) Equity Interests in Related Entities

The company does not have any equity interests in related entities.

(b) Key Management Personnel Compensation

Disclosures relating to key management personnel compensation are set out in note 12.

(c) Key Management Personnel Loans

There are no loans to or from key management personnel.

(d) Transactions with Key Management Personnel

Key management personnel have transactions with the company that occur within a normal employment relationship. There have been no transactions with key management personnel, with the exception of the above, or their related entities.

(e) Transactions with Members of the Company

All transactions with related parties were carried out on an "arms length" basis. Funding income received from the members of the company during the year is as follows:

	2015 \$	2014 \$
Chartered Accountants Australia and New Zealand*	450,000	448,915
CPA Australia	450,000	448,915
Institute of Public Accountants	450,000	448,915
	1,350,000	1,346,745

* Formerly known as the Institute of Chartered Accountants Australia

Note 14: Cash Flow Information
(a) Reconciliation of Cash

	2015 \$	2014 \$
Cash at bank	1,177,864	1,072,877
Cash on hand	50	10
	1,177,914	1,072,887

(b) Reconciliation of Cash Flow from Operations with Surplus for the reporting period

	2015 \$	2014 \$
Surplus for the year	82,634	74,153
<i>Non-Cash Flows:</i>		
Depreciation and amortisation expense	9,492	8,680
(Finance charge write back)/Finance charges	(304)	321
Long service leave expense	6,778	9,941
Movement in Working Capital		
(Increase)/Decrease in receivables	(4,134)	15,286
Increase in trade and other payables	6,775	6,542
Increase/(Decrease) in provisions	6,867	(231)
Net cash from operating activities	108,108	114,692

Note 15: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The company does not have any derivative instruments as at 30 June 2015.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(a) Interest Rate Risk

The company is not exposed to any fluctuations in interest rates, other than interest income earned on bank deposits.

The company monitors interest rate risk by effective oversight of the treasury transactions.

(b) Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised funds are maintained.

Financial liability and financial asset maturity analysis

Weighted Average Effective Interest Rate		Variable Interest Rate		Fixed Interest Rate Maturing				Non Interest Bearing		Total	
2015	2014	2015	2014	2015		2014		2015	2014	2015	2014
				<1 year	>1 year	<1 year	>1 year				
%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Financial Assets

Cash and cash equivalents	2.16	2.74	-	-	1,177,914	-	1,072,887	-	-	-	1,177,914	1,072,887
Other receivables	-	-	-	-	-	-	-	-	20,684	16,550	20,684	16,550
Total Financial Assets	2.16	2.74	-	-	1,177,914	-	1,072,887	-	20,684	16,550	1,198,598	1,089,437

Financial Liabilities

Trade payables	-	-	-	-	-	-	-	-	88,293	81,518	88,293	81,518
Total Financial Liabilities	-	88,293	81,518	88,293	81,518							

Notes to the Financial Statements

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of collateral or other security, at the end of the reporting period to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements. The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

The company manages credit risk by continuously monitoring its exposure to credit risk by dealing with reputable counter parties.

(d) Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates. The table indicates the impact on how surplus and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in interest rates is independent of other variables.

	Surplus \$	Equity \$
Year Ended 30 June 2015		
+2% in interest rates	21,397	21,397
-2% in interest rates	(15,951)	(15,951)
Year Ended 30 June 2014		
+2% in interest rates	18,522	18,522
-2% in interest rates	(15,004)	(15,004)

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

(e) Net Fair Values

For all assets and liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at the end of the reporting period are as follows:

	30 June 2015	
	Carrying Amount \$	Net Fair Value \$
Financial assets	1,198,598	1,198,598
Financial liabilities	88,293	88,293
	30 June 2014	
	Carrying Amount \$	Net Fair Value \$
Financial assets	1,089,437	1,089,437
Financial liabilities	81,518	81,518

**Note 16:
Capital Management**

Management manages the capital of the company to ensure that adequate cash flows are available to fund its activities. The Board ensures that the overall risk management strategy is in line with this objective. Management operates under policies approved and regularly reviewed by the Board of Directors. These include credit risk policies and cash flow policies.

The company's capital consists of an accumulated surplus, represented and supported by financial assets, net of trade payables.

The company's capital is managed by assessing its financial risks and responding to changes in these risks. Investments are directed at ensuring minimal risk of capital loss on invested funds.

There have been no changes to the strategy adopted by management to manage the capital of the company since the previous year.

Consistent with the previous financial year, APESB does not have any borrowings and funds its operations utilising subscriptions from its members.

APESB is not subject to any externally imposed capital requirements.

**Note 17:
Members' Guarantee**

The company is incorporated under

the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2015 the number of members was 3 (2014: 3 members).

Note 18: Company Details

The registered office and principal place of business of the company is Level 7, 600 Bourke Street, Melbourne, Victoria, 3000.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ACCOUNTING PROFESSIONAL & ETHICAL STANDARDS BOARD LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Accounting Professional & Ethical Standards Board Limited, which comprises the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Opinion

In our opinion:

- a) the financial report of Accounting Professional & Ethical Standards Board Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

ShineWing Australia

ShineWing Australia
Chartered Accountants

SP

Scott Phillips
Partner

Melbourne, 10th September 2015

Accounting Professional & Ethical Standards Board

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