



Legal Profession
Admission Board
of New South Wales

Legal Profession Admission Board

Annual Report
2017-18

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Letter to the Attorney General

The Hon Mark Speakman, SC MP
Attorney General
GPO Box 5341
SYDNEY NSW 2001

Dear Attorney General

We are pleased to present you with the Annual Report of the Legal Profession Admission Board for the year ended 30 June 2018, in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984*.

The Annual Report includes the audited financial report prepared in accordance with the *Public Finance and Audit Act 1983*.

We thank the members of the Legal Profession Admission Board, its Committees and Sub-Committees, as well as the staff of the Office of the Board, for their support and advice during the year.

Yours faithfully



The Hon Acting Justice A R Emmett AO
Presiding Member
Legal Profession Admission Board



The Hon Justice A Payne
Member
Legal Profession Admission Board

17 October 2018

Charter

The Legal Profession Admission Board (LPAB) is a self-funding statutory corporation constituted by the *Legal Profession Uniform Law Application Act 2014*.

The LPAB's functions are also governed by the Legal Profession Uniform Admission Rules 2015, the NSW Admission Board Rules 2015, the *Public Notaries Act 1997*, and the Public Notaries Appointment Rules.

Aims and Objectives

The LPAB is responsible for:

- determining the eligibility and suitability of people seeking to be admitted as a lawyer in NSW
- accrediting academic law courses and practical legal training courses in NSW
- registering, enrolling and examining students in the Board's Diploma in Law course
- appointing public notaries in NSW, and
- maintaining the Roll of Lawyers and the Roll of Public Notaries in NSW.

Structure

There are 11 members of the LPAB, including Supreme Court judges, deans of law schools, barristers and solicitors. A list of members during 2017-18 is at Appendix A.

The LPAB is supported in the exercise of its functions by a number of Committees and Sub-Committees. The Legal Qualifications Committee superintends the qualification of candidates for admission as a lawyer, and advises the LPAB in relation to the accreditation of academic and practical legal training courses.

The Examinations Committee is responsible for overseeing the content and conduct of the LPAB's examinations and the candidatures of students-at-law in the Diploma course.

Members of the Committees are listed at Appendix B and C. Sub-Committee membership is shown at Appendix D.

Secretariat support to the LPAB and its Committees and Sub-Committees is provided by staff who are employees of the NSW Department of Justice.



Review of Operations

Admission of lawyers

The Supreme Court of NSW may admit a person to the Australian legal profession as an Australian lawyer. The role of the LPAB is to determine whether or not to issue a compliance certificate to the Supreme Court in respect of each applicant for admission.

The prerequisites for the issue of a compliance certificate are that the applicant:

- a) has attained the specified academic qualifications prerequisite; and
- b) has satisfactorily completed the specified practical legal training prerequisite; and
- c) is a fit and proper person to be admitted to the Australian legal profession.

During the period under review, 2,364 people were admitted as lawyers in NSW. This represents a decrease of 0.92 per cent compared with the number of admissions in the previous financial year. Other statistics about admission as a lawyer are set out in Table 1.

Most people admitted in NSW held qualifications in law which were obtained wholly or partly in Australia. Around five per cent had previously been admitted as a lawyer in another country.

Assessment of academic qualifications

People who obtained a law qualification overseas (or who hold an Australian law qualification which is more than five years old) must apply for an assessment of what, if any, additional study is necessary in order to be eligible for admission.

The LPAB received 501 such applications during 2017-18, a decrease of 10.5% compared with the previous year.

Applicants who sought an assessment of their foreign qualification had studied law in many different countries. The top ten were:

- United Kingdom (122)
- South Africa (50)
- India (29)
- United States of America (21)
- Hong Kong (17)
- China (13)
- Sri Lanka (9)
- Brazil (8)
- Pakistan, Philippines and Ghana (7) each
- France (6)

Assessment of Practical Legal Training (PLT)

People who completed practical legal training (PLT) overseas and have been admitted in a foreign jurisdiction (or who completed PLT in Australia more than five years ago) must apply for an assessment of what, if any, additional PLT is necessary in order to be eligible for admission.

The LPAB received 155 applications during 2017-18, an increase of 10% compared with the previous year.

Assessment of stale learning

The LPAB determined 54 applications for assessment of stale academic qualifications. Around 24% of those applicants were required to undertake further academic study. One application for assessment of stale PLT was received during 2017-18.

Early commencement of PLT

Law students must not commence their PLT until after completing their academic qualification in law, unless the PLT course is integrated with that qualification, or the prior permission of the LPAB has been obtained.

During 2017-18, the LPAB received 205 applications for permission to commence PLT early, and granted all of them.

Assessment of fitness and propriety

Applicants for admission must disclose to the LPAB any matter which could influence the assessment of their fitness and propriety to be admitted.

Around 32 per cent of applicants in 2017-18 made one or more disclosures. Around 7.7 per cent of applicants made a disclosure which was categorised as potentially significant to the assessment of their fitness and propriety.

The LPAB carefully reviews all disclosures and gives particular focus to those considered significant, often requiring the applicant to provide further information, and/or the Office of the LPAB to obtain independent verification of the facts.

During the year under review, 36 admission applicants disclosed a mental health issue. The LPAB issued a compliance certificate in respect of all those applicants.

In each case, the LPAB was satisfied that the conditions disclosed would not affect the capacity of the applicants to satisfactorily carry out the inherent requirements of practice as an Australian legal practitioner. The LPAB relied on recent medical evidence that the applicant's condition is appropriately

monitored, treated and managed, or that the applicant had not been symptomatic for an extended period of time.

Objections to issue of compliance certificates

The LPAB is required to give notice of admission applications on its website, and does so by publishing the full name of applicants and their proposed dates of admission. The LPAB is not to issue a compliance certificate in respect of an applicant until it has afforded a reasonable opportunity for persons to object to the issue of a certificate. One objection was received during the year under review. The applicant has since been admitted.

Refusals of compliance certificates

In 2017-18, the LPAB refused to issue a compliance certificate in respect of nine applicants for admission. The reasons for refusal were that the applicant:

- was bankrupt
- failed to disclose a significant matter, or
- did not meet the academic prerequisite.

Table 1: Statistics regarding admission as a lawyer

	2015-16	2016-17	2017-18
Applicants for admission as a lawyer	2,422	2,358	2,352
Applicants previously admitted overseas	123	119	141
Applicants disclosing a fitness and propriety matter	616	668	746
Applicants with significant disclosures	173	178	181
Applicants with minor disclosures	434	524	617
Applications refused a compliance certificate	11	16	9
People admitted as a lawyer	2,402	2,386	2,364
Admittees who were previously admitted overseas	117	116	129
People admitted under mutual recognition	59	38	52
Assessments of academic qualifications	534	557	501
Assessments of practical legal training	105	141	155

Eight of the refused admission applicants were notified that they may consider re-applying after a specified period of time had elapsed. Those were applicants who were bankrupt, or did not meet the specified academic prerequisite.

Appeals against refusals

During 2017-18 the LPAB was involved in two ongoing appeals lodged in the Court of Appeal against the LPAB's refusal to issue a compliance certificate and the Supreme Court's upholding of the LPAB's refusal.

Accreditation of law courses

The LPAB determines applications from law schools in NSW for accreditation or reaccreditation of law courses that provide the academic qualifications prerequisite. Accreditation or reaccreditation recognises that the course requires:

- the completion of at least three years' full-time study of law; and
- the acquisition and demonstration of appropriate understanding and competence in each element of the academic areas of knowledge set out in Schedule 1 of the Legal Profession Uniform Admission Rules 2015.

Prior to the commencement of the Uniform Admission Rules, the LPAB required law schools in NSW to apply for reaccreditation each calendar year. The Uniform Admission Rules instead provide that the LPAB 'must monitor and may periodically review' accredited law courses.

The Board developed a policy and set of procedures to monitor and review law courses and to accredit or reaccredit a law course in accordance with Rule 7 of the Legal Profession Uniform Admission Rules 2015 (UAR). Refer to 'Highlights in 2017-18' for more information.

During 2017-18 the LPAB approved Charles Sturt University's application for accreditation of a Bachelor of Criminal Justice.

As at 30 June 2018, apart from the LPAB's Diploma in Law course, there were 20 accredited law courses being offered in NSW by 13 institutions:

- Australian Catholic University (LLB)
- Charles Sturt University (LLB and LLB/CrimJustice)
- Macquarie University (LLB and JD)
- Southern Cross University (LLB)
- Top Education Institute (LLB)
- University of New England (LLB and JD)
- University of Newcastle (LLB and JD)
- University of Notre Dame (LLB)
- University of NSW (LLB and JD)
- University of Sydney (LLB and JD)
- University of Technology Sydney (LLB and JD)
- University of Wollongong (LLB)
- Western Sydney University (LLB).

Accreditation of PLT providers

The LPAB also determines applications from institutions which offer courses of practical legal training (PLT). Accreditation or reaccreditation recognises that successful completion of the course provides the required competencies for entry-level lawyers set out in Schedule 2 of the Legal Profession Uniform Admission Rules 2015.

The LPAB also proposes to review the accreditation framework for PLT courses.

As at 30 June 2018, there were 5 providers of PLT courses accredited in NSW:

- The College of Law
- University of Newcastle
- University of Technology Sydney
- University of Wollongong*
- Western Sydney University*.

*No longer offered.

No applications for approval of any new PLT courses in NSW were received during the year under review.

Diploma in Law course

The LPAB's Diploma in Law course provides an affordable and accessible means of entry to the Australian legal profession.

The LPAB registers, enrolls and examines students in the course, while the Law Extension Committee (LEC) of the University of Sydney provides the legal education for those students. Applicants for registration must meet one of the specified entry criteria.

The course consists of 26 subjects, of which 17 are compulsory and another 3 must be taken as electives. Examinations are held in the first week of March and September each year, with enrolments for the subsequent term taking place during the last week of October and April.

Table 2: Statistics regarding the Diploma in Law course

	2015-16	2016-17	2017-18
Applications for registration as a student-at-law	491	472	491
Students enrolled in Term 1	1,091	1,050	1,056
Students enrolled in Term 2	1,060	1,022	1,027
Number of enrolments in all subjects	4,092	3,995	4,050
Examinations sat	3,628	3,338	3,385
Students graduated	166	113	130
Applications for accelerated progression	124	117	150
% of above applications approved	95.9%	100%	100%
Applications to take subjects out of order	84	79	84
% of above applications approved	91.6%	98.7%	97.6%
Applications for relaxation of exclusion rules	239	215	221
% of above applications approved	91.6%	93.9%	95.4%

Orientation Days

Orientation for new students was held on 3 November 2017 and again on 4 May 2018 at the University of Sydney. The LPAB's Presiding Member, the Hon Acting Justice Emmett AO, gave the welcome addresses to new students. Ms Susan Carter, Director of the LEC and LPAB staff delivered presentations about the tuition arrangements and the course rules.

Graduation Ceremony

The Honourable Justice Julie Ward, Chief Judge in Equity, gave the occasional address at the 2017 Graduation Ceremony on Friday 14 July 2017. The ceremony was held at the University of Sydney's Great Hall.

Public Notaries

Public notaries are appointed by the Supreme Court, pursuant to the *Public Notaries Act*

1997 and the Public Notaries Appointment Rules. Applicants must have completed the Notarial Practice Course offered by The College of Law, and be lawyers of at least five years standing.

The LPAB administers the appointment process and maintains the Roll of Public Notaries, including an annual update of the particulars on record for all notaries.

Common functions of notaries include authenticating official and personal documents for use overseas, witnessing the signatures of individuals on documents and authenticating identity.

During 2017-18, the LPAB administered the appointment of 51 new public notaries. The LPAB was notified that 47 public notaries had either retired, not renewed their practising certificates or were deceased. This brings the total number registered in NSW to 1,080.

Table 3: Statistics regarding Public Notaries

	2015-16	2016-17	2017-18
New public notaries appointed	50	50	51
Public notaries retired, deceased			47
Total number of public notaries on Roll	1,026	1,076	1080

Highlights in 2017-18

Policy Review

The LPAB has embarked upon a policy development and reform program throughout 2017-2018.

During this year it has developed and adopted policies in the following areas:

Fee waiver policy

A fee waiver policy was adopted on 5 June 2018. The purpose of this policy is to assist applicants who are at a significant, demonstrated financial disadvantage.

The policy also provides for Indigenous applicants who are often not in a position to pay the prescribed admission fees. The Board hopes that the fee waiver for Indigenous applicants will help to increase the number of Indigenous lawyers admitted to the profession.

Special Examination Arrangements Policy

A special examination arrangements policy was drafted and will be finalised in 2018-19. Students-at-law can apply for special examination arrangements if they provide medical documentation in the prescribed format which is then assessed by the Office of the Board and appropriate special arrangements are implemented.

English Language Proficiency policy

The LPAB has updated its English Language Proficiency policy to include the Philippines and Fiji as category V countries. A category V country is a country where English is an official language recognised language or a common medium of instruction in schools.

Communication with stakeholders

The Office of the Board will continue to investigate how it can clearly communicate the work of the Board to the broader community. A successful LinkedIn presence

has been established which facilitates continuing contact with alumni of the Board's course, and serves as a vehicle to disseminate information more broadly.

Graduate Program

Commencing at the beginning of 2018, the LPAB are engaged in the NSW Government's Graduate program. The program will run for 18 months and three graduates will rotate through the Office of the Board in each six month rotations.

Conditional admission

Section 20 of the *Legal Profession Uniform Law (NSW)* provides for the LPAB to recommend in a compliance certificate in respect of a foreign lawyer that the foreign lawyer be admitted subject to conditions.

A 'foreign lawyer' means an individual who is properly registered or authorised to engage in legal practice in a foreign country by the foreign registration authority for the country.

During 2017-18, the LPAB determined nine applications by foreign lawyers for conditional admission in accordance with section 20 of the Uniform Law. Two applications were approved. Seven applications were refused, although the applicants were advised they may consider re-applying after meeting the academic and/or practical legal training prerequisites.

A Framework for the Accreditation of Law Courses

The Board developed a policy and set of procedures to monitor and review law courses to accredit or reaccredit a law course in accordance with Rule 7 of the Legal Profession Uniform Admission Rules 2015 (UAR).

UTS: Law Pilot

The Board's policies and procedures contained in a Framework for the accreditation of law courses and the Accreditation Standards for Australian Law Courses (Accreditation Standards) were tested at UTS:Law to ensure they were fit for

purpose before rolling them out to all law courses across New South Wales.

The pilot tested whether the proposed accreditation processes were thoroughly robust and cost effective, and specifically addressed whether an institution was compliant with rules 7 and 8 of the Legal Profession Uniform Admission Rules 2015 and the *Accreditation Standards for Australian Law Courses*, but did not unnecessarily burden law schools through duplicating reporting required by other regulatory authorities or internal governance mechanisms already in place within universities.

The outcome of the review was a positive experience.

New online payment method

A new online payment method was introduced which allows clients to lodge a number of simple applications immediately and provides additional security around credit card payments.

The Year Ahead

Digitisation renewal program

The Office of the Board will continue to research digital initiatives to enhance the delivery of services to its clients and students. Over the past year the Board has reviewed its existing business systems, developed specifications for replacements and investigated the viability of a range of software solutions. The particular focus of the next 12 months will be the replacement of the existing student records system.

Mental Health Initiatives

Under rule 23 of the Legal Profession Uniform Admission Rules 2015 the Board is required to be satisfied that applicants for admission are satisfactorily able to carry out the inherent requirements of an Australian legal practitioner.

The Office of the Board intends to undertake research and consultation with a number of mental health specialists for the purpose of ensuring that applicants for admission are

assessed consistently and fairly in respect of whether they are able to carry out the inherent requirements of a legal practitioner. A mental health disclosure directive is to be drafted to assist the Board in relation to the assessment and categorisation of disclosures provided in applications for admission as a lawyer.

Accreditation and review of Board's course

The Board's course continues to provide a pathway for preparation for legal practice. Graduates are currently awarded a Diploma in Law. Over the next twelve months the Board will investigate whether, in the light of the Australian Qualifications Framework, this accurately describes the level of knowledge and skills acquired by our graduates, and whether changes are required. The Accreditation process will be beneficial in these deliberations.

Curriculum mapping

In conjunction with the Law Extension Committee, the Board is planning to more clearly articulate the outcomes which graduates of the Diploma in Law are expected to achieve, and map both curriculum and assessment against these outcomes.

Assessment practice

The Office of the Board intends to investigate its current approach to assessment of its students as well as examine a variety of assessment techniques that develop a range of appropriate skills, attributes and outcomes that are necessary for students to engage with and apply specialist legal knowledge, language, research and problem solving skills when faced with a complex problem in legal practice.

The Office of the Board will investigate and research literature on current assessment practice, including a thorough inquiry as to whether open or closed book examinations in legal studies are a suitable and modern assessment approach to prepare law students for work in the profession.

Acronym Glossary

JD	Juris Doctor degree
LACC	Law Admissions Consultative Committee
LEC	Law Extension Committee (of the University of Sydney)
LLB	Bachelor of Laws degree
LPAB	Legal Profession Admission Board
NSW	New South Wales
PLT	Practical Legal Training

Contact Details

Legal Profession Admission Board of NSW

Phone: (02) 9338 3500

Fax: (02) 9338 3555

Email: lpab@justice.nsw.gov.au

Web: www.lpab.justice.nsw.gov.au

Post: GPO Box 3980

Sydney NSW 2001

Australia

Street: Level 4

37 Bligh Street (cnr of Hunter Street)

Sydney NSW 2000

Australia

Hours: 9:00am to 5:00pm

Monday to Friday

(excluding public holidays)

Appendix A: Legal Profession Admission Board

Member	Qualification and method of appointment	Term	Attendance
The Hon T F Bathurst AC	Chief Justice of the Supreme Court of NSW, pursuant to Schedule 3 of the <i>Legal Profession Uniform Law Application Act 2014</i>	1 July 2017 to 30 June 2018	N/A
The Hon Acting Justice A R Emmett AO (Presiding Member)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	7
The Hon Justice G Lindsay	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	5
The Hon Justice A Payne	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	6
Ms Margaret Allars SC	Barrister, nominated by the Bar Council	1 July 2017 to 30 June 2018	7
Professor Michael Adams	Dean of Law School, nominated by Council of Australian Law Deans	1 July 2017 to 25 October 2017	2
Dr Jacob Campbell	Department of Justice officer, nominated by the Attorney General	1 July 2017 to 30 June 2018	6
Mr Charles Cawley	Solicitor, nominated by the Law Society Council	1 July 2017 to 18 April 2018	6
Mr John Dobson	Solicitor, nominated by the Law Society Council	1 July 2017 to 30 June 2018	6
Professor Lesley Hitchens	Dean of Law School, nominated by Council of Australian Law Deans	1 July 2017 to 30 June 2018	7
Mr Wen-Ts'ai Lim	Solicitor, nominated by the Law Society Council	19 April 2018 to 30 June 2018	1
Mr Garry McGrath SC	Barrister, nominated by the Bar Council	1 July 2017 to 30 June 2018	5
Professor Michael Quinlan	Dean of Law School, nominated by Council of Australian Law Deans	26 October 2017 to 30 June 2018	4

During 2017-18, the LPAB held seven scheduled meetings.

The Chief Justice is represented at meetings of the LPAB by the Presiding Member.

Appendix B: Legal Qualifications Committee

Member	Qualification and method of appointment	Term	Attendance
The Hon Justice S Robb (Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	5
The Hon Justice Button	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	4
The Hon Justice Natalie Adams	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	5
Mr John Fernon SC	Barrister, nominated by the Bar Council	1 July 2017 to 30 June 2018	5
Ms Elizabeth Picker	Barrister, nominated by the Bar Council	1 July 2017 to 30 June 2018	4
Mr Thomas Spohr	Solicitor, nominated by the Law Society Council	1 July 2017 to 30 June 2018	5
Ms Blanka Moss	Solicitor, nominated by the Law Society Council	1 July 2017 to 23 January 2018	0
Mr Richard Harvey	Solicitor, nominated by the Law Society Council	1 July 2017 to 30 June 2018	3
Professor Andrew Lynch	Head of School, nominated by the Council of Australian Law Deans	1 July 2017 to 30 June 2018	4
Professor Peter Radan	Law lecturer, nominated by Council of Australian Law Deans	1 July 2017 to 30 June 2018	2
Ms Maxine Evers	Law lecturer, nominated by Council of Australian Law Deans	1 July 2017 to 30 June 2018	3
Dr Gordon Elkington	Barrister, appointed by co-option	1 July 2017 to 30 June 2018	6
Mr Greg Ross	Solicitor, appointed by co-option	1 July 2017 to 30 June 2018	6
Mr Peter Underwood	Lawyer, appointed by co-option	1 July 2017 to 30 June 2018	5

During 2017-18, the Legal Qualifications Committee held six scheduled meetings.

Appendix C: Examinations Committee

Member	Qualification and method of appointment	Term	Attendance
The Hon Justice P Hamill (Chairperson)	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	3
The Hon Justice R Darke	Judge of the Supreme Court of NSW, nominated by the Chief Justice	1 July 2017 to 30 June 2018	4
Mr Ross Anderson	Examiner, appointed by the Chairperson of the Committee	1 July 2017 to 30 June 2018	5
Mr Andrew Boog	Solicitor, nominated by the Law Society Council	1 July 2017 to 30 June 2018	5
Ms Susan Carter	Examiner, appointed by the Chairperson of the Committee	1 July 2017 to 30 June 2018	4
Mr Michael Christie SC	Barrister, nominated by the Bar Council	1 July 2017 to 30 June 2018	3
Mr John Dobson	Appointed by co-option by the Committee	1 July 2017 to 30 June 2018	5
Ms Maureen Noonan	Examiner, appointed by the Chairperson of the Committee	1 July 2017 to 30 June 2018	4

During 2017-18, the Examinations Committee held five of the seven scheduled meetings; two meetings were cancelled as there were no significant agenda items.

Appendix D: Sub-Committees

Academic Exemptions Sub-Committee

The Academic Exemptions Sub-Committee, determines applications in relation to overseas and local academic qualifications. During 2017-18, members of the Sub-Committee were:

- The Hon Justice S Robb
- Dr Gordon Elkington
- Mr Peter Underwood.

Curriculum Sub-Committee

The Curriculum Sub-Committee oversees the planning and review of the curriculum and syllabi for the LPAB's examinations. During 2017-18, members of the Sub-Committee were:

- Mr Ross Anderson
- Ms Susan Carter
- Ms Maureen Noonan

Performance Review Sub-Committee

The Performance Review Sub-Committee determines applications under Rule 67 in relation to exclusion from the LPAB's Diploma in law course. During 2017-18, members of the Sub-Committee were:

- Mr John Dobson
- Ms Susan Carter
- Mr Andrew Boog

Practical Training Exemptions Sub-Committee

The Practical Training Exemptions Sub-Committee determines applications in relation to overseas and local practical training experience and qualifications. During 2017-18, members of the Sub-Committee were:

- Ms Maxine Evers
- Mr Greg Ross
- Mr Richard Harvey

Quality Sub-Committee

The Quality Sub-Committee oversees the quality of the LPAB's examinations and the marking of examination papers. During 2017-18, members of the Sub-Committee were:

- Mr Ross Anderson
- Ms Susan Carter
- Mr Michael Christie SC.

Appendix E: Additional Reporting Matters

Annual report costs

The LPAB did not incur any external costs in producing the Annual Report for 2017-18.

The Annual Report may be accessed at the LPAB's website, www.lpab.justice.nsw.gov.au.

Consultants

No consultants were engaged by or on behalf of the LPAB during 2017-18.

Consumer response

Seven items of feedback were received through the Feedback Assist portal for the LPAB, with two being for the incorrect agency and two being favourable. The remaining three cases were complaints related to client service issues. No systemic issues were identified from these complaints that resulted in changes to services or processes.

Controlled entities

The LPAB does not have any controlled entities of the kind referred to in section 39(1A) of the *Public Finance and Audit Act 1983*.

Economic factors

No economic factors affected the achievement of operational objectives during 2017-18.

Funds granted to non-government community organisations

The LPAB did not grant any funds to non-government community organisations during 2017-18.

Human resources

	2014-15		2015-16		2016-17		2017-18	
	M	F	M	F	M	F	M	F
Senior Executive Band 1	1	0	1	0	1	0	0	0
Clerk 11/12	0	0	0	0	0	0	0	1
Legal Officer I-III	0	1.6	0	1.8	0	1.8	0	1
Clerk 7/8	0	1	0	1	0	1	0	1
Clerk 5/6	1	1	1	1	1	1	0	2
Clerk 3/4	2	1.8	2	1.8	2	1.8	2	1.8
Clerk 1/2	1	1	1	1	1	1	1	1
Total males and females	5	6.4	5	6.6	5	6.6	3	7.8
Total employees	11.4		11.6		11.6		10.8	

The Office of the LPAB is staffed by 10.8 full time equivalent employees of the Department of Justice. The LPAB also engages casual examiners, casual revising examiners and casual examination invigilators. As at 30 June 2018, the Office of the LPAB was managed by the Executive Officer, Ms Louise Pritchard.

Land disposal

The LPAB did not dispose of any land or properties during 2017-18.

Legal change

In 2017-18 the functions of the LPAB and users of its services were affected by the following significant judicial decisions:

Judgment	Purpose	Date
<i>Hilton v Legal Profession Admission Board</i> [2017] NSWCA 232	Bathurst, Leeming JA; Sackville AJA dismissed the appeal, with costs against Mr Hilton and confirmed the LPAB's decision to not issue Mr Hilton with a compliance certificate under s 19(1) of the Legal Profession Uniform Law (NSW).	17 July 2017
<i>Hilton v Legal Profession Admission Board & Anor</i> [2018] HCASL 28	The Court found there was no reason to doubt the correctness of the decision of the Court of Appeal. The application for special leave was refused. Order dismissed with costs.	15 February 2018

Delegation of early suitability assessments for admission as a lawyer

The LPAB was granted a delegation for the Executive Officer of the Board, or a person acting in that position, to approve applications made under section 21 of the *Legal Profession Uniform Law (NSW)* for a declaration of early assessment of suitability for a compliance certificate. This delegation can be exercised only if the matters disclosed are classified as minor within the

criteria for Schedule 2 applicants in the Directive on assessment of disclosures in applications for admission or student registration.

Multicultural policies and services

Information about multicultural policies and services is reported in the Annual Report of the NSW Department of Justice.

Promotion

No overseas visits were undertaken by members, officers or employees of the LPAB with the use of LPAB funds during the reporting year.

Research and development

The LPAB did not undertake any research and development activities during 2017-18.

Risk management and insurance

The LPAB shares the Audit and Risk Committee of the NSW Department of Justice. All identified risks were assessed as having either an overall risk rating of 'Moderate' or could be reduced to a 'Low' rating with appropriate strategies and controls. Information about the management of financial risk is contained in the notes to the financial statements.

The LPAB's insurance cover is arranged by the NSW Department of Justice and provided by the Treasury Managed Fund (TMF), a government-wide self-insurance scheme. The insurance program covers workers' compensation, public liability, motor vehicle accident, property, and miscellaneous liability. During 2017-18, the LPAB did not make any claims under this insurance cover.

Workforce diversity

As staff of the LPAB are employees of the NSW Department of Justice, workforce diversity information is reported in the Annual Report of the Department.

Work health and safety

There was one employee who made a claim for workers compensation for a work-related injury. The matter was closed in February 2018.

Appendix F: Internal Audit and Risk Management

Internal Audit and Risk Management Attestation Statement for the 2017-2018 Financial Year for the Legal Profession Admission Board

I, Louise Pritchard, am of the opinion that the Legal Profession Admission Board has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent and Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Exceptions or Transitional Arrangements

Nil.

Membership

The chair and members of the Audit and Risk Committee are:

- Chair, Carolyn Burlew, October 2015 – October 2020
- Independent Member 1, David Antaw, November 2015 – November 2018
- Independent Member 2, Leah Fricke, November 2015 – November 2018
- Independent Member 3, Ralph Kelly, November 2015 – November 2018
- Independent Member 4, John Pearson, March 2016 – March 2019



Louise Pritchard

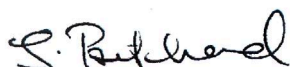
Executive Officer, Legal Profession Admission Board

Appendix G: Digital Information Security

Digital Information Security Annual Attestation Statement for the 2017-18 Financial Year for the Legal Profession Admission Board

I, Louise Pritchard, Executive Officer on behalf of the Legal Profession Admission Board, am of the opinion that the Legal Profession Admission Board:

1. had an Information Security Management System in place during the 2017-18 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy
2. the controls in place to mitigate identified risks to the digital information and digital information systems of the Legal Profession Admission Board are adequate
3. there is no agency under the control of the Legal Profession Admission Board which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy
4. where necessary in accordance with the Digital Information Security Policy for the NSW Public Sector, the Legal Profession Admission Board has maintained certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems - Requirements by an accredited third party during the 2017-18 financial year.
5. had an Information Security Management System (ISMS) during the reported financial year, that is consistent with the Core Requirements of the Policy • taking into account business requirements of the agency, adequate security controls are in place to mitigate identified risks to digital information and systems for the foreseeable future • all public sector agencies under the control of the agency, with a risk profile sufficient to warrant an independent ISMS, have developed an ISMS in accordance with the Policy, and • where applicable, certified compliance with ISO/IEC 27001 by an accredited third party has been obtained and maintained.



Louise Pritchard

Executive Officer, Legal Profession Admission Board

Appendix H: Financial Statements

Legal Profession Admission Board

Financial Statements

for the year ended 30 June 2018

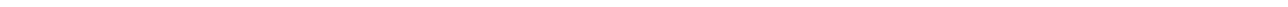


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Legal Profession Admission Board
STATEMENT BY MEMBERS OF THE BOARD
for the year ended 30 June 2018


Pursuant to Section 41C of the *Public Finance and Audit Act, 1983* and in accordance with a resolution of the members of the Legal Profession Admission Board, 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 as at 30 June 2018 and financial performance of the Legal Profession Admission Board for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation 2015, applicable Australian Accounting Standards (which include Australian Accounting Interpretations) and the Financial Reporting Directions mandated by Treasurer.

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

Dated: 17 October 2018


Board Member


Board Member

Legal Profession Admission Board
Statement of comprehensive income
for the Year ended 30 June 2018

	Notes	2018 \$	2017 \$
Expenses excluding losses			
Personnel services expenses	2(a)	773,144	1,530,806
Operating expenses	2(b)	640,503	719,611
Depreciation and amortisation	2(c)	253,436	224,330
Total expenses excluding losses		1,667,083	2,474,747
Revenue			
Sale of goods and services	3(a)	2,787,937	2,662,569
Investment revenue	3(b)	78,790	89,010
Rental income	3(c)	20,249	23,657
Total revenue		2,886,976	2,775,236
Net result		1,219,893	300,489
Other comprehensive income			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Changes in revaluation surplus of property, plant and equipment		1,692,708	238,728
Total other comprehensive income		1,692,708	238,728
TOTAL COMPREHENSIVE INCOME		2,912,601	539,217

The accompanying notes form part of these financial statements.

Legal Profession Admission Board
Statement of financial position
as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	6,306,967	5,687,952
Receivables	5	512,835	560,174
Total current assets		6,819,802	6,248,126
Non-current assets			
Receivables	6	33,040	41,657
Property, plant and equipment			
Land and buildings	7	4,214,583	2,677,165
Plant and equipment	7	9,177	12,264
Total property, plant and equipment	7&9	4,223,760	2,689,429
Intangible assets	8	308,950	412,051
Total non-current assets		4,565,750	3,143,137
Total assets		11,385,552	9,391,263
LIABILITIES			
Current liabilities			
Payables	10	2,181,418	2,450,846
Provisions	11	547,652	689,392
Total current liabilities		2,729,070	3,140,238
Non-current liabilities			
Provisions	12	793,308	1,300,452
Total non-current liabilities		793,308	1,300,452
Total liabilities		3,522,378	4,440,690
Net assets		7,863,174	4,950,573
EQUITY			
Reserves		2,486,067	793,359
Accumulated funds		5,377,107	4,157,214
Total equity		7,863,174	4,950,573

The accompanying notes form part of these financial statements.

Legal Profession Admission Board
Statement of changes in equity
for the year ended 30 June 2018

Notes	Accumulated funds \$	Asset revaluation surplus \$	Total equity \$
Balance at 1 July 2017	4,157,214	793,359	4,950,573
Net result for the year	1,219,893	-	1,219,893
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	1,692,708	1,692,708
Total other comprehensive income	-	1,692,708	1,692,708
Total comprehensive income for the year	1,219,893	1,692,708	2,912,601
Balance at 30 June 2018	5,377,107	2,486,067	7,863,174
Balance at 1 July 2016	3,856,725	554,631	4,411,356
Net result for the year	300,489	-	300,489
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	-	238,728	238,728
Total other comprehensive income	-	238,728	238,728
Total comprehensive income for the year	300,489	238,728	539,217
Balance at 30 June 2017	4,157,214	793,359	4,950,573

The accompanying notes form part of these financial statements.

Legal Profession Admission Board
Statement of cash flows
for the year ended 30 June 2018

		2018	2017
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(1,810,265)	(1,470,907)
Other		(1,762,933)	(1,917,900)
Total payments		(3,573,198)	(3,388,807)
Receipts			
Admission		1,362,328	1,313,757
Diploma Course		1,098,576	1,034,464
Public Notary		114,370	104,830
Interest received		123,790	80,010
Advanced fees/tuition fees		1,279,680	1,193,435
Other		213,469	346,899
Total receipts		4,192,213	4,073,395
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	619,015	684,588
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant, equipment and intangibles		-	(8,040)
NET CASH FLOWS FROM INVESTING ACTIVITIES		-	(8,040)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
		619,015	676,548
Opening cash and cash equivalents		5,687,952	5,011,404
CLOSING CASH AND CASH EQUIVALENTS	4	6,306,967	5,687,952

The accompanying notes form part of these financial statements.

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Legal Profession Admission Board (the Board) is constituted under Division 1 of Part 3 of the *Legal Profession Uniform Law Application Act 2014*. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Board is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent.

The financial statements for the year ended 30 June 2018 have been authorised for issue by the Board on the recommendation of the Audit and Risk Committee on 17 October 2018.

(b) Basis of preparation

The Board's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial statement line items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest dollar and are expressed in Australian currency, which is the Board's presentation and functional currency.

(c) Statement of compliance

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

(d) Insurance

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

(e) Property, plant and equipment

(i) Acquisition of Assets

Property, plant and equipment are initially measured at cost, and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to the asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Capitalisation threshold

Property, plant and equipment and intangible assets costing \$3,000 and above individually (or forming part of a network costing more than \$3,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer note 9 for further information regarding fair value.

The Board revalues its building property at least every three years where the market or income approach is the most appropriate valuation technique. The last comprehensive revaluation was completed on 31 March 2018 and was based on an independent assessment. No other class of property, plant and equipment is subject to valuation.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. The Board used an external professionally qualified valuer to perform a full revaluation at 31 March 2018 on the property the Board owned and occupied at Sydney CBD.

Non specialised assets with short useful lives are measured at depreciated historical cost as an approximation for fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balance of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to the revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

The board assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior year. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

(f) Depreciation/Amortisation of Property, Plant and Equipment & Intangible Assets

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board. All material separately identifiable components of assets are depreciated over their useful lives. Land is not a depreciable asset.

The depreciation/amortisation rates used for each class of assets are as follows:

Building at valuation	2.5%
Computer Equipment, Voice & data Communications	20%
Desktop PC	20%
Office Equipment	20%
Furniture & Fittings	10%
Intangible assets	
Software acquired after 1 July 2012	20%
Software - Major Projects	10%

(g) Maintenance

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

(h) Intangible Assets

The Board recognises intangible assets only if it is probable that future economic benefits will flow to the Board and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Board's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible Assets (cont'd)

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. The Board's intangible assets are amortised using the straight-line method over a period from four to ten years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(i) Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principle market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Board's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Board categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 - quoted (unadjusted) prices in active markets for identical assets/liabilities that the Board can access at the measurement date

Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly

Level 3 - inputs that are not based on observable market data (unobservable inputs)

The Board recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer Note 9 and Note 14 for further disclosures regarding fair value measurements of financial and non-financial assets.

(j) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Board determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

• Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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

• Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the Board first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

ii. Financial liabilities at amortised cost

Payables represent liabilities for goods and services provided to the Board. Payables are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured 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. Gain and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

As per clause 63 of the Legal Profession Uniform Law Application Regulation 2015, the admission fee to the Australian legal profession in New South Wales is \$950.00. The Board is responsible for collecting the fees of which \$400 is payable to the Department of Justice to fund the operation of the Legal Services Council in regulating the Legal Profession Uniform Framework (re Note 10).

iii. Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Board transfers the financial asset:

- Where substantially all the risks and rewards have been transferred; or
- Where the Board has not transferred substantially all the risks and rewards, if the Board has not retained control.

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial Instruments (cont'd)

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Board's continuing involvement in the asset. In that case, the Board also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Board has retained.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

iv. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) 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 acquisition of an asset or part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

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

(l) Personnel services

The Department of Justice (the Department) provides employees to the Board to enable it to carry out its functions. The expense and liabilities due to the Department are classified as "Personnel Services" in the Statement of Comprehensive Income and the Statement of Financial Position respectively, and are calculated by the Department using the following recognition and measurement criteria:

- i. Salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at undiscounted amounts of the benefits.
- ii. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Board has assessed the actuarial advice based on the Board's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Board does not expect to settle the liability within 12 months as the Board does not have an unconditional right to defer settlement.

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Personnel services (cont'd)

- iii. Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.
- iv. On-costs, such as payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.
- v. Long Service Leave Liability comprises the Legal Admission Profession Board's liability to the Department of Justice for costs arising from personnel services rendered by the Department of Justice to balance date. Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.
- vi. The expense for certain superannuation schemes (Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. Defined benefit superannuation obligations are as determined by Mercer Administration Services.
- vii. Personnel services receivable comprises the Board's receivable from the Department of Justice for long service leave reimbursements from the Crown Entity. The personnel at the Department who render services to the Board are members of the Agency Funded Crown Long Service Leave (LSL) Pool. The amount expected to be reimbursed by the Crown Entity is recognised as personnel services receivable.

(m) Other provisions

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

Any provisions for restructuring are recognised only when the Board has a detailed formal plan and the Board has raised a valid expectation in those affected by restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

(n) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

Rendering of services

Revenue from rendering of services comprises revenue earned from the provision of services to clients and other entities. Sales revenue from clients is generally recognised upon receipt of applications for admission as a lawyer, registration of students at law and other services.

Legal Profession Admission Board

Notes to the financial statements

for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Recognition (cont'd)

Investment revenue

Variable interest earned on cash balances is recognised when it is probable that the economic benefits will flow to the Board and the amount of interest income can be measured reliably. The interest income is accrued on a time basis, based on the applicable interest rate.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

Other revenue

Other revenue comprises income received from non-core activities and is recognised when the fee in respect of these activities is receivable.

(p) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Board's policy on the revaluation of property, plant and equipment as discussed in note 1(e)(iii).

(ii) Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

(q) Comparative information

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

(r) Change in accounting policy, including new or revised Australian Accounting Standards

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

The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of new or revised accounting standards that have been applied for the first time in 2017-18. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flows of the Board.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards have not been applied and are not yet effective as per NSW Treasury Circular NSW TC 18/01:

- AASB 9 *Financial Instruments*
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Change in accounting policy, including new or revised Australian Accounting Standards (cont'd)

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

The Board has assessed the impact of the new standards and interpretations on issue but not effective, and considers the impact on the Board's financial statements will be insignificant as result of these new accounting standards.

Legal Profession Admission Board
Notes to the financial statements

for the year ended 30 June 2018

2. EXPENSES EXCLUDING LOSSES

(a) Personnel service expenses

	2018	2017
	\$	\$
Salaries and salaries related (a)	1,067,880	1,146,748
Recreation leave and other	71,914	96,845
Payroll tax and fringe benefits tax	57,458	66,204
Worker's compensation insurance	4,595	(129)
Superannuation - defined benefit plans*	(498,375)	156,006
Superannuation - defined contribution plan	69,672	65,132
Total	773,144	1,530,806

(a) Salaries and salaries related expenses includes the Board's office staff salaries as well as salaries for examiners, examination supervisors and Academic Exemptions Sub-Committee members

*Defined benefit plans include \$570,294 of superannuation actuarial gain (2017: \$76,827 actuarial loss).

(b) Operating expenses

	2018	2017
	\$	\$
Graduation related expenses	7,492	6,600
Department of Justice - administration fees	83,000	81,000
Legal services	12,415	1,518
Miscellaneous fees	85,813	80,887
Auditor's remuneration - audit of the financial statements	25,600	25,000
Computer equipment - software	106,998	104,158
Exam related - Rental for venue and computer	63,650	66,988
Rates	58,645	57,641
Printing	43,251	42,768
Postage and freight	20,789	19,905
Telephone	6,506	-
Computer related expenses - network charges	12,000	12,000
Stores and stationary cost	6,166	6,400
Maintenance contracts	10,291	35,791
Repairs and maintenance	1,304	408
Minor equipment	2,004	16,263
Others	68,707	53,985
Insurance	4,255	6,339
Agency staff fees	21,617	63,134
System design	-	38,826
Total	640,503	719,611

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

2. EXPENSES EXCLUDING LOSSES (cont'd)

(c) Depreciation and amortisation

	2018	2017
	\$	\$
Depreciation		
- Building	155,289	149,299
- Furniture and Fittings	-	339
- Computer Equipment	3,086	3,396
	158,375	153,034
Amortisation		
- Intangible (software)	95,061	71,296
	95,061	71,296
Total Depreciation and Amortisation expenses	253,436	224,330

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

3. REVENUE

(a) Sale of goods and services

	2018	2017
	\$	\$
Admission	1,362,328	1,313,757
Diploma Course	1,074,170	1,022,890
Public Notary	114,370	104,830
Other service	237,069	221,092
Total	2,787,937	2,662,569

(b) Investment revenue

	2018	2017
	\$	\$
Interest from Westpac business account	78,790	89,010
Total	78,790	89,010

(c) Rental income

	2018	2017
	\$	\$
Rent	20,249	23,657
Total	20,249	23,657

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank	6,306,467	5,687,452
Cash on hand	500	500
Total	6,306,967	5,687,952

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the statement of financial position are the closing cash and cash equivalents in the statement of cash flows.

Refer note 14 for details regarding credit risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	2018	2017
	\$	\$
Current receivables		
Debtors	-	73,000
Personnel services (a)	379,158	481,076
GST receivable	133,291	6,098
Others	386	-
Total	512,835	560,174

(a) The Board is a member of the Agency Funded Crown Long Service Leave (LSL) Pool. The Department of Justice contributes to the LSL Pool on behalf of the Board. The amount expected to be reimbursed by the Crown Entity is recognised as personnel services receivable (Refer to Note 11 (vii) and Note 11 (b)).

Refer Note 14 for details regarding credit risk of trade debtors that are neither past due nor impaired.

6. NON-CURRENT ASSETS - RECEIVABLES

	2018	2017
	\$	\$
Personnel services		
Long service leave provision	33,040	41,657
Total	33,040	41,657

Refer Note 14 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Legal Profession Admission Board
Notes to the financial statements

for the year ended 30 June 2018

7. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
At 1 July 2017 - fair value					
Gross carrying amount	46,520	177,489	224,009	2,717,123	2,941,132
Accumulated depreciation and impairment	(34,256)	(177,489)	(211,745)	(39,958)	(251,703)
Net carrying amount	12,264	-	12,264	2,677,165	2,689,429

At 30 June 2018 - fair value					
Gross carrying amount	46,520	177,489	224,009	4,250,000	4,474,009
Accumulated depreciation and impairment	(37,343)	(177,489)	(214,832)	(35,417)	(250,249)
Net carrying amount	9,177	-	9,177	4,214,583	4,223,760

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Computer Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
Year ended 30 June 2018					
Net carrying amount at start of year	12,264	-	12,264	2,677,165	2,689,429
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	1,692,708	1,692,708
Depreciation expense (note 2 (c))	(3,086)	-	(3,086)	(155,289)	(158,375)
Writeback on accumulated depreciation on disposals	(1)	-	(1)	(1)	(2)
Net carrying amount at end of year	9,177	-	9,177	4,214,583	4,223,760

	Computer Equipment \$	Furniture & Fittings \$	Total Plant & Equipment \$	Land and buildings \$	Total \$
At 1 July 2016 - fair value					
Gross carrying amount	62,424	177,489	239,913	2,624,183	2,864,096
Accumulated depreciation and impairment	(46,764)	(177,149)	(223,913)	(36,447)	(260,360)
Net carrying amount	15,660	340	16,000	2,587,736	2,603,736

At 30 June 2017 - fair value					
Gross carrying amount	46,520	177,489	224,009	2,717,123	2,941,132
Accumulated depreciation and impairment	(34,256)	(177,489)	(211,745)	(39,958)	(251,703)
Net carrying amount	12,264	-	12,264	2,677,165	2,689,429

Legal Profession Admission Board
Notes to the financial statements

for the year ended 30 June 2018

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

	Computer Equipment	Furniture & Fittings	Total Plant & Equipment	Land and buildings	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2017					
Net carrying amount at start of year	15,660	340	16,000	2,587,736	2,603,736
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net revaluation increment less revaluation decrements	-	-	-	238,728	238,728
Depreciation expense (note 2 (c))	(3,396)	(339)	(3,735)	(149,299)	(153,034)
Writeback on accumulated depreciation on disposals	-	(1)	(1)	-	(1)
Net carrying amount at end of year	12,264	-	12,264	2,677,165	2,689,429

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Notes 1(i) and 9.

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

8. INTANGIBLE ASSETS

	2018
	\$
At 1 July 2017	
Cost (gross carrying amount)	843,909
Accumulated amortisation and impairment	<u>(431,858)</u>
Net carrying amount	<u>412,051</u>
At 30 June 2018	
Cost (gross carrying amount)	835,869
Accumulated amortisation and impairment	<u>(526,919)</u>
Net carrying amount	<u>308,950</u>
	\$
Year ended 30 June 2018	
Net carrying amount at beginning of year	412,051
Additions	-
Impairment losses	-
Amortisation	(95,061)
Other movements	<u>(8,040)</u>
Net carrying amount at end of year	<u>308,950</u>
	2017
	\$
At 1 July 2016	
Cost (gross carrying amount)	492,470
Accumulated amortisation and impairment	<u>(360,562)</u>
Net carrying amount	<u>131,908</u>
At 30 June 2017	
Cost (gross carrying amount)	843,909
Accumulated amortisation and impairment	<u>(431,858)</u>
Net carrying amount	<u>412,051</u>
	\$
Year ended 30 June 2017	
Net carrying amount at start of year	131,908
Additions	351,439
Impairment losses	-
Amortisation	(71,296)
Other movements	<u>-</u>
Net carrying amount at end of year	<u>412,051</u>

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair value hierarchy

2018	Level 1	Level 2	Level 3	Total fair value
	\$	\$	\$	\$
Property, plant and equipment (Note 7)				
Land and buildings		4,214,583		4,214,583
	-	4,214,583	-	4,214,583
<hr/>				
2017	Level 1	Level 2	Level 3	Total fair value
	\$	\$	\$	\$
Property, plant and equipment (Note 7)				
Land and buildings		2,677,165		2,677,165
	-	2,677,165	-	2,677,165

(b) Valuation techniques, inputs and processes

The Board's property has been valued using market evidence with adjustment for condition, location, comparability, etc. Level 2 inputs have been used in determining the fair value of property, plant and equipment since observable market data is readily available. There were no transfers between level 1 and 2 during the period.

The Board owns the office space at level 4, 37 Bligh Street, Sydney. It is a commercial strata plan that was purchased in 2004 through a loan from NSW Treasury. The loan was fully repaid in 2014.

The building and improvements are non-specialised assets, for which current market buying price can be observed. The property is valued to the direct comparison of valuation and rental income approach having reference to current market transactions of comparable properties in the surrounding locality.

The property was last revalued as at 31 March 2018 by an independent registered valuer from CBRE under Market Approach. This resulted in a revaluation increment of \$1,692,708 that is disclosed through Other Comprehensive Income.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 7.

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

10. CURRENT LIABILITIES – PAYABLES

	2018	2017
	\$	\$
Current payables		
Academic exemption assessment fee	23,703	8,967
Department of Justice (a)	172,433	769,935
Examination fees received in advance (b)	435,380	410,974
Prizes	14,396	14,796
Sundry accruals	128,826	52,739
Tuition fees (c)	1,406,680	1,193,435
Total	2,181,418	2,450,846

Details regarding liquidity risk are disclosed in Note 14.

(a) Intercompany balance with Department of Justice to be settled as at 30 June 2018.

(b) The Board charges examination fees at the beginning of each semester. The Board recognises revenue from examination fees once it is probable that the economic benefits associated with the fees will flow to the Board. Revenue is recognised five months in arrears when examinations are held.

(c) The Board collects the tuition fees on behalf of University of Sydney, and remits the full amount of fee collections to the University at least twice a year. The tuition fees are not recognised as revenue by the Board.

11. CURRENT LIABILITIES – PERSONNEL SERVICES PROVISIONS

	2018	2017
	\$	\$
Recreation leave and related oncosts (a)	89,853	127,636
Long service leave and related oncosts (b)	457,799	561,756
Total	547,652	689,392

(a) The Board expect that of the total recreation leave and related oncosts, \$438,122 will be settled within 12 months after the reporting date and the rest \$109,530 will be settled after 12 months.

(b) The Board's personnel service related long service leave liability is offset by a corresponding asset which is included in Receivables (Note 5).

12. NON-CURRENT LIABILITIES – PERSONNEL SERVICES PROVISIONS

	2018	2017
	\$	\$
Long service leave and oncosts	40,231	48,848
Provision for superannuation	753,077	1,251,604
Total	793,308	1,300,452

Legal Profession Admission Board
Notes to the financial statements

for the year ended 30 June 2018

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

	2018	2017
	\$	\$
Net Cash Flows from Operating Activities	619,015	684,588
Depreciation and amortisation expenses	(253,436)	(224,330)
Increase/(decrease) in receivables and prepayments	(55,956)	(82,886)
(increase)/decrease in provisions	648,882	(92,456)
(Increase)/decrease in payables	261,388	15,573
Net Result	1,219,893	300,489

14. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying	Carrying
			Amount	Amount
			2018	2017
Class:			\$	\$
Cash and cash equivalents	4	N/A	6,306,967	5,687,952
Receivables (1)	5	Receivables at amortised cost	412,588	406,014
Financial Liabilities			2018	2017
Class:			\$	\$
Payables (2)	10	Financial liabilities measured at amortised cost	1,615,618	2,039,872

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

14. FINANCIAL INSTRUMENTS (CONT'D)

Cash and cash equivalents

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Board will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors that are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current year and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. 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.

The Board has financial liability of \$1,615,618 at 30 June 2018 (\$2,039,872 at 30 June 2017), all of which are non-interest bearing, with maturity dates of less than 1 year.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board's exposures to market risk are primarily through interest rate risk on the Board's cash at bank. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2017. The analysis assumes that all other variables remain constant.

(e) Interest rate risk

The Board does not have exposure to interest rate risk through interest bearing liabilities. The Board does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Board's exposure to interest rate risk is set out below.

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

14. FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount \$	-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
2018					
Financial assets					
Cash and cash equivalents	6,306,967	(63,070)	(63,070)	63,070	63,070
2017					
Financial assets					
Cash and cash equivalents	5,687,952	(56,880)	(56,880)	56,880	56,880

(f) Fair Value Measurement

(i) Fair value compared to carrying amount

Financial instruments are recognised at cost. The amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short term nature of many of the financial instruments.

15. CONTINGENT ASSETS AND LIABILITIES

The Board is unaware of any matters that may lead to a contingent asset or liability (2017: \$nil).

16. COMMITMENT FOR EXPENDITURE

The Board does not have any commitment for expenditure as at 30 June 2018 (2017: \$nil).

17. RELATED PARTY DISCLOSURES

The Board's key management personnel compensation are as follows:

	2018 \$	2017 \$
Short-term employee benefits:		
Salaries	102,837	212,312
Other monetary allowances	-	-
Non-monetary benefits	-	-
Other long-term employee benefits	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Total remuneration:	102,837	212,312

During the year, the Board entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions in aggregate are a significant portion of the Board's activities.

Legal Profession Admission Board
Notes to the financial statements
for the year ended 30 June 2018

17. RELATED PARTY DISCLOSURES (CONT'D)

These transactions include:

- Long Service Leave assumed by the Crown
- Transactions relating to the Treasury Banking System
- Employer contributions paid to Defined Benefit Superannuation funds
- Payments for the provision of personnel and related services to the Department of Justice
- Payments into the Treasury Managed Fund for worker's compensation insurance and other insurances
- Admission fees collected by the Board on behalf of the Department of Justice for the NSW contribution to the legal profession uniform law scheme.

The Board did not enter into any transactions during the year with key management personnel, their close family members and controlled or jointly controlled entities thereof.

18. EVENTS AFTER THE REPORTING PERIOD

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

End of audited financial statements.