

FINANCIAL STATEMENTS

2024-25

HOW THIS REPORT IS STRUCTURED

The Architects Registration Board of Victoria (ARBV) presents its audited general-purpose Financial Statements for the financial year ended 30 June 2025 in the following structure to provide users with information about the organisation's stewardship of resources entrusted to it. It is presented in the following structure:

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DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for the ARBV have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of the ARBV as at 30 June 2025.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the Financial Statements to be misleading or inaccurate.

We authorise the attached Financial Statements for issue on 26 August 2025.



Dr Giorgio Marfella
Chairperson



Dr Glenice Fox
CEO/Registrar



Rob Ewart
Chief Financial Officer

Independent Auditor's Report

To the Board of Architects Registration Board of Victoria

Opinion	I have audited the financial report of the Architects Registration Board of Victoria (the authority) which comprises the: • Balance sheet as at 30 June 2025 • Comprehensive operating statement for the year then ended • Statement of changes in equity for the year then ended • Cash flow statement for the year then ended • Notes to the financial statements, including material accounting policy information • Declaration in the financial statements In my opinion the financial report presents fairly the financial position of the authority as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards - Simplified Disclosures. I have conducted my audit in accordance with the <i>Audit Act 1994</i> which
Basis for Opinion	incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit 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 authority's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board. • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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BENDIGO
4 September 2025

Kathie Teasdale
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2025

	Notes	2025 \$	2024 \$
Continuing operations			
Revenue and income from transactions			
Annual registration fees		3,109,240	2,963,539
Examinations		351,985	356,535
Interest income		164,104	141,530
Other income		107,441	143,191
Total revenue from transactions	2.1	3,732,770	3,604,795
Expenses from transactions			
Employee expenses	3.1.1	(1,765,781)	(1,601,594)
Depreciation and amortisation	4.4.1	(218,416)	(274,669)
Interest expense	6.2.2	(4,488)	(7,830)
Other operating expenses	3.1	(1,581,293)	(1,623,229)
Total expenses from transactions		(3,569,978)	(3,507,322)
Net result from transactions (net operating balance)		162,792	97,473
Other economic flows included in net result			
Net gain/(loss) on revaluation long service leave liability		(8,855)	30,211
Total other economic flows included in net result		(8,855)	30,211
Net result from continuing operations		153,937	127,684
Other economic flows – other comprehensive income:			
Other gains/(losses) from other economic flows		-	-
Comprehensive result		153,937	127,684

The accompanying notes form part of these Financial Statements.

BALANCE SHEET

As at 30 June 2025

	Notes	2025 \$	2024 \$
Assets			
Financial assets			
Cash and deposits	6.1	4,835,562	3,974,846
Receivables	5.1	59,155	247,304
Total financial assets		4,894,717	4,222,150
Non-financial assets			
Property, plant and equipment	4.1	38,873	87,967
Right-of-use assets	4.2	73,827	167,083
Intangible assets	4.3	38,346	114,412
Other non-financial assets		28,115	32,116
Total non-financial assets		179,161	401,578
Total assets		5,073,878	4,623,728
Liabilities			
Payables	5.2	2,920,688	2,599,523
Lease liability	6.2	82,171	180,886
Employee related provisions	3.1.2	287,391	213,628
Total liabilities		3,290,250	2,994,037
Net assets		1,783,628	1,629,691
Equity			
Accumulated surplus		1,561,910	1,407,973
Contributed capital		221,718	221,718
Net worth		1,783,628	1,629,691

The accompanying notes form part of these Financial Statements

CASH FLOW STATEMENT

for the financial year ended 30 June 2025

	Notes	2025 \$	2024 \$
Cash flows from operating activities			
Receipts			
Interest received		164,104	141,530
Receipts from registrations and examinations		3,883,444	3,258,954
GST receipts from Australian Tax Office		127,351	148,370
Other receipts (incl GST)		26,998	41,317
Total receipts		4,201,897	3,590,171
Payments			
Payments to suppliers and employees		(3,336,693)	(3,124,192)
Interest paid		(4,488)	(7,830)
Total payments		(3,341,181)	(3,132,022)
Net cash flows from operating activities		860,716	458,149
Cash flows from investing activities			
Purchases of non-financial assets		-	(63,301)
Net cash flows used in investing activities		-	(63,301)
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liability		(98,715)	(94,629)
Net cash flows used in financing activities		(98,715)	(94,629)
Net increase in cash and cash equivalents		860,716	300,219
Cash and cash equivalents at beginning of financial year		3,974,846	3,674,627
Cash and cash equivalents at end of financial year	6.1	4,835,562	3,974,846

The accompanying notes form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2025

	Accumulated surplus	Contributed capital \$	Total \$
Balance at 1 July 2023	1,280,289	221,718	1,502,007
Net result for 2023-24 year	127,684	-	127,684
Balance at 30 June 2024	1,407,973	221,718	1,629,691
Net result for 2024-25 year	153,937	-	153,937
Balance at 30 June 2025	1,561,910	221,718	1,783,628

The accompanying notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THIS REPORT

The ARBV is a not-for-profit self-funded statutory authority established by the *Architects Act 1991*.

Its principal address is:
Level 10
533 Little Lonsdale Street
Melbourne VIC 3000

A description of the nature of the ARBV's operations and its principal activities is included in the ARBV overview, which does not form part of these Financial Statements.

Basis of preparation

These Financial Statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and Financial Reporting Direction 101 Application of Tiers of Australian Accounting Standards (FRD 101).

The ARBV is a Tier 2 entity in accordance with FRD 101. These Financial Statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The ARBV's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the ARBV is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These Financial Statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the Financial Statements.

The accrual basis of accounting has been applied in preparing these Financial Statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made

in the preparation of these Financial Statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the Financial Statements and estimates are disclosed in note 7.

These financial statements cover the ARBV as an individual reporting entity. There is no entity consolidated into the ARBV.

All amounts in the Financial Statements have been rounded to the nearest dollar.

Compliance information

These general-purpose Financial Statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these Financial Statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual Financial Statements were authorised for issue by the ARBV Chairperson, Chief Executive Officer and Chief Financial Officer on behalf of the ARBV on 26 August 2025.

2. FUNDING DELIVERY OF OUR SERVICES

Established in 1923, the ARBV administers the *Architects Act 1991* (Vic) and *Architects Regulations 2015* (Vic).

The Acts establishes the framework for the regulation of architects in Victoria and has as its purposes to:

- provide for the registration of architects;
- provide for the approval of partnerships and companies providing architectural services;
- regulate the professional conduct of architects;
- provide a procedure for handling complaints against architects;

- regulate the use of the terms 'architect', 'architectural services', 'architectural design services' and 'architectural design'; and
- establish the Architects Registration Board of Victoria.

Revenue and income are generated from the following sources and is used to deliver the ARBV's purposes.

2.1 Summary of revenue and income that funds the delivery of our services

	2025 \$	2024 \$
Annual registration fees	3,109,240	2,963,539
Applications and revocations	80,442	101,874
Examinations	351,985	356,535
Interest income	164,104	141,530
Legal fees recovered	26,559	41,000
Other income	440	317
Total revenue and income from transactions	3,732,770	3,604,795

Revenue from contracts with customers

Annual registration fees are recognised under AASB15 Revenue from Contracts with Customers.

The ARBV charges an annual fee for the registration of Architects. These fees are recognised in the year to which the renewal relates. Annual registration fees paid in advance are recognised as unearned income. Examination fees are recognised when the service is provided.

Interest

Interest income includes interest received on cash holdings and is recognised as it accrues.

3.THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by the ARBV in delivering services. In section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are disclosed.

3.1 Expenses incurred in delivery of services

	Notes	2025 \$	2024 \$
Employee expenses			
Total employee expenses	3.1.1	1,765,781	1,601,594
Other operating expenses			
Contractors		133,053	278,679
Legal expenses		452,488	329,545
Tribunal expenses		15,357	19,541
Professional services		144,495	89,989
Digital and Information technology		314,618	308,876
Examination expenses		263,050	258,070
Subscriptions (AACCA)		76,567	75,714
Administration		86,861	129,204
Occupancy		62,482	78,358
Sponsorships and awards		11,000	25,000
Other operating expenses		21,323	30,253
Total other operating expenses		1,581,293	1,623,229
Total expenses incurred in delivery of services		3,347,074	3,224,823

Expenses from transactions are recognised and reported in the financial year to which the related goods and services are received.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

3.1.1 Employee expenses in the Comprehensive Operating Statement

Employee expenses include all costs related to employment including wages and salaries, leave

entitlements, termination payments, payroll tax and WorkCover premiums.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

	Notes	2025 \$	2024 \$
Salaries and wages, annual leave, long service leave and on-costs		1,555,642	1,434,767
Defined contribution superannuation expense		194,696	161,851
Termination benefits		15,443	4,976
Total employee expenses		1,765,781	1,601,594

3.1.2 Employee-related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2025 \$	2024 \$
Current provisions:		
Annual leave	115,520	102,521
Long service leave	35,797	29,442
Provisions for on-costs	28,773	23,522
Total current provisions for employee expenses	180,090	155,485
Non-current provisions:		
Employee expenses	89,689	49,347
On-costs	17,614	8,796
Total non-current provisions for employee expenses	107,303	58,143
Total provisions for employee expenses	287,393	213,628

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including annual leave and on-costs) are recognised as part of the employee-related provision as current liabilities, because the ARBV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the Balance Sheet at remuneration rates which are current at the reporting date. As the ARBV expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the ARBV does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Income Statement as it is taken.

Unconditional LSL is disclosed as a current liability, even where the ARBV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at either:

- undiscounted value – if the ARBV expects to wholly settle within 12 months; or
- present value – if the ARBV does not expect to wholly settle within 12 months.

Conditional LSL

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

4. KEY ASSETS TO SUPPORT SERVICE DELIVERY

The ARBV controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the ARBV to be utilised for delivery of those outputs.

4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Office equipment at cost	-	15,400	-	(15,400)	-	-
Leasehold improvement at cost	245,512	245,512	(206,639)	(157,545)	38,873	87,967
Net carrying amount	245,512	260,912	(206,639)	(172,945)	38,873	87,967

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 Impairment of Assets does not apply to such assets that are regularly revalued.

4.1.1 Reconciliation of movements in carrying amounts for property, plant and equipment

2025	Office equipment	Leasehold improvements	Total
	\$	\$	\$
Opening balance	-	87,967	87,967
Depreciation	-	49,094	49,094
Closing Balance ^(a)	-	137,061	137,061

2024	Office equipment	Leasehold improvements	Total
	\$	\$	\$
Opening balance	10,887	177,243	188,130
Transferred to expenses ^(b)	(8,355)	(18,202)	(26,557)
Depreciation	(2,532)	(71,074)	(73,606)
Closing Balance	-	87,967	87,967

Notes:

(a) Office equipment with a gross carrying value of \$nil was scrapped in 2025.

(b) Office equipment with a gross carrying value of \$54,723 and net carry value of \$8,355, was transferred to expenses during 2024.

Leasehold improvements with a net carry value of \$18,802, was reclassified and transferred to expenses during 2024.

4.2 Right-of-use assets: building

Right-of-use asset acquired by lessees – initial measurement

The ARBV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs incurred; and

- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset – subsequent measurement

The ARBV depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Building at fair value	466,279	466,279	(392,452)	(299,196)	73,827	167,083
Net carrying amount	466,279	466,279	(392,452)	(299,196)	73,827	167,083

4.2.1 Reconciliation of movements in carrying amounts for right-of-use asset: building

	\$
Opening balance 1 July 2024	167,083
Depreciation	(93,256)
Closing balance 30 June 2025	73,827
Opening balance 1 July 2023	260,339
Depreciation	(93,256)
Closing balance 30 June 2024	167,083

4.3 Intangible assets

Computer software	2025 \$	2024 \$
Gross carrying amount		
Opening balance	294,525	270,284
Additions	-	63,301
Disposals	-	(39,060)
Closing balance	294,525	294,525
Accumulated depreciation, amortisation and impairment		
Opening balance	(180,113)	(111,367)
Amortisation	(76,066)	(107,806)
Disposals	-	39,060
Closing balance	(256,179)	(180,113)
Net book value at end of financial year	38,346	114,412

Recognition and subsequent measurement

Purchased intangible assets (computer software) are initially recognised at cost. Subsequently, purchased intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Purchased intangible assets are amortised on a straight-line basis to the earlier of the end of the useful life, the expiry of the CRM Software supplier contract or a period of three years.

4.4 Depreciation and amortisation

In line with the ARBV policy, all property, plant and equipment with a purchase value of less than \$5,000 is immediately expensed. All property, plant and equipment with a purchase value of greater

than \$5,000 with a finite useful life is depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value over its estimated useful life.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset	Useful life
Intangible assets	3-5 years
Leasehold improvements	Lease term

4.4.1 Aggregate depreciation and amortisation recognised as an expense during the year

	2025	2024
	\$	\$
Computers and office equipment	-	2,533
Intangible assets	76,066	107,806
Leasehold improvements	49,094	71,074
Right-of-use assets	93,256	93,256
Total	218,416	274,669

5. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the ARBV's operations.

5.1 Receivables

	2025 \$	2024 \$
Contractual		
Trade receivables	17,800	19,100
Sundry debtors	21,960	208,494
	39,760	227,594
Statutory		
GST receivable	19,395	19,710
Total receivables	59,155	247,304
Represented by		
Current receivables	54,555	242,104
Non-current receivables	4,600	5,200

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs' (refer note 7.1 Financial instruments specific disclosures).

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but

are not classified as financial instruments for disclosure purposes as they do not arise from a contract.

Receivables are subject to impairment testing. An expected credit loss is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

5.2 Payables

	2025 \$	2024 \$
Contractual		
Supplies and services	167,502	81,463
Accrued expenses	142,598	129,508
Unearned income	2,560,305	2,304,123
Other payables	6,912	5,053
Statutory		
PAYG	26,672	32,652
Payroll tax	16,578	46,376
WorkCover levy	121	348
Total payables	2,920,688	2,599,523
Represented by:		
Current payables	2,920,688	2,599,523

- **Contractual payables:** Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the ARBV prior to the end of the financial year that are unpaid; and
- **Statutory payables:** Recognised and measured similarly to contractual payables, but

not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services generally have settlement terms of 30 days.

6. HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance utilised by the ARBV during its operations, along with other information related to financing activities of the ARBV.

This section includes disclosures of balances that are financial instruments (such as cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

6.1 Cash flow information and balances

Cash and deposits, including cash equivalents,

comprise cash on hand and cash at bank. The ARBV's bank accounts are held in the Central Banking System (CBS) under the Standing Directions 2018.

For Cash Flow Statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

	2025 \$	2024 \$
Total cash and deposits disclosed in the Balance Sheet	4,835,562	3,974,846
Balance as per Cash Flow Statement	4,835,562	3,974,846

6.2 Leases

The ARBV leases office premises at Level 10, 533 Little Lonsdale Street, Melbourne. The three year lease expired in April 2024 and an option for a further term of two years was exercised. Rent under

the lease increases by 3.5% on the second and fourth anniversary of the commencement date. An annual interest rate of 3.5% was adopted to determine the lease liability.

	2025 \$	2024 \$
Current liability	82,171	98,715
Non-current liability	-	82,171
Total lease liability	82,171	180,886

6.2.1 Right-of-use assets

Right-of-use assets are presented in note 4.2.

6.2.2 Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2025 \$	2024 \$
Interest expense on lease liabilities	4,488	7,830
Depreciation expense relating to right-of-use assets	93,256	93,256
Total amount recognised in the Comprehensive Operating Statement	97,744	101,086

6.2.3 Recognition and measurement of leases as a lessee

For any new contracts entered into, the ARBV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the ARBV assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the ARBV and for which the supplier does not have substantive substitution rights;
- whether the ARBV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use; and
- whether the ARBV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the ARBV's incremental borrowing rate.

Future lease payments

Minimum future lease payments ^(a)	2025 \$	2024 \$
Not longer than 1 year	82,171	98,715
Longer than 1 year but not longer than 5 years	-	82,171
Minimum future lease payments	82,171	180,886
Less future finance charges	1,781	6,269
Present value of minimum lease payments	80,390	174,617

Notes: (a) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

6.3 Commitments for expenditure

There were no commitments at balance date not otherwise disclosed in the Financial Statements and notes.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Presentation of right-of-use assets and lease liabilities

The ARBV presents right-of-use assets and lease liabilities separately in the Balance Sheet.

7. FINANCIAL INSTRUMENTS, CONTINGENCIES AND VALUATION JUDGEMENTS

It is often necessary for the ARBV to make judgements and estimates associated with recognition and measurement of items in the Financial Statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the ARBV related mainly to fair value determination.

7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the ARBV's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the ARBV to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The ARBV recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired

- the ARBV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement
- the ARBV has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the ARBV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the ARBV's continuing involvement in the asset.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities measured at amortised costs are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The ARBV recognises the following liabilities in this category:

- payables (excluding statutory payables).

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, 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 an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive Operating Statement.

7.1.1 Financial instruments – Net gain/(loss) on financial instruments by category

2025	Carrying amount	Net gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss
Financial assets at amortised cost					
Cash and deposits	4,835,562	-	164,104	-	-
Trade receivables ^(a)	39,760	-	-	-	-
Total financial assets at amortised cost	4,875,322	-	164,104	-	-
Financial liabilities at amortised cost					
Trade payables ^(a)	317,012	-	-	-	-
Lease liabilities	82,171	-	(4,488)	-	-
Total contractual financial liabilities	399,183	-	(4,488)	-	-

Note (a): The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

2024	Carrying amount	Net gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss
Financial assets at amortised cost					
Cash and deposits	3,974,846	-	141,530	-	-
Trade receivables ^(a)	227,594	-	-	-	-
Total financial assets at amortised cost	4,202,440	-	141,530	-	-
Financial liabilities at amortised cost					
Trade payables ^(a)	216,024	-	-	-	-
Lease liabilities	180,886	-	(7,830)	-	-
Total contractual financial liabilities	396,910	-	(7,830)	-	-

Note (a): The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. As at 30 June 2025 there were no contingent assets or contingent liabilities in existence (2024 nil).

7.3 Fair value determination

This section sets out information on how the ARBV determines fair value for financial reporting purposes. 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.

Plant and equipment (including right-of-use assets) is carried at fair value.

For all assets measured at fair value, the ARBV considers the current use is the highest and best use.

The ARBV considers that the carrying amount of assets and liabilities recorded in the Financial Statements to be a fair approximation of their value.

8. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this Financial Report.

8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

	2025 \$	2024 \$
Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability (a)	(8,855)	30,211
Total other gain/(loss) from other economic flows	(8,855)	30,211

Note: (a) Revaluation gain/(loss) due to changes in bond rates

8.2 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Title	Name	Period of appointment
Minister for Planning	The Hon Sonya Kilkenney MP	1 July 2024 to 22 May 2025
Minister for Housing and Building	The Hon Harriet Shing MP	19 December 2024 to 30 June 2025
ARBV Board Chairperson	Dr Giorgio Marfella	13 August 2024 to 30 June 2025
ARBV Board Deputy Chairperson	Ms Sally Brincat	13 August 2024 to 30 June 2025
ARBV Board Member	Mr Mark Curry	13 August 2024 to 30 June 2025
ARBV Board Member	Mr Michael Leeton	13 August 2024 to 30 June 2025
ARBV Board Member	Mr Tim Leslie	13 August 2024 to 30 June 2025
ARBV Board Member	Prof Sarah McGann	13 August 2024 to 30 June 2025
ARBV Board Member	Ms Lorina Nervenga	13 August 2024 to 30 June 2025
ARBV Board Member	Ms Yana Podolskaya	13 August 2024 to 30 June 2025
ARBV Board Member	Ms Sally Wills	1 July 2024 to 30 June 2025
ARBV Accountable Officer	Dr Glenice Fox	1 July 2024 to 30 June 2025

Remuneration responsible persons

Remuneration received or receivable by the ARBV Board and the Accountable Officer in connection with the management of the ARBV during the reporting period was in the range: \$330,000–\$340,000 (2024: \$300,000–\$310,000).

Remuneration for the Minister of Planning and the Minister of Housing and Building are not included in the table above. Ministerial remuneration is only disclosed in the Financial Report of the Department of Parliamentary Services.

Number of responsible persons	2025	2024
ARBV Board	9	7
Accountable Officer	1	1

Remuneration includes all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for service rendered.

8.3 Remuneration of executives

The number of Senior Executive service members (SES), other than Ministers and accountable officers is nil (2024: nil).

The ARBV's Accountable Officer remuneration is disclosed in note 8.2 Responsible persons, there are no other ARBV executives that require disclosure.

8.4 Related parties

The ARBV is a self-funded agency of the Government of Victoria and is the statutory authority that regulates the architectural profession in the State of Victoria.

Related parties of the ARBV include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all Cabinet Ministers and their close family members;
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated Financial Statement; and
- Architects Accreditations Council of Australia (AACA).

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

During the year there were no related party transactions with government related entities (2024: nil).

Key management personnel (KMP)

The KMP's of the ARBV is the same as listed in note 8.2 Responsible persons.

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

The ARBV has assessed related party disclosures for the year based on reasonable enquiries made by management in relation to the portfolio ministers and their related parties and the information available to the organisation.

As previously disclosed, the AACA is a related party of the ARBV. The ARBV responsible persons, Dr Giorgio Marfella and Dr Glenice Fox, both held the position of director for the AACA (2024: Dr Giorgio Marfella and Dr Glenice Fox held the position of director for the AACA).

The following transactions occurred with the AACA (inclusive of GST):

	2025 \$	2024 \$
Candidate examinations	177,340	176,047
ARBV contribution to AACA	76,567	75,713
Total remuneration of auditors	253,907	251,760
Unpaid transactions at 30 June	15,616	-

Outside of normal citizen type transactions with the ARBV, there were no other related party transactions that involved key management personnel, their close family members and their personal business interests.

8.5 Remuneration of auditors

	2025 \$	2024 \$
Victorian Auditor-General's Office		
Audit of the financial statements	25,000	27,000
Total remuneration of auditors	25,000	27,000

8.6 Subsequent events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the ARBV in the future financial years. As at the date of signing the annual Financial Statements there were no subsequent events requiring disclosure.