

Veterinary Practitioners Board

Financial Statements

For the year ended

30 June 2023

**Suite 7.09, 247 Coward Street
Mascot NSW 2020**

Veterinary Practitioners Board
STATEMENT BY MEMBERS OF THE BOARD
For the Year ended 30 June 2023

Pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act') and in accordance with a resolution of the Members of the Veterinary Practitioners Board, we state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- present fairly the financial position, financial performance and cash flows of the Veterinary Practitioners Board.

Signed



Steven Ferguson
President, Veterinary Practitioners Board
17 October 2023

Signed



Lisa Minogue
Member, Veterinary Practitioners Board
17 October 2023

Veterinary Practitioners Board
Statement of Comprehensive Income
For the Year ended 30 June 2023

	Note	2023 \$	2022 \$
Expenses			
Employee Related Expenses	2(a)	774,870	682,607
Other Operating Expenses	2(b)	378,708	253,318
Depreciation and Amortisation	2(c)	100,992	106,524
Other Expenses	2(d)	267,299	197,407
Total Expenses		<u>1,521,869</u>	<u>1,239,856</u>
Revenue			
Licence and Application Fees	3(a)	1,703,390	1,517,100
Other Revenue	3(b)	75,003	21,185
Investment Revenue (loss)		125,593	(129,129)
Grant Revenue		209,349	-
Total Revenue		<u>2,113,335</u>	<u>1,409,156</u>
Gain / (Loss) on Disposal	4	-	4,262
Net Result for the Year		<u>591,466</u>	<u>173,562</u>
Total Comprehensive Income for the Year		<u><u>591,466</u></u>	<u><u>173,562</u></u>

The accompanying notes form part of these financial statements.

**Veterinary Practitioners Board
Statement of Financial Position
As at 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	4,675,801	4,922,129
Receivables	6	9,896	3,400
Inventories	7	1,859	2,103
Other	8	56,105	66,025
Total Current Assets		<u>4,743,661</u>	<u>4,993,657</u>
Non-Current Assets			
Receivables	6	26,550	31,090
Plant and Equipment	9	12,573	14,264
Right Of Use Assets	10	387,738	482,695
Intangible Assets	11	564,619	357,762
Total Non-Current Assets		<u>991,480</u>	<u>885,811</u>
Total Assets		<u>5,735,141</u>	<u>5,879,468</u>
LIABILITIES			
Current Liabilities			
Payables	12	118,195	78,000
Other	13	708,940	1,428,820
Borrowings	14	92,045	87,600
Provisions	15	201,312	179,887
Total Current Liabilities		<u>1,120,492</u>	<u>1,774,307</u>
Non-Current Liabilities			
Provisions	15	17,067	7,000
Borrowings	14	313,458	405,503
Total Non-Current Liabilities		<u>330,525</u>	<u>412,503</u>
Total Liabilities		<u>1,451,017</u>	<u>2,186,810</u>
Net Assets		<u>4,288,124</u>	<u>3,692,658</u>
EQUITY			
Accumulated Funds	17	4,288,124	3,692,658
Total Equity		<u>4,288,124</u>	<u>3,692,658</u>

The accompanying notes form part of these financial statements.

**Veterinary Practitioners Board
Statement of Changes in Equity
For the year ended 30 June 2023**

	Notes	Accumulated Funds	Total
Balance at 1 July 2022		3,692,658	3,692,658
Net result:	17	591,466	591,466
Total comprehensive income for the year	17	591,466	591,466
Balance at 30 June 2023		4,284,124	4,284,124
 Balance at 1 July 2021		 3,519,097	 3,519,097
Net result:	17	173,562	173,562
Total comprehensive income for the year	17	173,562	173,562
Balance at 30 June 2022		3,692,658	3,692,658

The accompanying notes form part of these financial statements.

**Veterinary Practitioners Board of
Statement of Cash Flow
For the Year Ended 30 June 2023**

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Payments			
Employee Related		(748,503)	(658,866)
Other Operating Expenses		<u>(587,883)</u>	<u>(444,851)</u>
Total Payments		(1,336,386)	(1,103,717)
Receipts			
Licence and Application Fees		983,510	1,630,570
Investment Revenue		125,593	-
Grant Revenue		209,349	-
Other Income		78,243	24,335
Total Receipts		1,396,695	1,654,905
Net Cash from Operating Activities	16	60,309	551,188
Cash Flows from Investing Activities			
Sale (Purchase) of Financial Assets		-	2,778,850
Purchase of Intangible Assets		(206,857)	(145,700)
Purchase of Plant and Equipment		(4,345)	-
Net Cash Flows from Investing Activities		(211,202)	2,633,150
Cash Flows from Financing Activities			
Repayment of borrowing and leasing liabilities		(95,436)	(89,691)
Net Cash Flows from Financing Activities		(95,436)	(89,691)
Net Increase/ (Decrease) in Cash Balance		(246,329)	3,094,647
Opening Cash and Cash Equivalents		4,922,130	1,827,483
Closing Cash and Cash Equivalents	5	<u>4,675,801</u>	<u>4,922,130</u>

The accompanying notes form part of these financial statements.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Veterinary Practitioners Board (the Board) is an agency under the *Government Sector Finance Act 2018*. The Board is a not-for-profit entity (as profit is not its principal objective) which registers veterinary practitioners, licenses veterinary hospitals and investigates complaints about the practice of veterinary science in NSW under the *Veterinary Practice Act 2003*. The expenses of the Board are met directly from the revenue collected by the Board mainly in the form of registration and licence fees.

The financial statements for the year ended 30 June 2023 are authorised for issue by President Dr Steven Ferguson and member Mrs Lisa Minogue on 17 October 2023.

(b) Basis of preparation

The Board's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018 (GSF Act)*
- the *Government Sector Finance Regulation 2018*
- applicable Treasurer's Directions and Treasury Circulars.

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

Property, plant and equipment are measured at depreciated replacement cost as fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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 one dollar and are expressed in Australian currency.

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.

i. Statement of compliance

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

ii. Cash and Cash Equivalents

For the purpose of the statement of cash flow, cash includes cash on hand, at call deposits with banks or financial institutions and investments in money market instruments maturing within less than three months, and is reported net of bank overdrafts.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Employee Benefits and other provisions

Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Wages, Salaries and Annual Leave

Provisions made in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months of the reporting date representing present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on remuneration rates that the Board expects to pay including related on-costs.

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 related 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). The Board has assessed the treasury advice based on the Board's circumstances and has determined that the effect of discounting is immaterial to annual leave.

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

Long service leave

Provisions for employee benefits for long service leave represent the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government securities at balance date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation plan

The Board contributes to accumulation based funds chosen by each employee as per the Australian Government initiative "Super Choice". Contributions are charged against expenditure as they are incurred.

iv. Plant and Equipment

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Board. The capitalisation threshold is \$100. The assets below this threshold can be expensed from the date of acquisition.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific 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.

For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable surrogate for fair value, in accordance with TPP 14-01. This is because any difference between fair value and depreciated historical cost is unlikely to be material.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iv. Plant and Equipment (continued)

Depreciation

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 and separately identifiable components of assets are depreciated over their useful lives.

The depreciation method is reviewed at least annually and, if there has been a change in the expected pattern of consumption, the method applied will be changed to reflect this.

When depreciation rates or depreciation methods are changed, the change is accounted for as a change in accounting estimate. The effect is recognised in the financial year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. The depreciation recognised in prior financial years is not changed either by an adjustment via the profit and loss account or via retained profits or accumulated losses.

The useful lives used for each class of assets are:

<i>Class of Fixed Assets</i>	2023 <i>Useful life</i>	2022 <i>Useful life</i>
Office Equipment	3 – 8 years	3 – 8 years
Furniture and Fittings	5 – 12 years	5 – 12 years
Fit-out Assets	12 years	12 years

v. Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. For inventories held for distribution, a loss of service potential would be identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Cost is calculated using the weighted average cost.

vi. Impairment of Assets

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

vii. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or fair value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for expected credit losses. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

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

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

viii. Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

ix. Revenue Recognition

Income is mainly derived from veterinary practitioner annual registration fees (due on or before 30 June for the ensuing financial year) and annual hospital licence fees (due on or before 30 June for the ensuing financial year). The payments are of a statutory nature, with no legal performance obligations, however there is an implied performance obligation. Payment of registration fees depends upon the exercise of an election to renew registration and is recognised in the period of registration. Veterinary practitioner registration fees and hospital licence fees which represent the fees for the period after 30 June 2023 are recognised as contract liabilities (unearned income) and recognised as a liability because the fees are paid in respect of the next financial year.

Investment revenue is recognised as it accrues.

Other income for rendering service is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

AASB 1058 – Income for not-for-profit entities

The Board has reviewed and determined if any of its transactions are or contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15) and has determined that no such transactions exist during the 2023 financial year.

The Board has considered the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, may be restated, and found that no such assets exist.

x. Accounting for the 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 as part of an item of expense
- receivables and payables are stated with the amount of GST included
- cash flows are included in the statement of cash flow on a gross basis
- the amount of recoverable GST in respect of cash flows from financing and investing activities is disclosed as operating cash flows.

Fine income is recognised when fines are raised.

xi. Intangible Assets

Intangible Assets are recognised 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. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

The intangible assets are amortised using the straight-line method over the useful lives assessed.

In the financial year 2019, the Board entered into a contract to develop a new online database solution, which would allow registration and licensing applications to be submitted through a new website (user interface) and processed online. The design aims to replace the existing manual process, improve the overall efficiency, generate future economic benefit by reducing running costs, and support the objectives of the Board.

All the payments in the development phase are listed as 'Intangible Assets WIP' until the project is completed (available for use) and recognised as an intangible asset given the Board expects to receive future economic benefits from the conversion of manual systems into 'the cloud'. The Board anticipates the project will be completed in November 2023 and expects 10 years of useful life.

Xii AASB 16 LEASES - RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Board's activities rarely involve entering into contracts of a leasing nature, other than those disclosed here-in.

Right of Use Assets (ROUA) are recorded when the entity has direct use of the assets and has obtained substantially all of the economic benefits from the use of the assets. The ROUA are measured at cost method in line with all other classes of property, adjusted for lease incentives, initial direct costs and estimates for costs for dismantling and removing the asset or restoring the site on which it is located (make good).

As the lessee, the entity recognises a lease liability and right-of-use asset at the inception of the lease. The Board's right of use assets was not impaired during the year as the contracts provide a minimum CPI or percentage increase on review.

The measurement principals of AASB 16 have been applied again in 2023 with the weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2021 was 4.26%. The rate was not updated as no new leases or modifications were made during the year.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

xiii. Change of Accounting Policies

Accounting standards effective for the First Time in 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the following revised Australian Accounting Standards that have been applied for the first time in 2022-23:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

The adoption of the above revised Australian Accounting Standards has not had any significant impact on the Board. There are no significant impacts or additional disclosures required.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

	2023	2022
	\$	\$
2. EXPENSES		
(a) Employee Related Expenses		
Salaries and Wages (Including Recreation Leave)	682,163	611,515
Superannuation – Defined Contribution Plans	79,092	59,668
Fringe Benefit Tax	<u>13,615</u>	<u>11,424</u>
	<u>774,870</u>	<u>682,607</u>
(b) Other Operating Expenses		
AVBC Contribution and Meeting Expenses	105,309	97,446
Auditor's Remuneration – Audit of the Financial Statements	22,505	15,600
Accounting	16,766	16,650
IT Services	30,477	21,539
Legal Cost	119,308	44,151
Operating Expenses	82,468	49,938
Operating Lease Rental Expense	514	3,415
Repairs and Maintenance	<u>1,361</u>	<u>4,579</u>
	<u>378,708</u>	<u>253,318</u>
(c) Depreciation and Amortisation Expenses		
Depreciation	6,036	11,915
Depreciation – Right of Use Asset	<u>94,956</u>	<u>94,609</u>
	<u>100,992</u>	<u>106,524</u>
(d) Other Expenses		
Bad Debts Expense	6,740	-
Bank Charges	7,425	8,497
Board Meeting Fees and Expenses	153,307	115,243
Board Publication Expenses	8,859	10,373
Complaints Committee Expenses	54,264	42,890
Interest on Right of Use Asset	7,836	8,619
Postage	2,869	1,339
Printing	540	1,343
Stores	1,234	930
Telephone and Internet	5,386	5,431
Travelling Expenses	<u>18,839</u>	<u>2,742</u>
	<u>267,299</u>	<u>197,407</u>

These notes should be read in conjunction with the attached financial statements.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

	2023	2022
	\$	\$
3. REVENUES		
(a) Licence and Application Fees		
Hospital Application Fees	7,875	5,250
Hospital Licence Fees	270,290	252,960
Application Registration Fees	51,180	42,070
Annual Registration Fees	1,331,265	1,179,300
Restoration Registration Fees	13,140	15,900
Restoration Registration Penalty	8,960	3,300
Limited Registration	20,680	18,320
	<u>1,703,390</u>	<u>1,517,100</u>

(b) Other Revenue

Legal Fee Recovery	40,000	-
Fines Income	20,095	8,070
Letters of Professional Standing	13,928	11,215
Register Sales	600	1,200
Other Income	130	600
Certificate and Card Sales	250	100
	<u>75,003</u>	<u>21,185</u>

4. GAIN / (LOSS) ON DISPOSAL

Gain on termination of right-of-use asset liability	-	4,262
Gain / (loss) on Disposal of Plant and Equipment	-	-
	<u>-</u>	<u>4,262</u>

5. CURRENT ASSETS - CASH and CASH EQUIVALENTS

Cash at bank	4,675,801	4,922,130
	<u>4,675,801</u>	<u>4,922,130</u>

The Board has a finance facility with Citibank of \$50,000 as at 30 June 2023. The outstanding balance was \$5,652.

6. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

Current

Trade Debtors	4,500	3,200
Other Debtors	5,396	200
	<u>9,896</u>	<u>3,400</u>

Non-Current

Deposits	25,550	25,550
Trade Debtors	1,000	5,540
	<u>26,550</u>	<u>31,090</u>

These notes should be read in conjunction with the attached financial statements.

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023**

	2023	2022
	\$	\$
6. CURRENT / NON-CURRENT ASSETS – RECEIVABLES (continued)		
Movement in the allowance for expected credit losses		
Balance at 01 July	-	-
Additions during the year	-	-
Amount written off during the year	-	-
Increase/ (decrease) in allowance recognised in profit and loss	<u>-</u>	<u>-</u>
Balance at 30 June	<u>-</u>	<u>-</u>
7. CURRENT ASSETS - INVENTORIES		
Inventories Held for Distribution	<u>1,859</u>	<u>2,103</u>
	<u>1,859</u>	<u>2,103</u>
8. CURRENT/NON-CURRENT ASSETS - OTHER		
Current		
Prepayments	<u>56,105</u>	<u>66,025</u>
	<u>56,105</u>	<u>66,025</u>
9. NON-CURRENT ASSETS - PLANT and EQUIPMENT		
Plant and Equipment – Fair Value		
Gross Carrying Amount	175,239	177,614
Accumulated Depreciation and Impairment	<u>(162,666)</u>	<u>(163,350)</u>
Net Carrying Amount	<u>12,573</u>	<u>14,264</u>
Reconciliation		
Net Carrying Amount at Start of Year	14,264	26,179
Additions	4,345	-
Depreciation	<u>(6,036)</u>	<u>(11,915)</u>
Net Carrying Amount at End of Year	<u>12,573</u>	<u>14,264</u>

These notes should be read in conjunction with the attached financial statements.

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023**

	2023	2022
	\$	\$
10. NON-CURRENT ASSETS – RIGHT OF USE ASSETS		
Buildings – Right of Use Asset		
Balance at 1 July	482,695	98,353
Additions	-	478,951
Depreciation expense	<u>(94,956)</u>	<u>(94,609)</u>
Balance at 30 June	<u>387,738</u>	<u>482,695</u>
11. INTANGIBLE ASSETS		
Non-Current		
Balance at 1 July	357,762	212,062
Additions	<u>206,857</u>	<u>145,700</u>
Intangible Assets – Software WIP	<u>564,619</u>	<u>357,762</u>
12. CURRENT LIABILITIES - PAYABLES		
Current		
Creditors	35,285	32,075
Other Current Payables	82,910	35,695
Other Creditors	<u>-</u>	<u>10,230</u>
	<u>118,195</u>	<u>78,000</u>
13. CURRENT LIABILITIES – OTHER		
Current		
Contract Liabilities	<u>708,940</u>	<u>1,428,820</u>
	<u>708,940</u>	<u>1,428,820</u>
14. CURRENT/ NON-CURRENT LIABILITIES - BORROWINGS		
Current		
Lease Liability - ROUA	<u>92,045</u>	<u>87,600</u>
	92,045	87,600
Non-Current		
Lease Liability - ROUA	<u>313,458</u>	<u>405,503</u>
	313,458	405,503
	<u>405,503</u>	<u>493,103</u>
Lease Liabilities – Right of Use Asset		
Balance at 1 July	493,103	102,677
Additions (net)	-	474,689
Finance Cost & Gain/loss	7,836	8,619
Payment	<u>(95,436)</u>	<u>(92,882)</u>
Balance at 30 June	<u>405,503</u>	<u>493,103</u>

These notes should be read in conjunction with the attached financial statements.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

	2023	2022
	\$	\$
15. CURRENT/ NON-CURRENT LIABILITIES - PROVISIONS		
Employee Entitlements		
Current		
Provision for Recreation Leave	93,996	81,446
Provision for Long Service Leave	107,316	98,441
	201,312	179,887
Non-Current		
Provision for Long Service Leave	9,067	-
Provision for Make Good	8,000	7,000
	17,067	7,000
	218,379	186,887
Aggregate Employee Benefits and Related On-Costs		
Provision - Current	201,312	179,887
Provision - Non-Current	17,067	7,000
	218,379	186,887

The Board expects that \$47,643 amount of recreation leave will be settled no more than 12 months after the reporting date and \$46,353 amount of recreation leave will be settled more than 12 months after the reporting date.

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

Net Cash used on Operating Activities	60,309	551,188
Increase/ (Decrease) in Receivables	(3,240)	(3,150)
Increase/ (Decrease) in Sundry Debtor	-	(1,605)
Increase/ (Decrease) in Prepayment	(9,920)	2,883
Increase/ (Decrease) in Inventory	(244)	1,185
(Increase)/Decrease in Contract Liabilities	719,880	(113,470)
(Increase)/Decrease in Payables	(34,999)	3,934
(Increase)/Decrease in Provisions	(31,492)	(27,066)
Depreciation	(6,036)	(11,915)
Depreciation – Right of Use Asset	(94,956)	(94,609)
Increase/ (Decrease) in Financial Assets at fair value	-	(133,813)
Finance costs – Lease liabilities	(7,836)	-
Net Result	591,466	173,562

17. ACCUMULATED FUNDS

Accumulated funds at the beginning of the financial year	3,692,658	3,519,097
Net Result for the year	591,466	173,562
Accumulated funds at the end of the financial year	4,284,124	3,692,658

These notes should be read in conjunction with the attached financial statements.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

18. 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 on 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.

(a) Financial instruments

Financial Assets	Category	Note	Carrying Amount 2023 \$	Carrying Amount 2022 \$
Cash and Cash Equivalents	N/A	5	4,675,800	4,922,130
Receivables ¹	Receivables at amortised cost	6	5,500	8,740

Financial Liabilities	Category	Note	Carrying Amount 2023 \$	Carrying Amount 2022 \$
Payables ²	Financial liabilities measured at amortised cost	12	35,285	32,075
Borrowings	Lease Liability	14	405,503	493,103

Notes:

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) Financial risks

i. 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, receivables, and authority deposits. No collateral is held by the Board. The Board has not granted any financial guarantees.

Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

18. FINANCIAL INSTRUMENTS (continued)

Cash and Cash Equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances.

Accounts Receivable – Trade Debtors

All trade debtors are recognised as amounts receivable at the 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 expected credit losses 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.

The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2023: Nil; 2022: Nil) and less than 3 months past due (2023: \$ nil 2022: \$1,000) are not considered impaired. Most of the Board’s debtors have a good credit rating. The ageing of trade debtors has been listed below:

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
2023			
<30 days overdue	-	-	-
30 days – 90 days overdue	-	-	-
>90 days overdue	5,500	5,500	-
2022			
<30 days overdue	-	-	-
30 days – 90 days overdue	1,000	1,000	-
>90 days overdue	7,740	7,740	-

Notes

- Each column in the table reports ‘gross receivables’
- The ageing analysis excludes statutory receivables and prepayments as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the ‘total’ may not reconcile to the receivables total recognised in the statement of financial position.

ii. 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. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

18. FINANCIAL INSTRUMENTS (continued)

During the current 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, cash on hand and the 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. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The Board did not pay any interest to small business suppliers during the year.

The financial liabilities of the Board as at 30 June 2023 were settled within a month and there is no interest rate exposure.

iii. 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 borrowings. 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 and other price 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 as for 2022. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Board's interest-bearing liabilities. This risk is minimised by holding cash on hand. 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 risk is \$1,255 in net profit and equity in the 2023 year (2022: \$30).

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

19. COMMITMENTS

(a) Capital Commitments:

The Board has not entered into any unrecognised contractual commitment prior to the 30 June 2023.

20. CONTINGENTS

(a) Contingent Assets

The Board is aware of a contingent litigation asset associated with the ongoing operations that may give rise to a contingent asset at balance date. At this point those Assets are material, though subject to significant uncertainty..

(b) Contingent Liabilities

The Board is aware of a contingent legal liabilities associated with ongoing operations that may give rise to a contingent liability at balance date. At this point those liabilities are material, though subject to significant uncertainty.

21. AUSTRALIAN ACCOUNTING STANDARDS 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 Australian Accounting Standards have not been applied and are not yet effective:

AASB 17	Insurance Contracts
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
AASB 2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
AASB 2021-6	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
AASB 2021-7c	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
AASB 2021-7b	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
AASB 2022-1	Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
AASB 2022-6	Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
AASB 2022-7	Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
AASB 2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
AASB 2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
AASB 2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
AASB 1060	General Purpose Financial Statements – Simplified Disclosures for NSF Tier 2 Entities

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023

22. GOING CONCERN

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties.

When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

The Board confirm the going concern basis is appropriate for the financial statements.

23. EVENT SUBSEQUENT TO BALANCE DATE

The Board has not identified any events or transactions that are material to require adjustments or disclosures in the financial statements.

24. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

The Board is a body corporate established under the *Veterinary Practice Act 2003*. The Board members and the registrar are considered key management personnel as they have authority and responsibility for planning, directing and controlling the activities of the Board.

Board members:

Board members are appointed for a 3 year term by the Governor of NSW with the term ending 30 June 2024. The Board consists of 8 members:

- Dr Georgina Child, selected by the Minister, representing specialist veterinarians
- Dr Magdoline Awad, selected by the Minister, representing veterinarians in urban areas
- Dr Peter Alexander, selected by the Minister, representing veterinarians in rural areas
- Dr Kate Mills, selected by the Minister, representing veterinarians in academia
- Dr Steven Ferguson, selected by the Minister, representing veterinarians
- Dr Paul McGreevy, selected by the Minister, representing veterinarians
- Mrs Sarah Hunter, nominee of the Minister, representing consumers of veterinary services
- Mrs Lisa Minogue, selected by the Minister, representing consumers of veterinary services

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2023**

24. RELATED PARTY TRANSACTIONS (continued)

Registrar:

Dr John Baguley was appointed as the Registrar in 2012 and is responsible for assisting the Board in the administration of its activities under the legislation and the overall management of the organisation by establishing strategy, policy and operations to guide the Board in its interactions.

Key Management Personnel compensation:

	2023 \$	2022 \$
Short-term employee benefit ¹	397,569	373,400
Other long-term benefits ²	47,541	43,285
Outstanding short-term benefit ³	24,616	23,368

Note:

1. Short-term employee benefit includes wages, salaries, paid annual leave and paid sick leave, reportable fringe benefit and superannuation guarantee.
2. Other long-term benefits refer to Long Service Leave accrued only and no other long-term benefits are applicable.
3. Outstanding short-term benefit includes accrued wage and superannuation on 30/06/2023.

(b) Other Related Parties

The Board has not identified any other related parties and accordingly no other related party transactions need to be disclosed.

END OF AUDITED FINANCIAL STATEMENTS