

Veterinary Practitioners Board

Financial Statements

For the year ended
30 June 2021

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

Veterinary Practitioners Board
STATEMENT BY MEMBERS OF THE BOARD
For the Year ended 30 June 2021

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
25 October 2021

Signed



Lisa Minogue
Member, Veterinary Practitioners Board
25 October 2021

Veterinary Practitioners Board
Statement of Comprehensive Income
For the Year ended 30 June 2021

	Note	2021 \$	2020 \$
Expenses			
Employee Related Expenses	2(a)	639,836	660,612
Other Operating Expenses	2(b)	309,384	280,394
Depreciation and Amortisation	2(c)	105,687	106,905
Other Expenses	2(d)	207,345	232,593
Total Expenses		<u>1,262,251</u>	<u>1,280,504</u>
Revenue			
Licence and Application Fees	3(a)	1,462,110	1,429,440
Other Revenue	3(b)	22,162	39,420
Investment Revenue		235,518	3,589
Total Revenue		<u>1,719,790</u>	<u>1,472,449</u>
Gain / (Loss) on Disposal	4	(173)	(5,161)
Net Result for the Year		<u>457,366</u>	<u>186,784</u>
Total Comprehensive Income for the Year		<u>457,366</u>	<u>186,784</u>

The accompanying notes form part of these financial statements.

**Veterinary Practitioners Board
Statement of Financial Position
As at 30 June 2021**

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	1,827,482	1,599,319
Receivables	6	32,805	24,133
Inventories	7	918	735
Financial Assets at Fair Value	8	2,911,488	2,677,906
Other	9	63,142	52,632
Total Current Assets		<u>4,835,835</u>	<u>4,354,723</u>
Non-Current Assets			
Receivables	6	6,440	7,640
Plant and Equipment	10	26,179	31,447
Right Of Use Assets	11	98,353	189,145
Intangible Assets	12	212,062	160,612
Total Non-Current Assets		<u>343,034</u>	<u>388,844</u>
Total Assets		<u>5,178,869</u>	<u>4,743,567</u>
LIABILITIES			
Current Liabilities			
Payables	13	81,925	88,966
Other	14	1,315,350	1,233,050
Borrowings	15	94,705	90,608
Provisions	16	116,281	127,991
Total Current Liabilities		<u>1,608,261</u>	<u>1,540,615</u>
Non-Current Liabilities			
Provisions	16	43,540	38,544
Borrowings	15	7,972	102,677
Total Non-Current Liabilities		<u>51,512</u>	<u>141,221</u>
Total Liabilities		<u>1,659,773</u>	<u>1,681,836</u>
Net Assets		<u>3,519,097</u>	<u>3,061,731</u>
EQUITY			
Accumulated Funds	18	3,519,097	3,061,731
Total Equity		<u>3,519,097</u>	<u>3,061,731</u>

The accompanying notes form part of these financial statements.

**Veterinary Practitioners Board
Statement of Changes in Equity
For the year ended 30 June 2021**

	Notes	Accumulated Funds	Total
Balance at 1 July 2020		3,061,731	3,061,731
Net result:	18	<u>457,366</u>	<u>457,366</u>
Total comprehensive income for the year	18	<u>457,366</u>	<u>457,366</u>
Balance at 30 June 2021		<u><u>3,519,097</u></u>	<u><u>3,519,097</u></u>
Balance at 1 July 2019		2,874,947	2,874,947
Net result:	18	<u>186,784</u>	<u>186,784</u>
Total comprehensive income for the year	18	<u>186,784</u>	<u>186,784</u>
Balance at 30 June 2020		<u><u>3,061,731</u></u>	<u><u>3,061,731</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flow
For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Payments			
Employee Related		681,178	642,921
Other Operating Expenses		501,181	497,149
Total Payments		1,182,359	1,140,070
Receipts			
Licence and Application Fees		1,544,410	1,601,740
Investment Revenue		1,935	3,589
Other Income		21,512	39,920
Total Receipts		1,567,857	1,645,249
Net Cash from Operating Activities	17	385,498	505,179
Cash Flows from Investing Activities			
Purchase of Financial Assets		-	(494,028)
Purchase of Intangible Assets		(52,450)	(89,300)
Purchase of Plant and Equipment		(12,001)	(28,128)
Net Cash Flows from Investing Activities		(64,451)	(611,456)
Cash Flows from Financing Activities			
Repayment of borrowing and leasing liabilities		(92,882)	(86,650)
Net Cash Flows from Financing Activities		(92,882)	(86,650)
Net Increase/ (Decrease) in Cash Balance		228,165	(192,927)
Opening Cash and Cash Equivalents		1,599,319	1,792,246
Closing Cash and Cash Equivalents	5	1,827,482	1,599,319

The accompanying notes form part of these financial statements.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Veterinary Practitioners Board (the Board) is a statutory body under the *Public Finance and Audit Act 1983*. 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 licence and application fees.

The financial statements for the year ended 30 June 2021 are authorised for issue by President Dr John Mark Simpson and member Mrs Lisa Minogue on 25 October 2021.

(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 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 2021

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 actuarial 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 2021

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>	<i>Useful life</i>
Office Equipment	3 – 8 years
Furniture and Fittings	5 – 12 years
Fit-out Assets	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 2021

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). As the payments are of a statutory nature, there are no specific performance obligations. Payment of registration fees depends upon the exercise of an election to renew registration and is recognised at the date of payment. Veterinary practitioner registration fees and hospital licence fees which represent the fees for the period after 30 June 2021 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 2021 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.

xi. Financial Assets at Fair Value

The TCorpIM Funds are designated at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Board's key management personnel.

The movement in the fair value of TCorpIM Funds incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

xii. 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.

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 December 2021 and expects 10 years of useful life.

xiii AASB 16 LEASES - RIGHT OF USE ASSETS

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 2021 with the weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2020 was 1.42%.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

xiv. Change of Accounting Policies

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the first time in the financial year. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Service Concession Arrangements: Grantors (AASB 1059)

AASB 1059 is effective for the Board from 1 July 2020. The NSW Treasury Policy and Guideline Paper TPP06-8: Accounting for Privately Financed Projects (TPP 06-8) was also withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public

services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the assets and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The adoption of AASB 1059 did not have any financial impact on Statement of Financial Position, Statement of Comprehensive Income and the Statement of Cash Flows for the financial year.

Several other amendments and interpretations also applied for the first time in the financial year 2020-21, but do not have an impact on the financial statements of the Board.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

	2021	2020
	\$	\$
2. EXPENSES		
(a) Employee Related Expenses		
Salaries and Wages (Including Recreation Leave)	576,521	596,623
Superannuation – Defined Contribution Plans	54,532	53,735
Fringe Benefit Tax	8,783	10,254
	639,836	660,612
(b) Other Operating Expenses		
AVBC Contribution and Meeting Expenses	92,627	89,098
Auditor's Remuneration – Audit of the Financial Statements	13,045	14,000
Accounting	14,909	14,000
IT Services	24,489	27,579
Legal Cost	116,897	89,914
Operating Expenses	43,587	41,289
Operating Lease Rental Expense	3,415	3,381
Repairs and Maintenance	415	1,133
	309,384	280,394
(c) Depreciation and Amortisation Expenses		
Depreciation	14,895	16,115
Depreciation – Right of Use Asset	90,792	90,790
	105,687	106,905
(d) Other Expenses		
Bank Charges	8,132	13,636
Board Meeting Fees and Expenses	123,921	131,936
Board Publication Expenses	9,286	8,176
Complaints Committee Expenses	50,511	53,724
Interest on Right of Use Asset	2,048	3,308
Postage	2,866	4,367
Printing	926	1,067
Stores	1,154	997
Telephone and Internet	5,476	4,815
Travelling Expenses	3,025	10,566
	207,345	232,593

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 2021

	2021	2020
	\$	\$
3. REVENUES		
(a) Licence and Application Fees		
Hospital Application Fees	6,500	6,000
Hospital Licence Fees	251,360	249,380
Application Registration Fees	37,380	46,620
Annual Registration Fees	1,133,670	1,091,540
Restoration Registration Fees	14,550	16,500
Restoration Registration Penalty	7,800	9,000
Limited Registration	10,850	10,850
	<u>1,462,110</u>	<u>1,429,440</u>
(b) Other Revenue		
Fines Income	11,850	25,550
Letters of Professional Standing	9,360	11,520
Register Sales	-	1,200
Other Income	952	1,150
	<u>22,162</u>	<u>39,420</u>
4. GAIN / (LOSS) ON DISPOSAL		
Gain / (loss) on Disposal of Plant and Equipment	<u>(173)</u>	<u>(5,161)</u>
	<u>(173)</u>	<u>(5,161)</u>
5. CURRENT ASSETS - CASH and CASH EQUIVALENTS		
Cash at bank	<u>1,827,482</u>	<u>1,599,319</u>
	<u>1,827,482</u>	<u>1,599,319</u>
The Board has a finance facility with Westpac of \$50,000 as at 30 June 2021. The outstanding balance was Nil.		
6. CURRENT / NON-CURRENT ASSETS - RECEIVABLES		
Current		
Deposits	25,550	20,533
Trade Debtors	5,450	3,600
Other Debtors	1,805	-
	<u>32,805</u>	<u>24,133</u>
Non-Current		
Trade Debtors	6,440	7,640
	<u>6,440</u>	<u>7,640</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 2021**

	2021	2020
	\$	\$
6. CURRENT / NON-CURRENT ASSETS – RECEIVABLES (continued)		
Movement in the allowance for expected credit losses		
Balance at 01 July	-	1,400
Additions during the year	-	-
Amount written off during the year	-	(1,400)
Increase/ (decrease) in allowance recognised in profit and loss	-	-
Balance at 30 June	-	-
7. CURRENT ASSETS - INVENTORIES		
Inventories Held for Distribution	918	735
	<u>918</u>	<u>735</u>
8. CURRENT/NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE		
Current		
TCorpIM Medium Term Growth Fund	2,911,488	2,677,906
	<u>2,911,488</u>	<u>2,677,906</u>
9. CURRENT/NON-CURRENT ASSETS - OTHER		
Current		
Prepayments	63,142	52,632
	<u>63,142</u>	<u>52,632</u>
10. NON-CURRENT ASSETS - PLANT and EQUIPMENT		
Plant and Equipment – Fair Value		
Gross Carrying Amount	177,614	176,499
Accumulated Depreciation and Impairment	(151,435)	(146,052)
Net Carrying Amount	<u>26,179</u>	<u>31,447</u>
Reconciliation		
Net Carrying Amount at Start of Year	31,447	24,595
Additions	9,627	22,967
Depreciation	(14,895)	(16,115)
Net Carrying Amount at End of Year	<u>26,179</u>	<u>31,447</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 2021**

	2021	2020
	\$	\$
11. NON-CURRENT ASSETS – RIGHT OF USE ASSETS		
Buildings – Right of Use Asset		
Balance at 1 July 2020	189,145	279,935
Additions	-	-
Depreciation expense	<u>(90,792)</u>	<u>(90,790)</u>
Balance at 30 June 2021	<u>98,353</u>	<u>189,145</u>
12. INTANGIBLE ASSETS		
Non-Current		
Intangible Assets – Software WIP	<u>212,062</u>	<u>160,612</u>
	<u>212,062</u>	<u>160,612</u>
13. CURRENT LIABILITIES - PAYABLES		
Current		
Creditors	19,954	22,766
Other Current Payables	46,845	62,422
Financial Liabilities	-	-
Other Creditors	<u>15,126</u>	<u>3,778</u>
	<u>81,925</u>	<u>88,966</u>
14. CURRENT LIABILITIES – OTHER		
Current		
Contract Liabilities	<u>1,315,350</u>	<u>1,233,050</u>
	<u>1,315,350</u>	<u>1,233,050</u>
15. CURRENT/ NON-CURRENT LIABILITIES - BORROWINGS		
Current		
Lease Liability - ROUA	<u>94,705</u>	<u>90,608</u>
	94,705	90,608
Non-Current		
Lease Liability - ROUA	<u>7,972</u>	<u>102,677</u>
	7,972	102,677
	<u>102,677</u>	<u>193,285</u>
16. CURRENT/ NON-CURRENT LIABILITIES - PROVISIONS		
Current		
Provision for Recreation Leave	74,140	89,364
Provision for Long Service Leave	<u>42,141</u>	<u>38,627</u>
	<u>116,281</u>	<u>127,991</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 2021**

	2021	2020
	\$	\$
Employee Entitlements (continued)		
Non-Current		
Provision for Long Service Leave	37,540	32,544
Provision for Make Good	6,000	6,000
	43,540	38,544
	159,821	166,535
Aggregate Employee Benefits and Related On-Costs		
Provision - Current	116,281	127,991
Provision - Non-Current	43,540	32,544
	153,821	160,535

The Board expects that \$44,935 amount of recreation leave will be settled no more than 12 months after the reporting date and \$29,204 amount of recreation leave will be settled more than 12 months after the reporting date.

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

Net Cash used on Operating Activities	385,498	505,179
Increase/ (Decrease) in Receivables	650	(500)
Increase/ (Decrease) in Sundry Debtor	1,805	(2,365)
Increase/ (Decrease) in Prepayment	5,034	380
Increase/ (Decrease) in Inventory	183	(2,520)
(Increase)/Decrease in Contract Liabilities	(82,300)	(172,300)
(Increase)/Decrease in Payables	7,041	(18,463)
(Increase)/Decrease in Provisions	6,714	(10,561)
Depreciation	(14,895)	(16,115)
Depreciation – Right of Use Asset	(90,792)	(90,790)
Gain or Loss on Disposal of Asset	(173)	(5,161)
Increase/ (Decrease) in Deposit	5,017	-
Increase/ (Decrease) in Financial Assets at fair value	233,583	-
Net Result	457,365	186,784

18. ACCUMULATED FUNDS

Accumulated funds at the beginning of the financial year	3,061,731	2,874,947
Net Result for the year	457,366	186,784
Accumulated funds at the end of the financial year	3,519,097	3,061,731

19. 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.

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021**

19. FINANCIAL INSTRUMENTS (continued)

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 2021 \$	Carrying Amount 2020 \$
Cash and Cash Equivalents	N/A	5	1,827,482	1,599,319
Financial Assets at Fair Value	Financial assets at fair value through profit or loss	8	2,911,488	2,677,906
Receivables ¹	Receivables at amortised cost	6	11,890	11,240

Financial Liabilities	Category	Note	Carrying Amount 2021 \$	Carrying Amount 2020 \$
Payables ²	Financial liabilities measured at amortised cost	13	62,322	81,070
Borrowings	Lease Liability	15	102,677	193,285

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. Authority deposits held with NSW TCorp are guaranteed by the State.

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 at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021**

19. FINANCIAL INSTRUMENTS (continued)

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 (2021: Nil; 2020: Nil) and less than 3 months past due (2021: Nil, 2020: \$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}
2021			
<30 days overdue	-	-	-
30 days – 90 days overdue	-	-	-
>90 days overdue	8,640	8,640	-
2020			
<30 days overdue	-	-	-
30 days – 90 days overdue	1,000	1,000	-
>90 days overdue	10,240	10,240	-

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.

Other financial assets - Authority Deposits

The deposits with TCorp are guaranteed by the State and are ‘AAA’ rated by Standard and Poor’s. These deposits are similar to money market or bank deposits and can be placed ‘at call’ or for a fixed term. The credit risks are considered to be low.

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.

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 and current assessment of risk.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

19. FINANCIAL INSTRUMENTS (continued)

ii. Liquidity Risk (continued)

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 2021 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 and other price risks associated with the movement in the unit price of NSW TCorp Funds. 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 2020. 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 undertaking mainly fixed rate borrowings, primarily with NSW TCorp. 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 \$1,935 in net profit and equity in the 2021 year (2020: \$3,589).

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021**

19. FINANCIAL INSTRUMENTS (continued)

Other price risk – TCorpIM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM funds, which are held for strategic rather than trading purposes. The Board has no direct equity investments. The Board holds units in the following TCorpIM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2021 \$	2020 \$
Medium-term growth facility	Cash, money market instruments, Australian and international bonds, listed property and Australian shares	3 years to 7 years	2,911,488	2,677,906

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorpIM Funds facilities limits the Board's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorpIM Funds are measured at fair value therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement).

		Impact on net result 2021	Impact on net result 2020
TCorpIM Funds – Medium-term growth facility	+/- 10% 2020 +/-10%	291,148	267,790

(c) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorpIM Funds, which are measured at fair value. Cost amount being a surrogate for fair value as the two are not materially different due to the short term nature of these financial instruments.

**Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021**

19. FINANCIAL INSTRUMENTS (continued)

(d) Fair value recognised in the statement of financial position

The Board uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique in the financial year 2021:

- Level 1 - Derived from quoted (unadjusted) prices in active markets for identical assets/liabilities.
- Level 2 - Derived from inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 - Derived from inputs that are not based on observable market data (unobservable inputs)

Financial Assets at Fair Value ¹	2021 \$			2020 \$		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
TCorpIM Funds	-	2,911,488	-	-	2,677,906	-
Total	-	2,911,488	-	-	2,677,906	-

Note:

1. The tables above include only financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between the levels of the fair value hierarchy in the financial year 2021.

The value of the TCorpIM Funds is based on the Board's share of the value of the underlying assets of the facility, based on the market value. All of the TCorpIM Funds facilities are valued using 'redemption' pricing.

20. COMMITMENTS

(a) Capital Commitments:

The Board has not entered into any unrecognised contractual commitment prior to the 30 June 2021, However as in prior years the accounts disclose prospective financial information regarding budgeted non-contractual commitments of a significant nature.

At closing date, the contract payments, capitalised costs and estimated residual cost are as follows:

	2021 \$	2020 \$
Estimated costs	302,500	302,500
Capitalised costs	212,062	157,212
Estimated residual cost	90,438	145,288

The above residual non-contractual amount includes \$8,212 GST.

20. CONTINGENTS

(a) Contingent Assets

The Board is not aware of any contingent assets associated with the operation.

(b) Contingent Liabilities

The Board is not aware of any contingent liabilities associated with the operation.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

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 2020-2	Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
AASB 2020-5	Amendments to Australian Accounting Standards - – Insurance Contracts
AASB 2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
AASB 2020-7	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
AASB 2020-8	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
AASB 2020-9	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
AASB 2021-1	Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
AASB 2021-3	Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021
AASB 1060	General Purpose Financial Statements – Simplified Disclosures for NSF Tier 2 Entities

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.

Veterinary Practitioners Board
Notes to the Financial Statements
For the Year ended 30th June 2021

25. 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 2021.

- Dr Georgina Child, selected by the Minister, representing specialist veterinarians
- Dr Magdoline Awad, selected by the Minister, representing veterinarians in urban areas
- Dr Kylie Parry, selected by the Minister, representing veterinarians in rural areas
- Dr Barbara Jane Lord, selected by the Minister, representing veterinarians in academia
- Dr John Mark Simpson, selected by the Minister
- Dr Steven Ferguson, selected by the Minister
- Mrs Wendy Cochrane, selected by the Minister, representing consumers of veterinary services
- Mrs Lisa Minogue, selected by the Minister, representing consumers of veterinary services

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:

	2021 \$	2020 \$
Short-term employee benefit ¹	402,106	394,296
Other long-term benefits ²	37,540	32,544
Outstanding short-term benefit ³	-	11,829

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 30/06/2021.

(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