Veterinary Practitioners Board of NSW

Financial Statements

For the year ended
30 June 2018

Suite 7.09, 247 Coward Street
Mascot NSW 2020

Financial Statements prepared by Pinter & Partners Chartered Accountants

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to the *Public Finance and Audit Act* 1983 s 41C, and in accordance with a resolution of the Members of the Veterinary Practitioners Board of NSW made on 16 October 2018, we declare on behalf of the Board that in our opinions:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Veterinary Practitioners Board of NSW as at 30 June 2018 and the transactions for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act* 1983, the *Public Finance and Audit Regulation 2015*, Australian Accounting Standards, which include Australian Accounting Interpretations, and the Treasurer's directions.
3. There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed

John Mark Simpson
President, Veterinary Practitioners Board NSW
16 October 2018

Signed

Lisa Minogue
Member, Veterinary Practitioners Board NSW
16 October 2018

NSW GOVERNMENT

ABN 93 831 750 859

Veterinary Practitioners Board of NSW
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Mascot NSW 2020

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Veterinary Practitioners Board of NSW
Statement of Comprehensive Income
For the Year ended 30 June 2018

	Note	2018 $	2017 $
Expenses Excluding Losses			
Employee Related Expenses	2(a)	591,956	542,903
Other Operating Expenses	2(b)	317,609	240,549
Depreciation and Amortisation	2(c)	21,186	16,812
Other Expenses	2(d)	218,117	215,124
Total Expenses Excluding Losses		**1,148,868**	**1,015,388**
Revenue			
Licence & Application Fees	3(a)	1,325,198	1,219,085
Other Revenue	3(b)	24,815	24,262
Investment Revenue		91,332	51,624
Total Revenue		**1,441,345**	**1,294,971**
Net Result for the Year		**292,477**	**279,583**
Total Comprehensive Income for the Year		**292,477**	**279,583**

The accompanying notes form part of these financial statements.

Veterinary Practitioners Board of NSW
Statement of Financial Position
As at 30 June 2018

	Note	2018 $	2017 $
ASSETS			
Current Assets			
Cash & Cash Equivalents	4	2,349,220	2,271,559
Receivables	5	26,694	33,491
Inventories	6	3,200	6,800
Financial Assets at Fair Value	7	1,265,806	998,673
Other	8	43,816	47,586
Total Current Assets		**3,688,736**	**3,358,109**
Non-Current Assets			
Receivables	5	10,240	11,440
Plant and Equipment	9	35,029	51,760
Total Non-Current Assets		45,269	63,200
Total Assets		**3,734,005**	**3,421,309**
LIABILITIES			
Current Liabilities			
Payables	10	1,135,254	1,120,641
Provisions	11	117,379	117,326
Total Current Liabilities		**1,252,633**	**1,237,967**
Non-Current Liabilities			
Provisions	11	26,822	21,269
Total Non-Current Liabilities		26,822	21,269
Total Liabilities		1,279,455	1,259,236
Net Assets		**2,454,550**	**2,162,073**
EQUITY			
Accumulated Funds	13	2,454,550	2,162,073
Total Equity		**2,454,550**	**2,162,073**

The accompanying notes form part of these financial statements.

Veterinary Practitioners Board of NSW
Statement of Changes in Equity
For the year ended 30 June 2018

	Notes	Accumulated Funds	Total
Balance at 1 July 2017		2,162,073	2,162,073
Net result:	13	292,477	292,477
Total comprehensive income for the year	13	292,477	292,477
Balance at 30 June 2018		**2,454,550**	**2,454,550**
Balance at 1 July 2016		1,882,490	1,882,490
Net result:	13	279,583	279,583
Total comprehensive income for the year	13	279,583	279,583
Balance at 30 June 2017		**2,162,073**	**2,162,073**

The accompanying notes form part of these financial statements.

Veterinary Practitioners Board of NSW
Statement of Cash Flow
For The Year Ended 30 June 2018

	Note	2018 $	2017 $
Cash Flows from Operating Activities			
Payments			
Employee Related		587,166	525,126
Other Operating Expenses		510,329	454,742
Total Payments		**1,097,495**	**979,868**
Receipts			
Licence & Application Fees		1,322,600	1,255,813
Investment Revenue		97,729	47,291
Other Income		26,415	31,037
Total Receipts		**1,446,744**	**1,334,141**
Net Cash from Operating Activities	12	**349,249**	**354,273**
Cash Flows from Investing Activities			
Purchase of Financial Assets		(267,133)	(998,673)
Purchase of Plant and Equipment		(4,455)	(1,013)
Net Cash Flows from Investing Activities		**(271,588)**	**(999,686)**
Net Increase/(Decrease) in Cash Balance		**77,661**	**(645,413)**
Opening Cash and Cash Equivalents		2,271,559	2,916,972
Closing Cash and Cash Equivalents	4	**2,349,220**	**2,271,559**

The accompanying notes form part of these financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Reporting entity

Veterinary Practitioners Board of NSW (the Board) is an independent State Government Statutory body. The Board is a non for profit entity (as profit is not its principal objective) which registers veterinary practitioners and veterinary specialists, 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 2018 are authorised for issue by President Dr John Mark Simpson and member Mrs Lisa Minogue on 16 October 2018.

(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 *Public Finance and Audit Act 1983*
- the *Public Finance and Audit Regulations 2015*
- 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 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 & 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.

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 entity has assessed the actuarial advice based on the entity'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 a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

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 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 & 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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

iv. **Plant & 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 be 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:

Class of Fixed Assets	***Useful life***	
Office Equipment	3 – 7	years
Motor Vehicles	8	years
Furniture & 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 AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is 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. **Loan and Receivables**
Loan and receivables are non-derivate 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 any impairment of receivables. 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.

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. **Leases**
A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred.

x. **Revenue Recognition**
Income is mainly derived from veterinary practitioner annual registration fees (due on 31 May for the ensuing financial year) and annual hospital licence fees (due on 31 May for the ensuing financial year). 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 2018 are recognised as unearned revenue 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 in the main is rendering of service which is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

xi. **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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

xii. Financial Assets at Fair Value

The TCorp Hour-Glass Investment Facilities (other than the Hour-Glass cash facility which is included as 'cash assets'), 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 entity's key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

xiii. Change of Accounting Policies and Accounting Estimates

Change of Accounting Policies

In financial year 2018 the disclosure of TCorp Medium Term Growth Funds was reclassified from 'Cash and Cash Equivalents' category to 'Financial Assets at Fair Value' category, to comply with NSW Treasury Circular TC17-04.

This change is only different disclosure of the current asset, as such the net financial position or the Comprehensive Income Statement was not affected, either for current financial year, or for prior financial year should the same policy be applied. The opening balance of each affected component in these financial statements was adjusted to show comparative information.

Change of Accounting Estimates

In financial year 2018, the Board updated the useful lives for Plant & Equipment as outlined below, which affected the depreciation for both current financial year and future financial years.

The Board has renewed the lease contract for another 5 years to July 2022, and expected no major renovation plan before then, as such the useful life was updated from 10 years to 12 years for 'Fit-out Assets' which refers to building works performed in 2009 for this rental premises at 247 Coward Street Mascot NSW.

Most of the Furniture & Fittings were installed and ready to use in 2009. The Board has decided to continue using them till July 2022 when the lease expires, as such the maximum useful life was updated from 10 years to 12 years for 'Furniture & Fittings'.

The Board has amended the minimum useful life for 'Office Equipment' from 5 years to 3 years to align with the consumption pattern and IT technology change.

The net effect to 2018 depreciation was $3,569 increased.

	2018	2017
	$	$

2. EXPENSES

(a) Employee Related Expenses

	2018 $	2017 $
Salaries & Wages (Including Recreation Leave)	534,254	481,189
Superannuation – Defined Contribution Plans	49,600	44,457
Fringe Benefit Tax	8,102	17,257
	591,956	542,903

(b) Other Operating Expenses

	2018 $	2017 $
AVBC Contribution & Meeting Expenses	84,441	80,135
Auditor's Remuneration – Audit of the Financial Statements	13,400	9,400
Accounting	14,091	13,904
IT Services	8,623	3,841
Legal Cost	67,226	13,836
Operating Expenses	42,587	37,110
Operating Lease Rental Expense	87,151	77,521
Repairs & Maintenance	90	4,802
	317,609	240,549

(c) Depreciation and Amortisation Expenses

	2018 $	2017 $
Depreciation	21,186	16,812
	21,186	16,812

(d) Other Expenses

	2018 $	2017 $
Bad Debts / (Bad Debts Recovered)	-	(3,275)
Bank Charges	4,560	4,917
Board Meeting Fees & Expenses	135,944	133,114
Board Publication Expenses	9,903	6,078
Complaints Committee Expenses	47,120	51,774
Donations	330	310
Postage	5,562	8,002
Printing	425	668
Stores	1,149	1,096
Telephone & Internet	5,148	6,948
Travelling Expenses	7,976	5,492
	218,117	215,124

	2018 $	2017 $
3. REVENUES		
(a) Licence & Application Fees		
Hospital Application Fees	4,120	4,205
Hospital Licence Fees	229,813	213,700
Application Registration Fees	40,640	41,205
Annual Registration Fees	982,270	903,880
Restoration Registration Fees	31,515	35,925
Restoration Registration Penalty	31,630	14,270
Limited Registration	5,210	5,900
	1,325,198	1,219,085
(b) Other Revenue		
Fines	11,000	12,100
Letters of Professional Standing	12,490	10,825
Register Sales	740	1,240
Other Income	585	97
	24,815	24,262

4. CURRENT ASSETS - CASH & CASH EQUIVALENTS

Cash at Bank	2,348,920	1,553,735
Deposit - TCorp Cash A	-	210,164
Deposit – NAB Term Deposit TCorp	-	507,360
Cash on hand	300	300
	2,349,220	2,271,559

The Board has a finance facility with Westpac of $50,000 as at 30th June 2018. The outstanding balance was Nil.

5. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

Current		
Deposits	20,533	20,533
Trade Debtors	6,161	6,560
Accrued Interest Income	-	6,398
	26,694	33,491
Non-Current		
Trade Debtors	10,240	11,440
	10,240	11,440

	2018 $	2017 $
5. CURRENT / NON-CURRENT ASSETS – RECEIVABLES (continued)		
Movement in the allowance for impairment		
Balance at 01 July	-	4,275
Additions during the year	-	-
Amount written off during the year	-	(4,275)
Increase/ (decrease) in allowance recognised in profit and loss	-	(4,275)
Balance at 30 June	-	-

6. **CURRENT ASSETS - INVENTORIES**

Inventories Held for Distribution	3,200	6,800
	3,200	6,800

7. **CURRENT/NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE**

Current		
TCorp Medium Term Growth Fund	1,265,806	998,673
	1,265,806	998,673

8. **CURRENT/NON-CURRENT ASSETS - OTHER**

Current		
Prepayments	43,816	47,586
	43,816	47,586

9. **NON-CURRENT ASSETS - PLANT & EQUIPMENT**

Plant & Equipment – Fair Value		
Gross Carrying Amount	172,243	179,286
Accumulated Depreciation and Impairment	(137,214)	(127,526)
Net Carrying Amount	35,029	51,760

Reconciliation		
Net Carrying Amount at Start of Year	51,760	67,559
Additions	4,455	1,013
Depreciation	(21,186)	(16,812)
Net Carrying Amount at End of Year	35,029	51,760

	2018 $	2017 $
10. CURRENT LIABILITIES - PAYABLES		
Current		
Creditors	18,135	10,416
Unearned Revenue	1,061,980	1,064,578
Other Current Payables	40,072	39,389
Financial Liabilities	272	374
Other Creditors	14,795	5,884
	1,135,254	1,120,641

11. CURRENT/ NON-CURRENT LIABILITIES - PROVISIONS

Current		
Provision for Recreation Leave	79,200	77,897
Provision for Long Service Leave	38,179	39,429
	117,379	117,326
Non-Current		
Provision for Long Service Leave	20,822	15,269
Provision for Make Good	6,000	6,000
	26,822	21,269
	144,201	138,595
Aggregate Employee Benefits and Related On-Costs		
Provision - Current	87,538	71,680
Provision - Non-Current	50,663	60,915
	138,201	132,595

The Board expects that $49,359 amount of Recreation Leave will be settled no more than 12 months after reporting date and $29,841 amount of Recreation Leave will be settled more than 12 month after reporting date.

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

Net Cash used on Operating Activities	349,249	354,274
Increase/(Decrease) in Receivables	(1,600)	(6,775)
Increase/(Decrease) in Sundry Debtor	(6,397)	4,333
Increase/(Decrease) in Prepayment	(3,770)	(9,115)
Increase/(Decrease) in Inventory	(3,600)	-
(Increase)/Decrease in Unearned Revenue	2,598	(36,728)
(Increase)/Decrease in Payables	(17,211)	(516)
(Increase)/Decrease in Provisions	(5,606)	(9,078)
Depreciation	(21,186)	(16,812)
Net Result	292,477	279,583

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

		2018 $	2017 $
13. ACCUMULATED FUNDS			
Accumulated funds at the beginning of the financial year		2,162,073	1,882,490
Net Result for the year		292,477	279,583
Accumulated funds at the end of the financial year		2,454,550	2,162,073

14. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instruments

Financial Assets	Category	Note	Carrying Amount 2018 $	Carrying Amount 2017 $
Cash & Cash Equivalents	N/A	4	2,349,220	2,271,559
Financial Assets at Fair Value	Financial assets at fair value through profit or loss	7	1,265,806	998,673
Receivables[1]	Receivables at amortised cost	5	16,400	18,000

Financial Liabilities	Category	Note	Carrying Amount 2018 $	Carrying Amount 2017 $
Payables[2]	Financial liabilities measured at amortised cost	10	58,479	50,179

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).

14. FINANCIAL INSTRUMENTS (continued)

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
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. The TCorp Hour Glass cash facility is discussed in paragraph Authority Deposits below.

Accounts Receivable – Trade Debtors
All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity 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 (2018: Nil; 2017: $2,000) and less than 3 months past due (2018: $1,600; 2017: $500) are not considered impaired. Most of the Board's debtors have a good credit rating. There are immaterial debtors which are impaired whose terms have been renegotiated. The ageing of trade debtors has been listed below:

	Total [1,2]	Past due but not impaired [1,2]	Considered impaired [1,2]
2018			
<30 days overdue	-	-	-
30 days – 90 days overdue	1,600	1,600	-
>90 days overdue	14,800	14,800	-
2017			
<30 days overdue	-	-	-
30 days – 90 days overdue	500	500	-
>90 days overdue	15,500	15,500	-

Notes
1. Each column in the table reports 'gross receivables'
2. The ageing analysis excludes statutory receivables as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

14. **FINANCIAL INSTRUMENTS (continued)**

Authority Deposits
The Board placed funds on deposit with TCorp, which has been rated “AAA” 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. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary.

The Board has closed the TCorp Cash A account in financial year 2018. The deposits before the closure were earning an average interest rate of 1.99% (2017: 2.37%), while over the year the weighted average interest rate was 1.99% (2017: 2.37%) on a weighted average balance during the year of $105,082 (2017: $1,454,388).

	2018 Carrying Amount	2018 Net Fair Value	2017 Carrying Amount	2017 Net Fair Value
At call – TCorp Cash A	-	-	210,164	210,164
Less than one year	-	-	-	-
One to five years	-	-	-	-
Greater than five years	-	-	-	-
Total	-	-	210,164	210,164

(b) 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.

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 2018 were settled within a month and there is no interest rate exposure.

14. **FINANCIAL INSTRUMENTS (continued)**

(c) 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 entity's exposures to market risk are primarily through interest rate risk on the entity's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The entity 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 entity 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 2017. The analysis assumes that all other variables remain constant.

Interest rate risk

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 entity's exposure to interest risk is $36,150 in net profit and equity in the 2018 year (2017: $32,702).

Other price risk – TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The entity has no direct equity investments. The entity holds units in the following Hour-Glass investment trusts:

Facility	**Investment Sectors**	**Investment Horizon**	**2018 $**	**2017 $**
Cash facility	Cash and money market instruments	Up to 1.5 years	-	210,164
Medium-term growth facility	Cash, money market instruments, Australian and international bonds, listed property and Australian shares	3 years to 7 years	1,265,806	998,673

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.

NSW 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 Hour-Glass facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

14. **FINANCIAL INSTRUMENTS (continued)**

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

NSW 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 TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). 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 Hour-Glass statement).

		Impact on profit/loss 2018	**Impact on profit/loss 2017**
Hour-Glass Investment – Cash facility	+/- 1%	-	$2,101
Hour-Glass Investment – Medium-term growth facility	+/- 1%	$12,658	$9,987

(d) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, 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.

(e) 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 2018 Year:
• Level 1 - Derived from quoted prices in active markets for identical assets / liabilities.
• Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
• Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs)

Financial Assets at Fair Value	**Level 1**	**Level 2**	**Level 3**
TCorp Hour-Glass Invt Facility	-	1,265,806	-
Total	-	1,265,806	-

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 Level 1 or 2 during the periods.

The value of the Hour-Glass Investments is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing.

15. COMMITMENTS

Operating Lease Commitments:	**2018**	**2017**
	$	**$**
Not later than one year	100,538	97,134
Later than one year and not later than five years	314,624	374,000
Total (including GST)	415,162	471,134

The Board leases property under a non-cancellable operating lease. The lease contract was renewed in July 2017 for another 5 years. Lease payments comprise a base amount plus incremental contingent liability. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria. The above amount includes $37,742 GST.

16. CONTINGENTS

(a) Contingent Assets

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

(b) Contingent Liabilities

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

17. 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 9	Financial Instruments
AASB 16	Leases
AASB 1058	Income of Not-for-profit Entities
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
AASB 2016-7	Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
AASB 2017-1	Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
AASB 2017-2	Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

18. 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.

19. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

The Board is a body corporate established under the Veterinary Practice Act 2003 (Act). The Board members and the registrar are considered key management 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. The Board consists of 8 members:

- Dr Georgina Child, selected by the Minister, representing specialist veterinarians
- Dr Ian Russ, selected by the Minister, representing veterinarians in urban areas
- Dr Kylie Parry, selected by the Minister, representing veterinarians in rural areas
- Dr Julia Beatty, 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 in FY2018:

	Short-term employee benefit [1]	Other long-term benefits [2]	Outstanding short-term benefit [3]
Dr Georgina Child	$13,591		$370
Dr Ian Russ	$9,773		$185
Dr Kylie Parry	$14,845		$829
Dr Julia Beatty	$15,196		$185
Dr John Mark Simpson	$33,775		$719
Dr Steve Ferguson	$28,207		$556
Mrs Wendy Cochrane	$16,157		$370
Mrs Lisa Minogue	$17,362		$305
Dr John Baguley	$225,595	$20,822	$4,109

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 include accrued wage and super on 30/06/2018.

(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