

2018 Annual Report



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The AVA Board



President
Dr Paula Parker



Vice President
Dr Robert Doneley



Treasurer, EVA Nominee
Dr Christopher Reardon



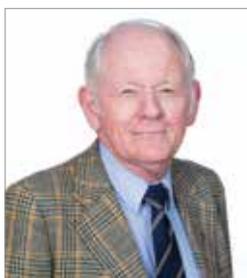
Director, ASAV Nominee
Dr Julia Crawford



Director
Dr Robert Johnson



Director
Dr Kenneth Jacobs



Director
Dr Malcolm McLennan



Director
Dr Warwick Jonathon Vale



Director, ACV Nominee
Dr Matthew David Petersen

CORPORATE SUPPORTERS

Platinum Affinity Partner



Platinum Supporter



Platinum Supporter



Transforming Lives[®]

Platinum Supporter



Platinum Education Supporter



A covetrus Company

Gold Finance Partner



Gold Supporters



Silver Supporters



President's Report

IT'S MY PLEASURE TO PRESENT THE 2018 ANNUAL REPORT, RECAPPING A MILESTONE YEAR OF ACHIEVEMENT AND CHANGE.

Animal welfare

Our work with Government and in the media, firmly positioned the veterinary profession as Australia's leaders and experts in animal health and welfare.

During 2018, we made 35 submissions to government. This included a large piece of work on regulation of pet food in response to a Senate enquiry into the safety of pet food within Australia. The AVA also played a key leadership role in Live Animal Export throughout 2018, with 7 submissions, contribution to the Australian Standards for the Export of Livestock (ASEL) Review Reference Group and Heat Stress Risk Assessment (HSRA) review, and 24 meetings of AVA's Live Export Working Group.

We continue to work with state governments and regulators to raise awareness of the risk of Hendra virus and educate about important precautions that must be taken to minimise the risk of Hendra virus infection in horses and people, including the critical importance of Hendra vaccination of horses.

WELFARECHECK® launched in April – a tool that veterinarians can use with their producer clients to develop animal welfare plans. This followed on from the launch of BIOCHECK® the year before and joins the suite of tools from the Australian Cattle Vets Special Interest Group.

Throughout 2018, advocacy work continued to improve the whole of life welfare for racing greyhounds across all jurisdictions. In August, the AVA Board ratified an updated policy on greyhound racing, reflecting our support for full implementation of the whole of life welfare measures recommended by the McHugh and Lemma reports.

Fighting antimicrobial resistance

As a key member of the Australian Strategic and Technical Advisory Group (ASTAG) on Antimicrobial Resistance (AMR), we are continuing to work with the Australian Government to foster best-practice antimicrobial stewardship in the fight against AMR. AVA was also part of the focus group, led by the Australian Chief Veterinary Officer (CVO), Dr Mark Schipp, which developed an Animal Sector National AMR Plan during the year.

Work has also progressed on our antimicrobial prescribing guidelines project in conjunction with Animal Medicines

Australia to develop prescribing guidelines for horses, pigs, poultry, sheep, and beef and dairy cattle. We have been extremely pleased with the reception by other industry groups to this initiative and their recognition of the veterinary profession's leadership role in this area.

Our 2018-2019 Federal Pre-Budget Submission highlighted the importance of resource allocation to AMR in our sector. We urged the government to commit to funding the establishment of a national veterinary antimicrobial usage and resistance surveillance system to match that used in human health, as well as increasing research funding allocation to AMR in animal health.

Our profession

Our actions to ensure a sustainable profession progressed. Throughout 2018, we collected data for the next biennial Australian Veterinary Workforce Survey, expected for publication in 2019.

AVA kept up its comprehensive analysis of issues relating to the profession and the broader economy, with advocacy efforts resulting in significant legislative change in Victoria to facilitate pets in rental accommodation. We also conducted our second Veterinary Business Group Summit, this time on the Gold Coast, focusing on key changes and tools to improve the profitability of veterinary businesses.

We collaborated with key stakeholders like the Australasian Veterinary Boards Council (AVBC) to support their role in ensuring that our profession is recognised and respected worldwide, that our veterinary schools meet international standards, and that we are global leaders in this field.

We also worked with State and Territory Veterinary Surgeon's boards to reduce barriers and inconsistencies across state borders. One notable achievement being National Recognition of Veterinary Registration in the ACT – something we have been pushing for in all states.

We advocated for government to address critical gaps in the veterinary workforce and improve formal collaboration pathways for private practitioners. Our 2018-2019 Pre-Budget Submission advocated for sensible fund increases to align employment levels in key animal health and biosecurity areas with the World Health Organisation (OIE) Performance of Veterinary Services (PVS) audit. The 2018-2019 Pre-Budget Submission included a recommendation that the Government increase funding for the National Significant Disease Investigation Program (NSDIP) and establish a sustainable means for private veterinary practitioners to support and protect animal industries and human health.

We also invited the Government to work with AVA to develop appropriate incentive programs to attract and retain staff in rural practice and recommended that Government introduce veterinary student loans equivalent to a medical student loading under the Commonwealth Grants Scheme.

Legislative work under the “Our Profession” strategic priority included a major submission into the Government’s “Proposal to Nationally Harmonise Veterinary Prescribing and Compounding Rights” and work on this initiative will continue into 2019.

Continuing professional education

With our profession's dedication to continuing professional development (CPD), our annual program delivered 14 conferences, 123 face to face meetings with CPD, 43 webinars and 31 other CPD events across Australia.

Developed and curated by an enthusiastic team of group committees and staff, the program is tailored by special interest and region to ensure that our members are continually upskilled to succeed in their professional careers. Our program attracted 12,786 delegates in 2018.

Social activities were again featured in our face to face CPD program and gave members time to contemplate, share experiences and to learn in a relaxed setting.

AVA's five flagship conferences were strongly attended and took place in QLD, NSW, WA and Victoria. Our exceptional mentoring program engaged 272 mentors and 188 mentees.

Mental health

Moving us toward our goal to have a mental health first-aid officer in every veterinary workplace, the AVA trialled a blended-learning Mental Health CPD model which combined e-learning and a one-day workshop. Based on the success of this approach, more of these opportunities will be provided in 2019. To date, 378 people have been trained through this program.

AVA's telephone counselling service, the Vet Health page on our website, the AVA Benevolent Fund and the Wellness Stand at our annual conference provide further practical resources for members.

Our AVA

Digital Transformation

The transformation of the AVA's digital presence continued in 2018. Two new websites were under development throughout 2018; both are content driven, personalised and easy to transact with and consolidate our 'One AVA' visual identity. This year, we launched the first of these; Vet Voice™ - a public-facing website, following-through on our commitment to revolutionise AVA's online presence to members and our wider stakeholder groups.

Our social media voice reflects AVA's key role in policy and advocacy. The top two posts for 2018 being related to real-time updates of AVA's involvement in the Live Animal Export debate. Our ongoing Love is Blind campaign, to promote awareness of the health issues for brachycephalic dog-breeds, featured in our top 10 Twitter updates for the year.

Progress also occurred in 2018 to transition AVA's publications to digital – reducing costs, production time frames and minimising AVA's environmental footprint. Next in our transformation program is the launch of AVA's new member website and the launch of our new digital Australian Veterinary Journal.

AVA CEO

Finally, I'd like to welcome Corey Snell as AVA's new CEO. Corey joined us at the start of December. An award-winning Chief Information Officer for a national healthcare organisation, Corey's experience in this area will be invaluable to the AVA as the digital transformation of the organisation enters its next exciting phase.

I would like to acknowledge and thank Anne McCotter, AVA's Head of Education, who stepped-up as Acting CEO from April to December, and Graham Catt, AVA's CEO from 2008–2018.

Paula Parker

President

CEO's Report

IT'S AN HONOUR TO HAVE BEEN APPOINTED THE CEO OF THE AUSTRALIAN VETERINARY ASSOCIATION (AVA) IN DECEMBER 2018.

In the early months of last year, AVA refined its strategic priorities for 2018–2020. These were refined through member consultation and were approved by the Board last April. They represent the most important areas of concern to AVA members. These three strategic priorities are:

- // Improving Animal Welfare
- // Fighting Antimicrobial Resistance
- // Our Profession.

During 2018, the AVA also delivered the first major component of its Digital Transformation Program with the launch of the Vet Voice™ platform. Our Digital Transformation is the largest project ever undertaken by the AVA, and I look forward to leveraging my background and skills in this area, as we continue to revolutionise AVA's digital communications.

My thanks to the leadership team and Board for their warm welcome, I look forward to meeting more of the AVA's members in the coming year as we move into this next inspiring chapter.

Corey Snell
Chief Executive Officer

2018 Award Recipients

CONGRATULATIONS TO THE AVA'S 2018 AWARD RECIPIENTS

President's Award

// Dr Susan Beetson

Kesteven Medal

// Professor John Edwards

Fellows

- // Dr Peter Reid
- // Dr David Neck
- // Dr Warwick Vale
- // Dr Susan Beetson

Gilruth Prize

// Professor David Hampson

Meritorious Service Awards

- // Dr Michael O'Donoghue
 - // Dr Alison Taylor
 - // Dr Meredith Flash
 - // Professor Richard Read
-

Don Kerr Student Award

// Sinead Phillips

Overview of 2018



9,697

Total membership, including veterinarians, students and associate members as at 30 June 2018



3,030

Student members as at 30 June 2018



6,428

Veterinarian members as at 30 June 2018



86%

Member retention rate for 2018



\$12,413,699

Total revenue for the year ending 31 December 2018



\$11,437,884

Net assets as at 31 December 2018



729

Paid delegates who attended the 2018 AVA Annual Conference in Brisbane



192

Conferences, seminars, workshops and webinars held during 2018



12,786

Delegates participated in CPD indicating that members participated in more than one CPD activity in 2018



88%

Board members, attendance at meetings in 2018



275

AVA members played an active voluntary role on committees, working groups, task forces and the Board



46

Paid staff provided support and services. The equivalent of 40.92 full time staff



460

Mentors and mentees were engaged in the mentoring program as at 31 December 2018

Treasurer's Report

IN 2018, THE BOARD ENDORSED SPENDING ON THE LARGEST PART OF ITS GENERATIONAL INVESTMENT FOR THE ORGANISATION - DIGITAL TRANSFORMATION PROJECT (DT).

The financial priority for the Board was to shift the focus of the AVA from fixed assets and invest in its digital technology, to find additional revenue streams through new service delivery options and to scope out areas where cost savings in operations could be made.

The property and print journal strategies adopted by the Board in 2018 are an additional part of the 'roadmap' to future proof the organisation.

The 2018 financials reflect largely how members are engaging differently with the profession; commercial stakeholders are changing their focus on where they provide sponsorship and the internet has provided new ways for members to supplement their CPD requirements. This change only confirms to the Board the need to move to a stronger digital presence. The cost of inaction being too great.

Operating result

In 2018, the consolidated results including the trusts for the AVA was a deficit of \$190,438 compared to a deficit of \$43,057 in 2017. Within this figure for the year, the AVA parent entity result was a deficit of \$923,241. This is a negative variance of \$574,241 to the budget target of a \$349,000 deficit.

The difference between the parent entity deficit and the consolidated statement of financial performance and other comprehensive income result can be explained by the surplus of \$732,803 reported by the AVA Trusts for the year.

This operating result reflects the adoption of new Australian Accounting Standard AASB 9 Financial Instrument introduced this year. The most material impact on the 2018 outcome resulting from the introduction of this new standard, is the reclassification of the \$254,224 realised gain on the sale of Macquarie investments in the parent entity from the Statement of Profit or Loss to Other Comprehensive Income.

Key features of the AVA Ltd financial year to the 31st December 2018 are:

- // Total assets of \$15.6M for the year
- // Current ratio of 1.39 indicating the AVA remains solvent

- // Strong financial results in the major conferences which included hosting of the 40th Bain Fallon Memorial Lectures (Sydney) and the successful ACV Conference (Fremantle)
- // Staff savings of \$230K, largely due to a number of vacant positions
- // Continued strong financial management of the 8 divisions, 19 SIG's and 40 branches within the AVA.

The Statement of Profit and Loss and Other Comprehensive Income of the parent entity show a revenue of \$11,576,856 (\$13.2M; 2017) and expenses of \$12,500,097 (\$13.5M; 2017). The reduction in revenue is due largely to falls in all traditional forms of income for the parent entity, notably:

- // Subscription income \$246K under budget. However, total subscription income is still 2.3% higher than the previous year
- // Other conference income weaker due in part to ASAV conference target not being met and the cancellation of the VBG Roadshow
- // AVJ margin \$56K under budget
- // Loss on sale of the Victoria premises \$90K
- // Softer investment dividends (\$22K under budget) due to the sale of some Macquarie investments.

Balance sheet

AVA remains in a sound financial position. As at 31st December 2018, AVA held \$15.6M in total assets. Unrestricted cash is at \$3.1M and the current ratio is 1.39 indicating that the AVA remains solvent and can pay bills when they fall due.

Investment performance

As at the end of 2018, the AVA parent entity held financial investments in the form of managed funds and listed shares of \$2.0M. This is after drawing \$1M from the Macquarie investment fund to support the DT project.

Property and equipment

Following advice from external independent advisor Hamilton Gray, the Board approved the sale of the Docklands property in Victoria. The decision to sell the premises as vacant in possession was reached because the premises was considered no longer 'fit for purpose', failed to meet member expectation and didn't convey the professional image of the organisation. The Board will continue to adopt the direction of the property strategy and may seek to dispose of other fixed assets in the future. Central to this plan is to reduce our overhead operational costs and develop a more efficient organisation.



Digital transformation

In February, the Board approved capital expenditure of \$1.962M on the DT project and according to accounting principles some of the costs of the project could be capitalised. The return on investment (ROI) and Benefits Realisation Plan and Framework conducted by external adviser Grant Thornton indicated that an acceptable ROI can be realised over a five-year period. A steering committee was established to oversee the fulfilment of the contract.

During the year some of the DT project milestones were reached. Data migration of the content from the 44,000 pages on the existing website across to the new site was actioned.

Print journal

Following advice from Wiley publication house and management, the Board approved digital publication of the Australian Veterinary Journal, commencing mid-2019.

Educational institutions now insist that the Journal be accessible digitally. Furthermore, new forms of advertising revenue are expected to be generated through digital assets and savings of \$200K per year by not using print. The digital magazine will also reduce the organisation's environmental impact.

Finance Committee

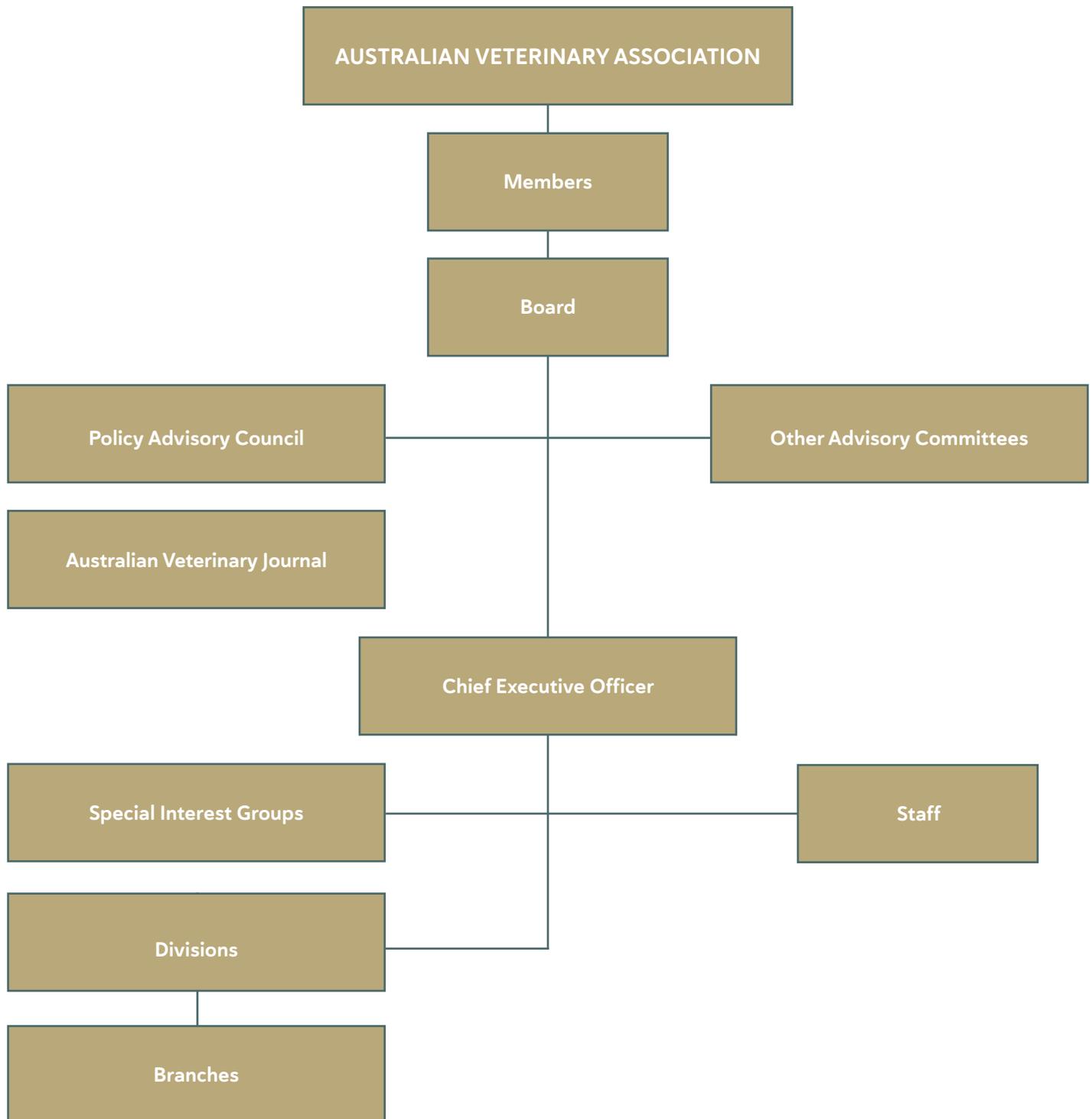
The Finance Committee is a subcommittee of the Board and meets face to face (or by teleconference). In total the Committee met on eleven (11) occasions during 2018.

Members for the year were Robert Bonanno, Ken Jacobs, Robert Johnson, Warwick Vale, David Petersen and Paula Parker. In the operations of the Committee the President is ex officio in fulfilling their individual role on the Committee and the Acting CEO Anne McCotter and Peta Bortfield attended all meetings. The Head of Corporate Services (John Robb) and Group Accountant (Yunita Susanto) supported the subcommittee providing timely, relevant, accurate and invaluable reports and advice. Our auditors, Pitcher Partners continued to offer sound independent advice.

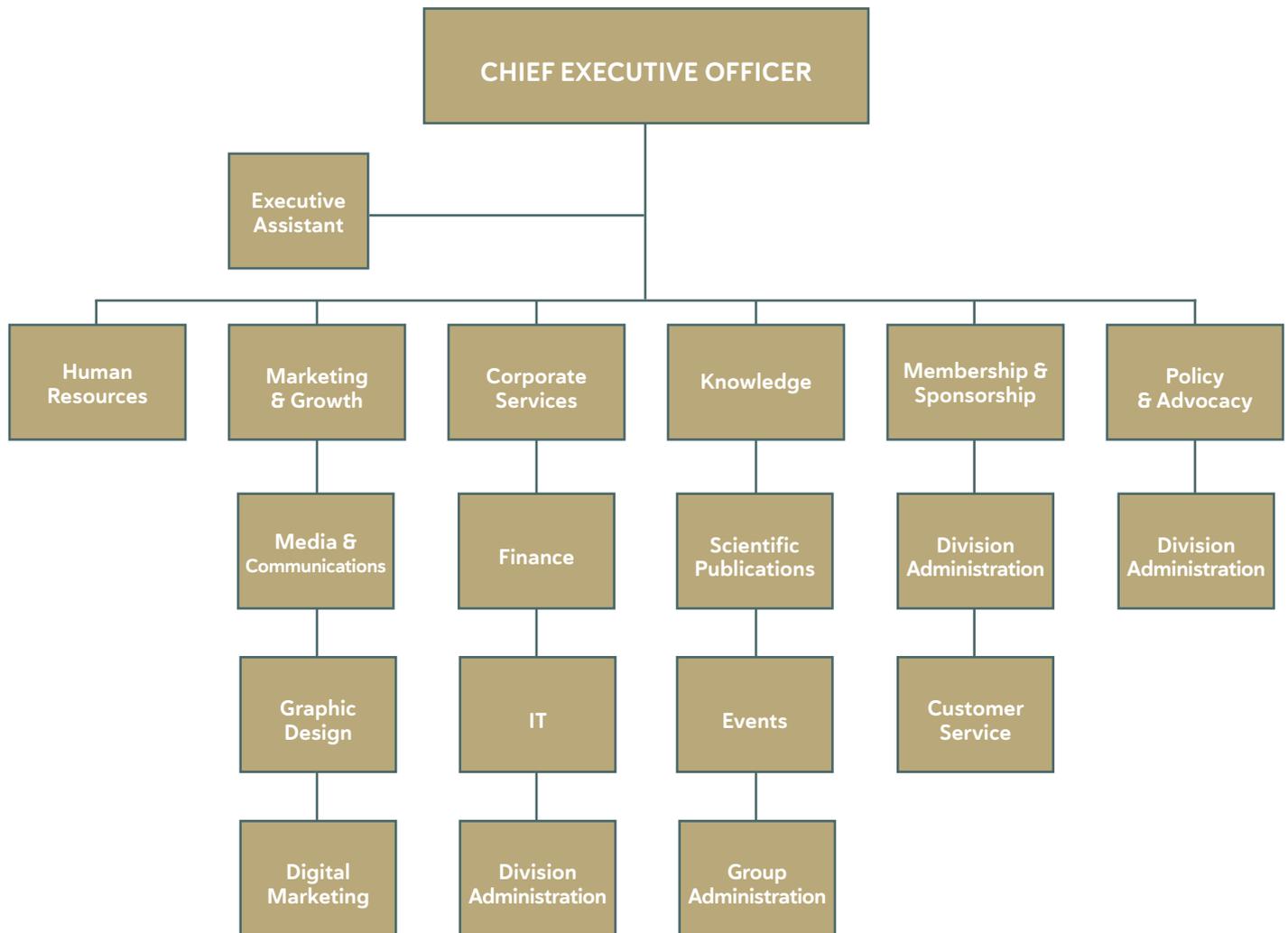
Thank you to all who have contributed to the AVA's activities and achievement of this result.

Dr Chris Reardon
Treasurer

Organisational Report



Staff Structure



Directors' Report

THE DIRECTORS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED ("THE COMPANY") PRESENT THEIR REPORT TOGETHER WITH THE FINANCIAL STATEMENTS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED AND CONTROLLED ENTITIES ("ECONOMIC ENTITY") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

- // Dr Paula Parker
- // Dr Christopher Reardon
- // Dr Robert Doneley
- // Dr Susan Beetson (Ceased May 2018)
- // Dr Robert Johnson
- // Dr Malcolm McLennan
- // Dr Robert Bonanno (Ceased October 2018)
- // Dr Julia Crawford
- // Dr Kenneth Jacobs
- // Dr Deborah Neutze (Ceased October 2018)
- // Dr Warwick Jonathon Vale (Appointed November 2018)
- // Dr Matthew David Petersen (Appointed November 2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Company Secretary

- // Michael Ghattas, BBus, CPA
Company Secretary since 21 December 2018
- // Corey Snell, BSc, Grad Dip IT, Grad Cert Management
Company Secretary since 21 December 2018
- // Graham Catt, MA, MBA, Grad Dip Business
(Ceased 20 April 2018)
- // John Robb, BEc (Hons), LLB (Ceased 21 December 2018)

Principal activities

The principal activities of the Economic Entity during the financial year focused on the advancement of veterinary and allied sciences and included:

- // operation as an association representing veterinary professionals in Australia;
- // conduct of the 2018 AVA National Conference in Brisbane;
- // conduct of various Divisional and Special Interest Group conferences including the 40th Bain Fallon Memorial

Lectures for EVA, the Australian Cattle Veterinarians Conference, the ASAV/SCGV & AVBIG Conference, and the VBG Summit all targeted at delivering information in relation to core scientific activities;

- // the presentation of a large number of seminars, workshops and meetings throughout Special Interest Groups, Divisions and Branches;
- // publication of the Australian Veterinary Journal, Australian Veterinary Practitioner, Companion, Australian Equine Veterinarian, The Australian Cattle Veterinarian and Skirting the Issues, production of Vet Voice™ website for membership awareness;
- // publication of other scientific newsletters, journals, communications and materials and the maintenance of the Vet Ed library;
- // promotion of the value of the profession to the community, industry and government
- // providing a forum for veterinarians to exchange information, ideas and access to member services;
- // providing high standards of continuing education and professional development;
- // providing leadership and expert advice in animal science, health, welfare and production;
- // stimulating and contributing to informed debate on issues in the areas of scientific and professional importance;
- // developing technical scientific policy on animal health and welfare issues; and
- // representing the AVA as a member of key national and international committees dealing with veterinary scientific issues.

There were no significant changes in the nature of the Economic Entity's principal activities during the financial year.

Operating results

The consolidated deficit from operations for the year was \$190,438 (2017: deficit \$43,057).

Review of operations

A review of the operations of the Economic Entity during the financial year is contained in the Report of the National President.

The Economic Entity comprises The Australian Veterinary Association Limited, including 8 Divisions, 19 SIGs and 40 Branches in addition to the AVA National Group and 7 Trusts. All groups operate within their own budgetary control but within financial operating guidelines promulgated by the Board of Directors. Being a not-for-profit entity, the Company

does not seek to maximise profits but to undertake activities with available income. On the foregoing basis, it is expected that the Economic Entity will generate surpluses in some years (to be carried forward for future use) and deficits in some years (representing the expenditure of past or future surpluses).

Vision, purpose, objectives and AVA strategy

The objects of the Company are set out in its Constitution.

The vision of the Company is to be the health and welfare leader in Australia's animal industries

The strategic priorities of the Company are:

1. Improving animal welfare
2. Fighting antimicrobial resistance
3. Our Profession (which includes):
 - // Planning an effective veterinary workforce
 - // Ensuring economic sustainability, and
 - // Better regulation of the profession.

These strategic priorities underpin the continuing foundation provided by the range of core scientific activities delivered each year by the AVA.

Among the projects already planned or underway are:

1. Significant Digital Transformation of AVA operational and membership systems, member website and learning management systems
2. Development of Antibiotic Prescribing Guidelines for livestock species and horses
3. Development of a pathway to transition away from print publications
4. Deliver inaugural Education Forum
5. Review of graduate membership strategies
6. Deliver on aims of our Property Strategy.

Key performance measures

The Company measures its own performance in achieving its objectives through the use of both quantitative and qualitative benchmarks set out in the Strategic Plan of a relevant year. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short term and long term objectives are being achieved.

A key benchmark in assessing the financial stability of the parent company has been the performance against the Company's approved annual budget. The AVA parent entity result was a deficit of \$923k representing a negative variance of \$574k to the budget target deficit of \$349k.

Significant changes in state of affairs

No significant changes in the Economic Entity's state of affairs occurred during the financial year.

Events subsequent to reporting date

No matters or circumstances have arisen since 31 December 2018 that significantly affected or may significantly affect:

- (a) the operations of the Economic Entity;
- (b) the results of those operations; or
- (c) the state of affairs of the Economic Entity in the financial years subsequent to 31 December 2018.

Likely developments

No information is included in this report as it is the opinion of the Directors that the disclosure of this information would prejudice the interests of the Economic Entity.

Likely developments in the activities of the Economic Entity are noted elsewhere in the Annual Report, with the Company continuing to work towards the achievement of its objectives.

Dividends

The Company's constitution precludes the payment of dividends. Accordingly, the Directors do not recommend the payment of a dividend. No dividend has been paid or declared since the commencement of the financial year.

Directors' benefits

Since 31 December 2018, no Director has received or become entitled to receive any benefit by reason of a contract made by the Economic Entity or a related corporation with the Director or with a firm of which he/she is a member, or with a Company in which he/she has a substantial financial interest. However, the President and Directors who serve in an honorary capacity are entitled to receive a reimbursement for actual expenses incurred as well as an honorarium for their services as Directors of the Company. Directors interests were identified ahead of every meeting.

Information on Directors

Dr Paula Parker

BVSc (Hons), PGCert (Veterinary Clinical Studies), MVS (Small Animal Practice), MBA MANZCVS (Emergency and Critical Care), GAICD

AVA President since June 2017. AVA Director since May 2015. Chair, Veterinary Business Group Advisory Group since June 2017. Member, Veterinary Business Advisory Group since 2017. AVA Student Member 2004–2009. AVA Full member from 2009. Member Australian Institute of Company Directors since 2015, Graduate of the Australian Institute of Company Directors in 2017. Emergency and Critical Care Clinician, Animal Emergency Services Carrara since 2015.

Dr Christopher Reardon

BVSc (Hons), BSc (Hons), MANZCVS (Equine Medicine), GAICD

AVA Member since 1994. AVA Director since 2013. AVA Vice President (2015), AVA Treasurer (2016–present), Member of the Australian Institute of Company Directors since 2014, President of the Darling Downs & South West branch (1996–1999), EVA Committee member (2006–2010), EVA President 2010, Member of AVA-EVA Hendra Virus Task Force; Meritorious Service Award 2018 (QLD). Director Wells & Garde Pty Ltd T/A Warwick & Allora Veterinary Clinics.

Dr Robert JT Doneley

BVSc, FANZCVS (Avian Health), MAICD

AVA Member since 1978. AVA Vice President 2018. AVA Board Director since 2016. Executive committee member Unusual Pets and Avian Veterinarians since 2014. Executive committee member Unusual and Exotic Pets Veterinarians 2008–2014. Executive committee member Australian Avian Veterinary Medical Association 2005–2008. Board Director Association of Avian Veterinarian Australasian Committee since 2015. Secretary/Treasurer Darling Down and South West Queensland Branch of the AVA 1989–1991, President 1991–1992. Member

of the Australian Institute of Company Directors since 2016. Associate Professor, School of Veterinary Science, The University of Queensland. Chair of Nomination and Remuneration Subcommittee 2018.

Dr Susan Beetson

BSc (Hons), PhD

AVA Director 2012–2018, AVA Treasurer 2013–2015, AVA Vice President 2016–2017, Meritorious Service Award 2014, Treasurer AVA Western Australia 2004–2006, Convenor Bain Fallon Equine Conference 2007, Treasurer EVA 2008–2011. Financial control of Bain Fallon Conference 2008–2014, AVA WA division - Chair of Education Committee. Senior and Managing Partner VetPath Laboratory Services 1998–2007, Adjunct Associate Professor Clinical Pathology Murdoch University 2005–present, Board member of Murdoch University Vet Trust Advisor Committee 2010–present. Director of Vet ClinPath Consulting 2011–present, AVA member 1982.

Dr Robert Johnson

BVSc, MANZCVS (Feline), CertZooMed, BA, MAICD

AVA Director since 2014, AVA President 2015–2017, President Unusual Pet and Avian Veterinarians SIG (UPAV) 2009–2015, Policy Councillor UEP/UPAV 2005–2014. Chair, Policy Advisory Council 2015, Treasurer Feline Chapter ANZCVS 2010–2015. Australian / New Zealand representative to the International Committee of the Association of Reptile and Amphibian Veterinarians (ARAV) 2012–2015. Lecturer, James Cook University, School of Veterinary and Biomedical Sciences 2006–2016. Member of two animal ethics committees 1998–2005. Clinical Veterinarian Taronga Conservation Society Australia 2005–2012. Principal/Partner Springwood Veterinary Clinic 1983–2003; South Penrith Veterinary Clinic 2003–2018. Director, Vets Beyond Borders 2017–present. Member, Wildlife Health Australia Committee 2019–present. Chair, Veterinary Science Alumni Association, The University of Sydney. AVA Member since 1977.

Dr Malcolm McLennan

BVSc, MSc, MVSc, MANZCVS (Medicine of Dairy Cattle), GCEd, MAICD, FAVA

AVA Member since 1964. AVA Director 2002–2004 and re-elected Director in May 2013. Queensland Division President 2001–2002 and South-east Queensland Branch President 1999–2001 and 2011–2013. Coordinator, AVA Education Day at Annual Conference 2003–2019. Adjunct Senior Lecturer UQ from 2011–present. Chief Clinical Examiner, National Veterinary Exam (NVE) for overseas veterinarians 2010–2017 and NVE Board member, 2008–present. Honorary Historian, Queensland Division, AVA, 2006–2015.

Dr Robert A Bonanno

BVSc (Hons)

AVA Director 2014–2018. ACV Committee Member 2007–2010, ACV President 2010–2011, 2011–2012, ACV State Representative (VIC) 2005–2006, Member of the AVA since 2001. ACV nominee to EU–FMD (Nepal 2013), Director Sheppvets P/L 2001–2015. Director Animal Health, Welfare and Biosecurity Fonterra IFV Beijing PRChina 2015–2016. Head Veterinarian and Herd Health Manager Coomboona Dairies Op Co #1, Coomboona, Victoria, Australia, 2017.

Dr Julia Crawford

BVSc

AVA Director since May 2015. Meritorious Service Award 2015. NSW Division President 2012. NSW Division Treasurer 2009–2011. Chair National Industry Advisory Group for Veterinary Nursing 2013–2016. Deputy Chair Animal Care and Management IRC. Director Bondi Junction Veterinary Hospital. AVA Member since 1996. Chair of Policy Advisory Committee 2018.

Dr Kenneth Jacobs

BVSc, MVSc, MANZCVS (Equine Surgery), GAICD

AVA Director since May 2017. NSW SW Slopes Branch President and Executive 1985–1987. Director Canberra Veterinary Hospital and Canberra Equine Hospital 1987–2008. Executive, Treasurer, President, Treasurer, Policy Councillor and Committee Member EVA 1998–2004. Treasurer, Policy Councillor and Committee Member VERA 2012–2015, University Educator (part-time) Charles Sturt University 2005–present. Equine practitioner at Wallendbeen 2006–present. Graduate of the Australian Institute of Company Directors 2017. Chair of Risk and Audit Subcommittee 2018.

Dr Deborah Neutze

BVSc (Hons), Grad Cert Mgt

AVA Director May–October 2018. Meritorious Service Award 2010. NSW Division President 2007, AVA Policy Councillor 2006–2007. AVA Policy Manager 2015–2018. AVA National Strategy Manager 2012–2015. AVA Membership and Services Manager 2009–2012. Executive Officer NSW Division 2008–2009. Executive Officer Australian Veterinary Practice Managers Association 2008–2009. NSW Veterinary Practitioner Board member and Chair of Complaints 2010–2012. Sydney University Veterinary Faculty Financial Sustainability Board 2007–2014. Owner Guildford Veterinary Hospital, Great Western Veterinary Hospital and West Guildford Veterinary Hospital 1985–2008. AVA Member since 1997.

Dr Warwick Jonathon Vale

BSc, BVMS (Hons II), FAVA

AVA Board member since November 2018. Graduated from Murdoch University 1989. Past Partner of Midland/Bullsbrook Veterinary Hospitals, large mixed practices in WA. Now Partner Valley Equine Veterinary Services, actively working in clinical practice. Has extensive board/committee governance experience in not for profit organisations. Both AVA, SIG and Division experience. Member AVA for 28+ years. Previously Divisional Committee Member (WA). Past President EVA 2012, Treasurer EVA Executive Committee 2001–2007. Awarded AVA Meritorious Service Award 2010 and AVA Fellowship 2018. Professional interests are Equine Practice, Medication Control Horses, FEI Veterinarian, Practice Management, student mentoring and training, Association Governance, professional collegiality.

Dr Matthew David Petersen

BSc, BVMS

AVA Board member since November 2018. ACV Treasurer 2012–2016, AVA Meritorious Service Award 2016, member ACV World Buiatrics 2014 Cairns organising committee, ACV President 2007–2008, ACV President Elect 2006–2007, ACV Vice President 2008–2009, ACV NSW State Representative 2004–2007, ACV conference organiser 2006 Port Macquarie, Accredited Pregnancy Testing examiner for Australian Cattle Veterinarians (manual & ultrasound), Australian Veterinary Reserve Member since inception, member Veterinary Programming Committee Charles Sturt University 2006–2009, AVA and ACV member since 1990. Shareholder and director Southern Riverina Vets and prior entities 1986–2015. Director and shareholder Cowbank Pty Ltd (cattle finance company), member Cowbank credit committee. Owns and operates an irrigated beef fattening farm. Northern group lead Apiam Animal Health 2016–2017. Currently Clinical lead Finley Veterinary Clinic.

Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Paula Parker	12	12
Christopher Reardon	12	12
Robert Doneley	12	12
Susan Beetson	2	2
Robert Johnson	12	12
Malcolm McLennan	12	11
Robert Bonanno	10	9
Julia Crawford	12	12
Kenneth Jacobs	12	11
Deborah Neutze	7	6
Warwick Jonathon Vale	2	2
Matthew David Petersen	2	2

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 31 December 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$436,000 (2017: \$448,950).

Insurance for Company Officers

During and since the financial year the Company has paid, or agreed to pay, premiums in respect of contracts insuring persons who are or have been a Company Officer, against certain liabilities incurred in that capacity. Company Officer for this purpose means any Director or Secretary of the Company and includes any other person who is concerned, or takes part, in the management of the Company, including Trustees of the seven (7) trusts: Australian Veterinary Association Benevolent Fund (AVABF), Australian Companion Animal Health Foundation (ACAHF), Australian Veterinary Association Animal Welfare Trust (AVAAWT), Veterinary Emergency Support Trust (VEST), AVA Animal Welfare Institute Trust, The Stephen Rose Foundation and The AVA Fighting Fund (closed in Dec 2018).

The insurance contracts prohibit disclosure of the nature of the liabilities insured by the contracts and the amount of the premiums.

Indemnity and insurance of Directors and Officers

The Company has, to the extent permitted by law, entered into agreements to indemnify its Directors and officers for all losses or liabilities incurred as an Officer of the Company or a related company. This includes losses or liabilities incurred as an Officer of a Company where such office is held for the benefit of the Company.

No claim has been made against or by the Company in relation to any such indemnities or insurance policies during the financial year ended 31 December 2018.

Environmental issues

The Economic Entity's operations are not subject to significant environmental regulation under the law of the Commonwealth or any State or Territory.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191*, the amount in the Directors' Report have been rounded to the nearest dollar, unless otherwise stated.

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 37.

This declaration is made in accordance with a resolution of the Board of Directors.



Dr Chris Reardon
Director and Honorary Treasurer



Dr Paula Parker
Director and President

Dated at Sydney 20th day of March 2019



Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018	Notes	2018 \$	2017 \$
Revenue from ordinary activities	3	12,413,699	13,476,839
Revenue from other non-operating activities	3	-	71,162
Total revenue		12,413,699	13,548,001
Service expenses		(705,293)	(789,111)
Sponsorship, marketing and promotions expenses		(180,987)	(186,791)
Conferences and continuing education expenses		(4,111,266)	(5,227,387)
Communications and publications expenses		(1,962,419)	(2,013,547)
Occupancy expenses		(254,127)	(238,738)
Policy and advocacy		(427,777)	(419,312)
Realised loss on asset held for sale		(90,300)	-
Administration expenses		(4,124,592)	(4,145,078)
Other operating expenses		(747,376)	(571,094)
Total expenses		(12,604,137)	(13,591,058)
(Deficit) from ordinary activities before income tax expense		(190,438)	(43,057)
Income tax expense relating to ordinary activities	1(b)	-	-
(Deficit) from ordinary activities after income tax expense	14	(190,438)	(43,057)
Other comprehensive income/(loss)			
Items that may be reclassified to profit and loss			
Unrealised gain on property	15	-	728,572
Reversal of unrealised gain on property in prior year realised this year	15	38,643	-
Items that may not be reclassified to profit or loss			
Realised gain on financial assets at fair value through other comprehensive income	15	168,420	-
Unrealised (loss)/gain on financial assets at fair value through other comprehensive income	15	(133,134)	173,401
Reversal of unrealised (loss) in prior year realised this year in relation to financial assets at fair value through other comprehensive income	15	(324,492)	(52,293)
Total other comprehensive (loss)/income		(250,563)	849,680
Total comprehensive (loss)/income for the year		(441,001)	806,623

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018	Notes	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	17	4,047,189	4,827,725
Financial assets	8	325,770	691,772
Trade and other receivables	5	811,817	668,515
Inventories		18,626	42,117
Other current assets	6	368,513	513,872
Asset held for sale	7	306,500	-
Total current assets		5,878,415	6,744,001
Non-current assets			
Financial assets	8	3,597,313	3,320,733
Property and equipment	9	4,868,097	5,369,492
Intangible assets	10	1,261,680	574,113
Total non-current assets		9,727,090	9,264,337
Total assets		15,605,505	16,008,338
LIABILITIES			
Current liabilities			
Trade and other payables	11	974,224	745,749
Other liabilities	12	2,679,627	2,625,709
Provisions	13	353,130	481,500
Total current liabilities		4,006,981	3,852,958
Non-current liabilities			
Provisions	13	160,640	276,495
Total non-current liabilities		160,640	276,495
Total liabilities		4,167,621	4,129,453
Net assets		11,437,884	11,878,885
EQUITY			
Retained earnings	14	6,501,979	6,681,867
Reserves	15	4,935,905	5,197,018
Total equity		11,437,884	11,878,885

The accompanying notes form part of these financial statements.

Financial Statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 31 DECEMBER 2018	Retained Earnings	Asset Revaluation Reserve	Capital Profits Reserve	Total
	\$	\$	\$	\$
Balance at 01 January 2017	6,714,374	729,333	3,628,555	11,072,262
Total comprehensive income/(loss):				
Deficit from operating activities	(43,057)	-	-	(43,057)
Other comprehensive income/(loss):				
Change in fair value of property and financial assets at fair value through other comprehensive income	-	849,680	-	849,680
Total comprehensive income/(loss)	(43,057)	849,680	-	806,623
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	10,550	(10,550)	-	-
Balance at 31 December 2017	6,681,867	1,568,463	3,628,555	11,878,885
Total comprehensive income/(loss):				
Deficit from operating activities	(190,438)	-	-	(190,438)
Other comprehensive income/(loss):				
Change in fair value of property and financial assets at fair value through other comprehensive income	-	(250,563)	-	(250,563)
Total comprehensive income/(loss)	(190,438)	(250,563)	-	(441,001)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	10,550	(10,550)	-	-
Balance at 31 December 2018	6,501,979	1,307,350	3,628,555	11,437,884

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018	Note	2018 \$	2017 \$
Cash flow from operating activities			
Receipts from members' subscriptions		4,421,199	4,370,507
Receipts from other ordinary activities		8,924,407	10,179,815
Payments to suppliers and employees		(13,036,999)	(14,502,498)
Net payments to Australian Taxation Office for GST		(370,047)	(522,153)
Investment income received		217,231	152,608
Interest received		89,922	106,736
Net cash provided by/(used in) operating activities		245,713	(214,985)
Cash flow from investing activities			
Proceeds from sale of financial assets at fair value through other comprehensive income		1,903,917	634,583
Payments for purchases of financial assets at fair value through other comprehensive income		(2,455,411)	(707,852)
Net investments of short-term placements		366,002	759,354
Payments for purchases of property and equipment		(840,757)	(358,380)
Net cash (used in)/provided by investing activities		(1,026,249)	327,705
Net (decrease)/increase in cash held		(780,536)	112,720
Cash and cash equivalents at the beginning of the financial year		4,827,725	4,715,005
Cash and cash equivalents at end of the financial year	17	4,047,189	4,827,725

The accompanying notes form part of these financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2018

Note 1. Statement of significant accounting policies

The general purpose financial statements cover the consolidated group of The Australian Veterinary Association Limited as an individual parent entity ("the Company") and The Australian Veterinary Association Limited and the controlled entities as a consolidated group ("Economic Entity"). The Australian Veterinary Association Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

New or amended accounting standards and interpretations adopted

The Economic Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 9 Financial instruments

The Group has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably

designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach in reflecting the changes in the new accounting standard which requires adjustments to retained earnings and no restatement of comparative information. There was no impact on the adoption on opening retained profits as at 1 January 2018.

The investments classifications 'Available-for-sale financial assets' and 'Held-to-maturity investments' are no longer used and 'Financial assets at fair value through other comprehensive income' was introduced. At 1 January 2018 the Group held \$4 million of available for sale financial assets. Fair value changes to these assets were recognised in asset revaluation reserve previously. There were no previous impairments recognised on these assets. From 1 January 2018 these assets will continue to be classified at fair value through other comprehensive income. Any realised gain/loss on disposal will be recognised through other comprehensive income.

The Group has applied the simplified approach to measuring expected credit losses, resulting in no material changes to impairment expense or additional allowance for expected credit losses on transition date. Related amendments to AASB 101 'Presentation of Financial Statements' now require loss allowances for expected credit losses on financial assets to be shown on the face of the statement of profit or loss and other comprehensive income therefore impairment of receivables is now shown as a separate line item.

Basis of preparation

The financial statements have been prepared in accordance with Australian Accounting Standards, Reduced Disclosure Requirements of the AASB and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements except for the cash flow information, have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian dollars, which is the Economic Entity's functional and presentation currency.

The financial statements were authorised for issue on 20th March 2019.

Accounting policies

(a) Principles of consolidation

An entity is consolidated when the substance of the relationship between an entity and the Company indicates that the entity is "controlled" by the Company. The power to appoint or force resignation of trustees in accordance with the Trust Deed is an indication of this control.

The controlled entities are:

- // Australian Companion Animal Health Foundation (ACAHF);
- // Australian Veterinary Association Benevolent Fund (AVABF);
- // Australian Veterinary Association Animal Welfare Trust (AVAAWT);
- // Veterinary Emergency Support Trust (VEST);
- // AVA Animal Welfare Institute Trust;
- // The Stephen Rose Foundation; and
- // AVA Fighting Fund.

All controlled entities have the same financial year-end as that of the Company.

All inter-company (Company-Trust) balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of the controlled entities have been changed where necessary to ensure consistency with those policies applied by the Company.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(b) Income tax

No income tax is payable by the Company as it has been advised on 30 October 1981 by the Deputy Commissioner of Taxation that it is exempt from income tax under the terms of section 50(5) of the *Income Tax Assessment Act*. As part of the self-assessment regime the Company sought professional advice during 2013 and 2017 which affirmed that there had been no substantial change in purpose of the Company since October 1981 and that the Company could continue as a tax-exempt entity.

(c) Inventories

Inventories comprise primarily of forms, publications, clothing and membership insignia which have been included in the accounts at cost on a first in first out basis. All inventories are stated at the lower of cost and net realisable value.

(d) Property and equipment

Each class of property and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Company to have an independent valuation every three years, with annual appraisals being made by the Directors. Independent valuations of all properties as at 31 December 2017 have been obtained and provide the basis of property valuations in the financial statements. Newly acquired properties are valued at cost, in the period preceding the next round of external valuations.

At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking account of the most recent independent valuations.

Increases in carrying amount arising on revaluation of buildings are credited to asset revaluation reserve in the statement of changes in equity. Decreases that offset previous increases of the same asset are charged against the asset revaluation reserves directly in the statement of changes in equity. All other decreases are charged to comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the comprehensive income and depreciation based on the asset's original cost is transferred from the retained earnings to asset revaluation reserve.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The buildings, which are a component of the total valuation of each property, are isolated from the land component and depreciated over expected life of 40 years, consistent with *AASB 116 – Property, Plant and Equipment*.

Office furniture, fittings And equipment

Office furniture, fittings and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amounts of office furniture, fittings and equipment are reviewed annually by Directors to ensure they are not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all property and equipment, excluding freehold land, is depreciated on a straight-line basis over their estimated useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of depreciable asset	Depreciation rate
Buildings	2.5%
Office furniture and fittings	5-10%
Equipment	25-33%
Leasehold improvements	10%

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each statement of financial position date.

An asset's carrying amount is written down immediately to recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the comprehensive income and transferred to capital profits reserve. When revalued assets are sold, amounts included in the asset revaluation reserve relating to the asset sold are transferred to capital profits reserve.

Impairment of assets

At each reporting date, the Economic Entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair

value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

For intangible assets arising from development is recognised if, and only if, the following have been demonstrated:

- // The technical feasibility of completing the intangible asset so that it will be available for use;
- // The intention to complete the intangible assets and use it;
- // The ability to use the intangible asset;
- // How the intangible asset will generate probable future economic benefits;
- // The availability of adequate technical, financial and other resources to complete the development and to use the intangible assets; and
- // The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Systems and software

Systems and software costs are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

(e) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current asset to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(f) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Economic Entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Economic Entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are reflected at fair value. Unrealised and realised gains and losses arising from changes in fair value, or on disposal of the financial assets, are taken directly to asset revaluation reserve in equity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows. Where there has not been a significant increase in

exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(g) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on Australian corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Provisions

Provisions are recognised when the Economic Entity has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and cash equivalents

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

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Economic Entity and the amount of the revenue can be reliably measured. The following specific recognition criteria should also be met before revenue is recognised:

- // Membership subscriptions are brought to account as income at the time these are received except that where members' subscriptions are received in respect of a future financial period, the income is deferred and subsequently recognised in that future period.
- // Interest revenue is recognised on a proportional basis using the effective interest method applicable to the financial assets.
- // Affinity commission is recognised when the right to receive the income has been established.
- // Conferences and events revenue which includes sponsorships and delegates fees are recognised upon commencement of the said conferences and events.
- // Advertising revenue for the publishing activity of the Company is recognised when the particular article is due to be published.
- // Dividend and distribution revenue are recognised when the right to receive the income has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(l) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Economic Entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis except that the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(o) Fair value of assets and liabilities

The Economic Entity measures some of its assets at fair value. Fair value is the price the company would receive to sell an asset in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(p) Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Financial Report have been rounded to the nearest dollar, unless otherwise stated.

(q) Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Economic Entity.

The Directors assess impairment at each reporting date by evaluating conditions specific to the Economic Entity that may lead to impairment of assets. Where an impairment trigger exists the recoverable amount of the assets is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. At 31 December 2018 there are no impairments.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific

to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in Note 1 (g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Parent entity disclosures

In accordance with the *Corporations Amendment (Corporate Reporting Reform) Act 2010* and the *Corporations Act 2001* the following summarised parent entity information is set out below. As at, and throughout, the financial year ended 31 December 2018 the parent company was The Australian Veterinary Association Limited.

Note 1(a) provides details as to the identity of the controlled entities (being AVA Trusts) which are consolidated with those of The Australian Veterinary Association Limited itself to create these consolidated financial statements.

Note 1(a) also provides further details as to the principles of consolidation used in the preparation of these consolidated financial statements.



Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$

NOTE 2. PARENT ENTITY DISCLOSURES

Profit and loss and other comprehensive income of the parent entity

REVENUE

Operating activities:

Subscriptions	4,108,438	4,019,664
Affinity commissions	950,645	975,085
Interest	58,827	86,336
Investment income	153,002	166,609
Rental income	26,460	25,965
Other revenue (incl. conferences and publications)	6,279,484	7,879,805
	11,576,856	13,153,464

Non operating activities:

Gain on disposal of investments	-	71,162
Total revenue	11,576,856	13,224,626

EXPENSES

Service expenses	705,293	789,111
Sponsorship, marketing and promotions expenses	180,987	186,791
Conferences and continuing education expenses	4,111,266	5,227,387
Communications and publications expenses	1,962,419	2,013,547
Occupancy expenses	254,127	238,738
Policy and advocacy expenses	427,777	419,312
Administration expenses	3,992,476	4,022,664
Realised loss on asset held for sale	90,300	-
Other operating expenses	775,452	598,658
Total expenses	12,500,097	13,496,208

(Deficit) for the year	(923,241)	(271,582)
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Other comprehensive income

Items that may be classified to profit or loss

Unrealised gain on property	-	728,572
Reversal of unrealised gain on property in prior year realised this year	38,643	-

Items that may not be classified to profit or loss

Realised gain on financial assets at fair value through other comprehensive income	254,224	-
Unrealised (loss)/gain on financial assets at fair value through other comprehensive income	(133,134)	172,501
Reversal of unrealised (loss) in prior year realised this year in relation to financial assets at fair value through other comprehensive income	(324,492)	(52,293)
Total other comprehensive (loss)/income	(164,759)	848,780

Total comprehensive (loss)/income for the year	(1,088,000)	577,198
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FOR THE YEAR ENDED DECEMBER 2018

2018

2017

\$

\$

NOTE 2. PARENT ENTITY DISCLOSURES**Financial position of the parent entity:**

Current assets	5,030,544	4,950,620
Total assets	13,197,247	14,214,958
Current liabilities	4,313,781	4,127,637
Total liabilities	4,474,421	4,404,132
Net assets	8,722,826	9,810,826

Total equity of the parent entity comprising of:

Issued capital	-	-
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	1,393,154	1,568,463
Retained earnings	3,701,117	4,613,808
Total equity	8,722,826	9,810,826

NOTE 3. REVENUE FROM ORDINARY ACTIVITIES**Operating activities**

Subscriptions	4,108,438	4,019,664
Affinity commissions	950,645	975,085
Interest	77,760	123,965
Investment income	208,867	166,609
Rental income	26,460	25,965
Other revenue (incl. conferences and publications)	7,041,529	8,165,551
	12,413,699	13,476,839

Non-operating activities

Realised gain on investments	-	71,162
Total revenue	12,413,699	13,548,001

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$

NOTE 4. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Realised (loss) on sale of property	90,300	-
Depreciation and amortisation	219,996	239,070
Provision for employee entitlements	(244,225)	93,823

NOTE 5. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	648,407	499,990
Other receivables	163,410	168,525
	811,817	668,515

NOTE 6. OTHER ASSETS

Current

Prepayments	368,513	513,872
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NOTE 7. ASSET HELD FOR SALE

Current

Property	306,500	-
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The office suite held at 401 Docklands Drive, Docklands Victoria was held for sale at balance date. This office suite was sold on 10 January 2019 with a settlement date of 10 May 2019.

NOTE 8. FINANCIAL ASSETS

Current

Short-term placements	325,770	691,772
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Non-Current

Financial assets at fair value through other comprehensive income

Managed funds	333,172	1,117,347
Listed shares	3,264,141	2,203,386
	3,597,313	3,320,733
Total	3,923,083	4,012,505

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$
NOTE 9. PROPERTY AND EQUIPMENT		
Freehold land at valuation	1,244,789	1,244,789
Buildings at valuation	3,609,055	3,967,211
Less accumulated depreciation	(96,899)	-
	3,512,156	3,967,211
Office furniture and equipment at cost	1,595,986	1,587,364
Less accumulated depreciation	(1,484,834)	(1,429,872)
	111,152	157,492
Total property and equipment	4,868,097	5,369,492

a) Movements in carrying amounts

Movements in the carrying amounts for each class of property and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Office Furniture and Equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2017	751,189	3,833,210	195,852	4,780,252
Additions	-	-	31,288	31,288
Revaluation increments	493,600	234,972	-	728,572
Depreciation	-	(100,971)	(69,648)	(170,619)
Carrying amount at 31 December 2017	1,244,789	3,967,211	157,492	5,369,492
Balance at 1 January 2018	1,244,789	3,967,211	157,492	5,369,492
Additions	-	-	8,622	8,622
Disposals	-	(358,156)	-	(358,156)
Depreciation	-	(96,899)	(54,962)	(151,861)
Carrying amount at 31 December 2018	1,244,789	3,512,156	111,152	4,868,097

Independent valuations of all land and buildings were carried out in December 2017 by registered valuers in each State or Territory of the fair market value of land and buildings based on existing use and the values advised have been included in these financial statements.

The Directors have reviewed the key assumptions adopted by the valuers in 2017 and do not believe there has been a significant change in the assumptions at 31 December 2018. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2018.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$
NOTE 10. INTANGIBLE ASSETS		
Software at cost	673,140	672,490
Less accumulated amortisation	(442,304)	(374,169)
Total software	230,836	298,321
Development cost	1,030,844	275,792
Total	1,261,680	574,113

a) Movements in carrying amounts

Movements in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.

	Software	Development Cost	Total
	\$	\$	\$
Balance at 1 January 2017	74,090	273,962	348,052
Additions	3,200	291,312	294,512
Reclassification	289,482	(289,482)	-
Amortisation expense	(68,451)	-	(68,451)
Carrying amount at 31 December 2017	298,321	275,792	574,113
Balance at 1 January 2018	298,321	275,792	574,113
Additions	650	755,052	755,702
Amortisation expense	(68,135)	-	(68,135)
Carrying amount at 31 December 2018	230,836	1,030,844	1,261,680

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$
NOTE 11. TRADE AND OTHER PAYABLES		
Current		
Trade payables	565,733	288,030
Accruals	386,888	439,538
Net GST payable	21,603	18,181
	974,224	745,749

NOTE 12. OTHER LIABILITIES

Current

Income received in advance:

Membership subscriptions	1,684,215	1,762,948
Annual conference income	786,746	636,693
Other income in advance	208,666	226,068
	2,679,627	2,625,709

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$

NOTE 13. PROVISIONS

Current

Employee benefits	353,130	481,500
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Non-current

Employee benefits	160,640	276,495
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Total	513,770	757,995
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Number of employees at year end	46	55
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MOVEMENTS OF PROVISIONS:	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Opening Balance at 1 January 2018	378,873	379,122	757,995
Additional provision raised during the year	308,453	12,210	320,663
Amounts used	(384,106)	(93,577)	(477,683)
Unused amounts reversed during the year	-	(87,205)	(87,205)
Balance at 31 December 2018	303,220	210,550	513,770

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of the future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

	2018	2017
	\$	\$

NOTE 14. RETAINED EARNINGS

Balance at 1 January	6,681,867	6,714,374
Transfer of depreciation on appraisal of property to asset revaluation reserve	10,550	10,550
(Deficit) from operating activities	(190,438)	(43,057)
Balance at 31 December	6,501,979	6,681,867

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$

NOTE 15. RESERVES

Asset Revaluation Reserve

Balance at 1 January	1,568,463	729,333
Other comprehensive income/(loss):		
Change in fair value of property and financial assets at fair value through other comprehensive income:		
Realised gains	168,420	-
Unrealised (loss)/gain	(133,134)	901,973
Reversal of unrealised (loss)/gain of prior year which was realised this year	(285,849)	(52,293)
	(250,563)	849,680
	1,317,900	1,579,013
Transfer of depreciation on appraisal of property from retained earnings	(10,550)	(10,550)
Balance at 31 December	1,307,350	1,568,463
Capital Profits Reserve	3,628,555	3,628,555
Total Reserves Balance at 31 December	4,935,905	5,197,018

Asset Revaluation Reserve

This reserve records the Economic Entity's appraisal increase of its revalued property and unrealised gains on its financial assets at fair value through other comprehensive income.

Capital Profits Reserve

This reserve records the Economic Entity's realised gains and losses on the disposals of its property.

FOR THE YEAR ENDED DECEMBER 2018	2018	2017
	\$	\$

NOTE 16. CAPITAL AND LEASING COMMITMENTS

Capital commitments:

As at 31 December 2018, the Economic Entity did not have any capital commitments.

Lease commitments:

Payable – minimum lease payments:

Not later than 1 year	96,049	97,828
Later than 1 year but not later than 5 years	29,156	120,871
	125,205	218,699

NOTE 17. CASH FLOW INFORMATION FOR CASH AND CASH EQUIVALENTS

Cash on hand and cash in bank	1,231,693	1,055,668
Short term placements	2,815,496	3,772,057
	4,047,189	4,827,725

NOTE 18. MEMBERS GUARANTEE

The company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. As at 31 December 2018, the number of members was 8,720 (2017: 8,979).

	2018	2017
	\$	\$
NOTE 19. REMUNERATION OF THE AUDITOR		
Amounts received or due and receivable by the auditor of the Company:		
Audit of the financial statements	36,694	35,250
Other services	970	375
	37,664	35,625

NOTE 20. KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation	2,527,404	2,199,975
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NOTE 21. RELATED PARTIES

Directors: The names of persons who were directors at any time during the year are set out in the "Directors' Report" on page 12. Information relating to the remuneration of directors is included in Note 20 as part of remuneration provided to key management personnel. In addition to the remuneration provided in this manner, payments were made to three directors in consideration for the provision of speaking services at AVA events. The amount paid to these directors in total was \$1,555. There were no other transactions between directors and the Company during the year.

During the year, interest paid to controlled entities amounted to \$28,075 (2017: \$27,563) and loans between controlled entities amounted to \$306,801 (2017: \$282,614). There were no other transactions with related parties during the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 22. COMPANY DETAILS

The registered office and principal place of business of the Company is: Unit 40, 6 Herbert Street, St Leonards, NSW, 2065.

NOTE 23. SUBSEQUENT EVENTS

No matters or circumstances have arisen since 31 December 2018 that significantly affected or may significantly affect:

- The operations of the Economic Entity;
- The results of those operations, or
- The state of affairs of the Economic Entity in the financial years subsequent to 31 December 2018.

NOTE 24. FAIR VALUE MEASUREMENTS

The Economic Entity has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Economic Entity does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Notes	2018	2017
		\$	\$
RECURRING FAIR VALUE MEASUREMENTS			
Financial assets			
Financial assets at fair value through other comprehensive income			
Managed funds	8	333,172	1,117,347
Listed shares	8	3,264,141	2,203,386
Property and equipment			
Freehold land	9	1,244,789	1,244,789
Buildings	9	3,512,156	3,967,211

For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the previous year, which had used comparable market data for similar properties.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes as set out on pages 18-35, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the Economic Entity; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Dr Chris Reardon
Director and Honorary Treasurer

Dated at Sydney 20th day of March 2019



Dr Paula Parker
Director and President

Auditor's Independence Declaration



**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUSTRALIAN VETERINARY ASSOCIATION LIMITED
ABN 63 008 522 852**

In relation to the independent audit for the year ended 31 December 2018, to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001*; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Australian Veterinary Association Limited and its Controlled Entities during the financial year.

A handwritten signature in black ink that reads "S Wallace".

S WALLACE
PARTNER

PITCHER PARTNERS
SYDNEY

20 March 2019

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN VETERINARY ASSOCIATION LIMITED ABN 63 008 522 852

Report on the Audit of the Financial Report

We have audited the financial report of Australian Veterinary Association Limited ("the Company") and its Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

Opinion

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in Director's Report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN VETERINARY ASSOCIATION LIMITED
ABN 63 008 522 852**



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN VETERINARY ASSOCIATION LIMITED
ABN 63 008 522 852**



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "S S Wallace".

S S WALLACE
PARTNER

A handwritten signature in black ink that reads "Pitcher Partners".

PITCHER PARTNERS
SYDNEY

20 March 2019





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Compiled by My Tiny HQ, Yunita Susanto and Michael Ghattas
Coordinated and edited by My Tiny HQ | www.mytinyhq.com.au
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