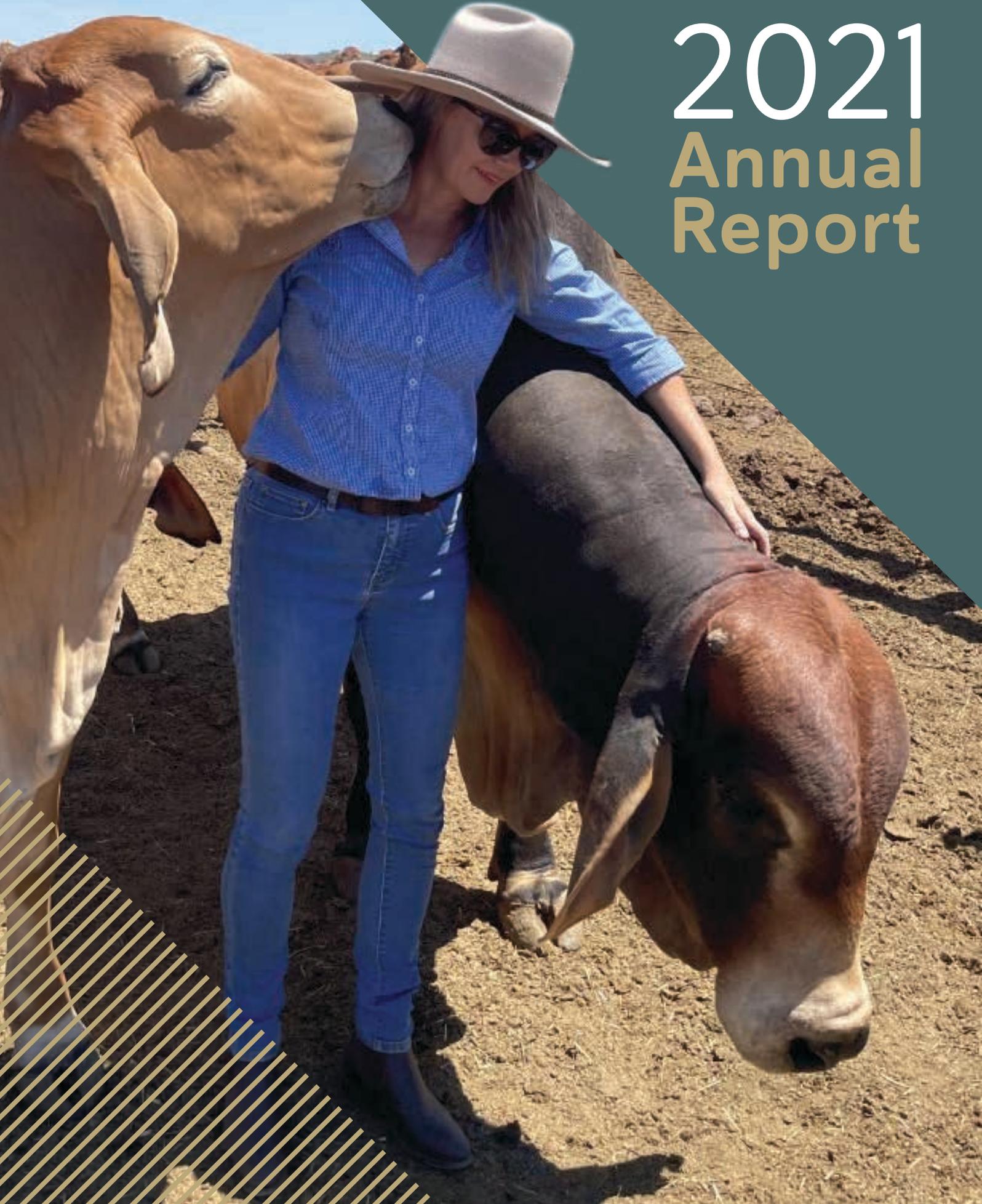


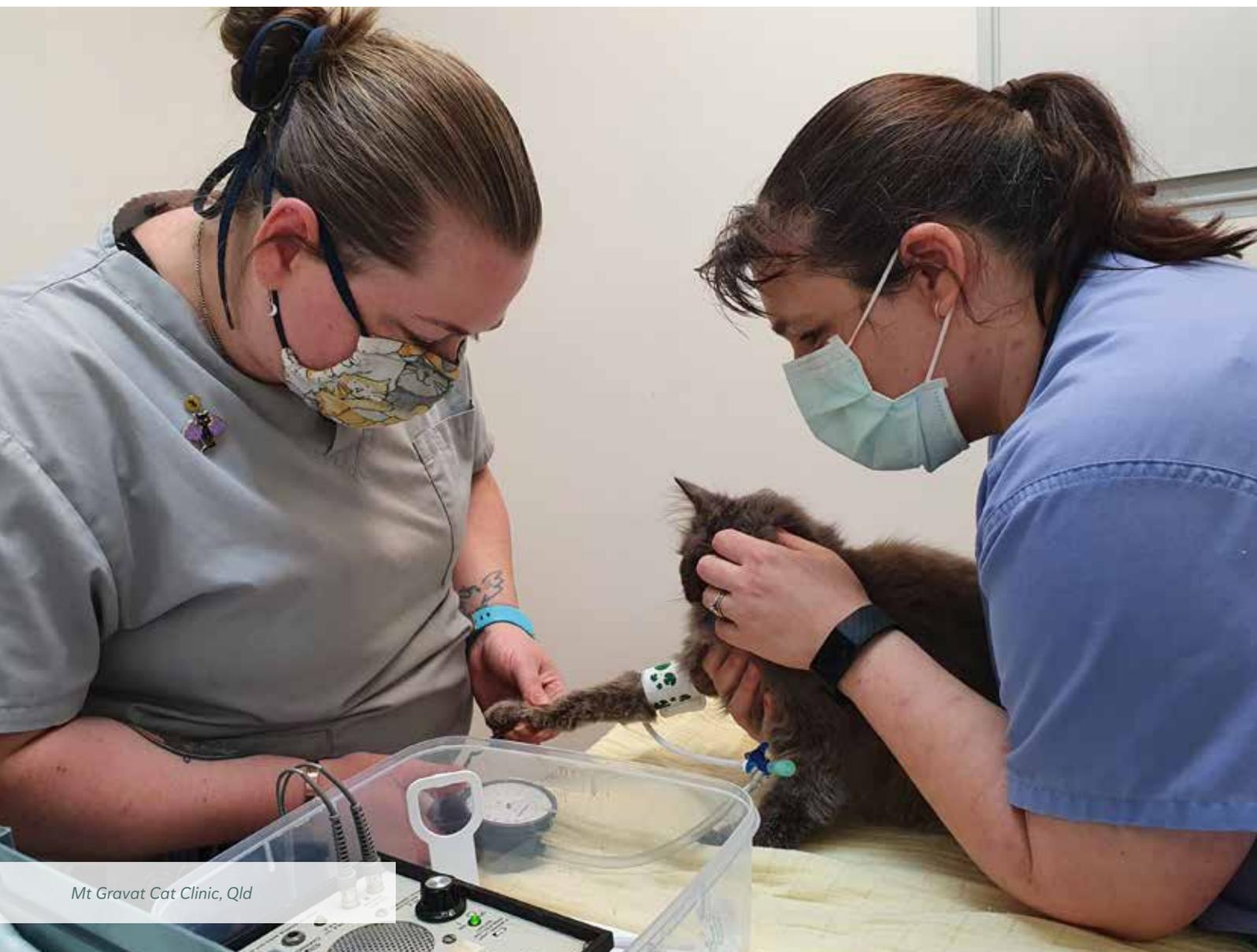
2021 Annual Report



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Front cover image credit: Tracey Sullivan, Beef Week 2018.



Mt Gravatt Cat Clinic, Qld

The AVA Board



President, EVA Nominee
Dr Warwick Jonathon Vale



Treasurer
Dr Nicholas Sangster



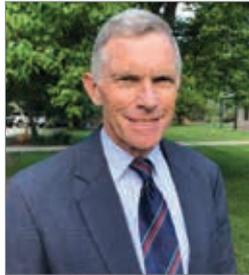
Vice President
Dr Bronwyn Orr



Director
Dr Sally Colgan



Director
Dr Alan Guilfoyle



Director, ACV Nominee
Dr Matthew David Petersen



Director
Dr Gemma Chuck



Director, ASAV Nominee
Dr Alistair Webb



Director
Dr Diana Barker

CORPORATE SUPPORTERS

Platinum Affinity Partner



Platinum Supporter



Platinum Supporter



Platinum Education Supporter



Gold Finance Partner



Gold Supporters



Silver Supporters



President's Report

2021 A YEAR OF BIOSECURITY CHALLENGES AND DISRUPTED LIVES

Following on from 2020, the COVID pandemic continued to bring nationwide challenges, disruption, hardship (and ingenuity) for members and the profession across the whole of Australia. Again, it was a year like no other for AVA and the profession.

The profession and our communities struggled with ongoing lockdowns, travel restrictions, biosecurity measures, workplace restrictions and COVID vaccination. Unlike 2020, rapid and extensive community disease spread, as COVID DELTA andOMICRON virus proved highly transmissible and impossible to contain.

Workforce shortages were painful and impactful in veterinary practices, with some practices forced to reduce services. Biosecurity restrictions, staff sickness (COVID), close contact regulations, vaccination hesitancy/access and increased service demands put pressure on the profession's ability to deliver medical and surgical services across the nation. Border closures created difficulties.

Much effort and sacrifice were made by the profession. Staff went above and beyond, and in some cases herculean efforts "kept the doors open" in city and country practices. AVA worked successfully with government to remove barriers to the movement of veterinarians and their patients to ensure animal welfare and service continuity.

At all times my thoughts were with my colleagues, their staff and families as they endured lockdowns and anxiety around biosecurity, but bravely continued to provide essential veterinary care to patients.

Fortunately, the foundational and ongoing advocacy and resources provided by the AVA COVID-19 working group in 2020 helped solve some of the practical problems of working in a COVID world during 2021. Resources were enhanced on a responsive basis, and expanded with HR materials to deal with compulsory vaccination of staff and vaccine hesitancy.

AVA kept member voices being heard where they were needed and provided support, advice and services that helped our veterinary businesses stay viable during periods of lockdowns, border closures and COVID vaccination mandates. The AVA helped our veterinary practitioners, and their staff to stay safe and engaged in delivering essential pet and animal health and welfare services.

AVA responds to crisis with focus and ingenuity

AVA's year began with great and admirable aspirations to hold local and state-by-state CPD events, a National Conference and a huge celebration of AVA's Centennial Year. The Board, Management, Divisions and Groups all supported a positive outlook on a return to normal post 2020 – but COVID-19 proved more disruptive than expected, with only a handful of face-to-face events whilst the other events were made either hybrid or virtual.

It was sad and frustrating for AVA to celebrate its centenary via a virtual platform. That said, the investment AVA made in 2020 to run online CPD, both in terms of know-how and technology served AVA and its members extremely well in 2021.

VetFest ran for its second time, and members engaged well with CPD, social and business meetings that AVA delivered. And, through the use of our technology and innovation, the AVA still managed to celebrate its centennial year. Some of us enjoyed the luxury of small face-to-face events, others participated in hybrid and virtual educational/social get-togethers. At all of the events over the last year, quality CPD was provided and enjoyed by veterinarians in the thousands.

Remote meeting technologies enabled AVA, the Board, Groups and Divisions to continue operations and decision making. I am sure that I was not the only person who became Zoom fatigued (Zoomitis!!). Hands up who was guilty of the "you are on mute" feedback!

Like 2020, 2021 saw Group committees rise to the challenges of virtual meetings, online CPD and the loss of face-to-face events. Presidents of Groups and Divisions led their colleagues and convened their meetings from home offices (or from vehicles - in the case of the large animal vets!).

I have the utmost respect and empathy for these Presidents and their committee colleagues, soldiering on with important business, and unable to enjoy the social interaction, celebrations and recognition that annual conferences and meetings with members would usually provide.

In 2021, AVA members were particularly impressed by sustained media interest in the health of our profession, and in AVA's focus on triggering debate and informing the public about the challenges we face. Issues of workforce shortages and poor mental health continued to capture the attention of the community, with AVA telling the stories and truths that needed to be told.

Throughout the year, AVA was there for members (during floods and natural disasters), and across the country members engaged with communities to help each other and affected animals.

AVA's 100-year history of overcoming the challenges created by crisis and disaster shows no sign of waning or irrelevance.

Thank you to AVA staff, Group committees and volunteers

I thank AVA staff, management and our CEOs, Mr Corey Snell and Mr Stephen Albin for their contribution to the success of AVA in 2021.

Stephen joined AVA as interim CEO, acting very capably whilst the Board undertook a considered recruitment process. This process resulted in the employment of Dr David Andrews with a start date in March 2022.

I think it will be obvious to all, that Stephen hit the ground running in his role as interim CEO, and he was able to successfully continue the organisational change agenda that the Board had approved at the end of 2020.

Change in AVA

In 2021, the AVA progressed with an organisational restructure, a wide-ranging change management agenda and improving AVA culture. The Board received an independent review of its governance processes, constitution and structure. This report was considered by the Board as it continues to ensure that AVA is governed in a fair, contemporary and appropriate way to better meet and service the needs of members.

The major issues

In 2021 AVA successfully galvanised the profession nationally to discuss and workshop the two major issues of veterinary workforce and wellness.

Ground-breaking research into wellness was finalised with AVA's key partner, SuperFriend. This 2021 project delivered what is perhaps the most pertinent and telling insight into both the professional and industry specific risk factors for poor mental health and workforce attrition for Australian veterinarians.

The challenge for AVA in 2022 is to deliver on the recommendations of the SuperFriend report and



Austinmer team, Helensburgh, NSW

achieve positive improvements in the mental health of the profession. The onus is on AVA to produce tangible outcomes from the completed research.

In a first for the AVA, an online members forum was held in October that presented the report and its findings. The report gives us hope and optimism towards a better mental health future for the profession. It details and describes opportunities for both AVA and its members to embrace and achieve the BHAG I have set for the profession over the next 4 years.

Positive and enlightening, the report challenges AVA to deliver on the leadership that is needed to improve mental health and reduce suicide. The high-level recommendations show us that the pathway to success is an integrated response – preventing harm, promoting the positive and managing illness.

For mental health we must **“Prevent, Promote, and Protect”**. This phrase embraces everything that the AVA must strive to resource, grow and deliver for our profession. Our 2022 – 2024 strategic direction will be driven by these goals.

Early in 2021, AVA advanced its leadership role on the issue of workforce shortages. A perfect storm of media and community interest was created by the Federal Government announcement that veterinarians had been added to the PMSOL (Priority Migration Skilled Occupation List), and unprecedented interest was shown by members who participated in an open, online forum to assist the AVA to workshop the current veterinary workforce shortage crisis.

The AVA Workforce Shortage Forum attracted over 1,100 Zoom registrants, and more than 300 written suggestions and questions were received by email. The collective brains trust of both members and non-members, invited expert panelists and a phenomenal facilitator (aka Dr Cristy Secombe) – created an engaging and provocative forum that is a spark to light the fire of change.

I have been at pains to say that returning our international borders to the pre-COVID state with respect to the entry of overseas veterinarians will not be a magic cure. Neither is it a sustainable long-term solution to address the ‘relative’ workforce shortage.

While the AVA has successfully advocated for vets to be added to the PMSOL, I must say that this is considered to be the “low hanging fruit” option available to the profession right now. For real change, the onus is on the profession to look at its veterinary practice business models and to fix what isn’t working.

The AVA must do more to address the workforce shortage issue, to ensure a thriving and sustainable profession into the future. The AVA must lead the profession on a pathway to change current and historical practice business models, and associated workplace culture problems that are the root cause of workforce shortage.

Unacceptable levels of attrition are what we are seeing. Many colleagues find their veterinary careers unsustainable, unsafe and harmful to their health. It is these issues that link poor mental health with the high rate of workforce attrition that blights our profession.

2021 saw the dramatic downsizing of clinical services and the restructuring of many of our teaching hospitals in universities. The AVA appreciates the changes and difficulties that COVID has brought to their business and teaching models and we engaged with them to offer support if needed. It will be obvious to all that our profession needs thriving veterinary schools.

Our profession is going through unprecedented change. Many long-standing issues are now becoming even more negatively impactful than before. Issues of poor remuneration, inflexible workplaces, marginalisation of regional and country practice, workforce attrition, changing expectations of consumers and increased demand for veterinary services, are contributing to poor mental health outcomes and a failure to keep veterinarians in the profession (especially in clinical practice) - factors contributing to the most severe recruitment crisis I have seen in the profession in the last 30 years.

Be assured, the AVA will take on the responsibility to lead and help bring the changes that are needed. The AVA is extremely fortunate to have a highly competent Workforce Sustainability Working Group, full of passionate AVA members and stakeholders committed to guide the strategy, investment and tangible actions needed to address workforce attrition and career sustainability.

The media and community interest that is being generated, will further help the profession to be heard when it talks about what support is needed from Government and where it should be focused, as well as what the community can do to help. The AVA is your voice, advocating not just for members, but striving to make ALL veterinary careers sustainable and rewarding.

AVA’s Board and President

I ask members to acknowledge and give credit to the fine work and efforts given by their board members this year.

Dr Julia Crawford, Dr Nick Sangster and Dr Meredith Flash all completed their directorship terms, having given distinguished service in their conduct and roles as Board members. They were succeeded by Dr Gemma Chuck and Dr Diana Barker. Dr Bob Doneley resigned from the Board mid-year and his vacancy was filled by Dr Sangster.

Dr Alistair Webb replaced Dr Crawford as the ASAV Board nominee.

Our new directors hit the ground running and it was pleasing to see them bring their enthusiasm, wise counsel, and professional experience to the team. I thank the Board Directors of 2021 for their efforts, support, and service

to the AVA. It was an onerous year, with another record number of director meetings, workshops and crisis planning sessions.

AVA's future

By the end of 2021, AVA could start to see the light at the end of the pandemic tunnel. Optimism and excitement are growing that in 2022, AVA will be back to "normal", a new normal that AVA will thrive in.

The profession and AVA are strong. We have demonstrated that we can deliver change, support the profession, increase our relevancy and create an attractive association for veterinarians to join and engage with.

I am grateful that I have been allowed to serve and lead as the AVA President in a second term. I am grateful for the many things that this role brings to my life. AVA is changing, evolving, improving and excelling. Through the combined

efforts of the profession, AVA staff and members, the AVA has achieved many great things in 2021.

Looking to the future, the profession must embrace inclusion and diversity to create equitable opportunities for all. Veterinarians are not defined by gender.

Surely, we must only be defined by our common values, skills, standards of professionalism and competency, as well as shared professional passions, vision, dedication, and vocation. Ultimately, these are the important things that we all share and must have mutual respect for.

If we set and achieve the highest standard of inclusion and diversity, by embracing and defining each other using only the values of empathy, equity and compassion – then we will make and sustain a profession that will thrive.

Dr Warwick Vale
President



Currawong Bush Park, Warrandyte, Vic -
Photo by Meredith Flash

CEO's Report

THE AVA HAS USED ANOTHER DIFFICULT BUSINESS YEAR TO REFOCUS OUR EFFORTS ON BETTER ALIGNING OUR OFFERINGS WITH MEMBER EXPECTATIONS. THE AVA HAS REDOUBLED ITS EFFORTS IN ADVOCACY AND POLICY, PROVIDED NEW WAYS FOR MEMBERS TO ENGAGE IN LEARNING, IT IS ELEVATING THE PROFILE OF THE PROFESSION AND IT HAS STARTED THE JOURNEY OF IMPROVING MENTAL WELLNESS AMONGST THE PROFESSION. THESE CHANGES WILL POSITION THE AVA WELL AS IT MOVES BEYOND ITS CENTENARY.

Faced with the uncertainties of a pandemic, our members rose to the occasion by delivering essential veterinary services to keep businesses running and households functioning. Many of those same members, dedicated what little spare time they had to advance the causes of the profession through the AVA. On behalf of all involved, thank you for your generosity of spirit and strength of character – that is ultimately what makes AVA a great organisation.

COVID-19

COVID continued to induce business disruption throughout the year. AVA continued to provide members with the latest information and advice on complying with changing rules and regulations – often between States and across borders. AVA advocated to State Governments to have veterinarians classified as providing an essential service. Dealing with the State Governments created higher workloads and more uncertainty than the previous year. In recognising this AVA, continued to support the viability of veterinary practices to the benefit of all animal industries across Australia. The AVA's financials were impacted by COVID during 2021 as State and Federal Governments reduced support, and face-to-face events were unable to be held.

Digital investment

Investment in digital transformation continued to mitigate risk, as AVA was able to remotely continue its business. Staff worked from home, education was delivered remotely, and meetings were conducted virtually. VetFest proved to be an important conferencing platform that offset the restrictions on in person conferencing. Support services were delivered to members without disruption. AVA is a people business and the last two years will not change that

– but we now have a very robust and stable business continuity infrastructure that can withstand unforeseen events.

Thrive - A New Direction

AVA has undertaken a major project to reset its strategic direction in preparation for the new 5-year strategic plan. A key focus is improving the mental health of the profession. AVA engaged SuperFriend to conduct the most comprehensive report in wellbeing of the profession (with over 2,500 respondents). The report outlined the challenges and a comprehensive suite of potential actions to address the crisis. AVA held a member briefing that attracted the largest participation of any event we have held. AVA will operationalise the report and release the program over the next year.

Thank you

The relationship between Chairman and CEO is a critical one for any organisation, and I'd like to thank Dr Vale for his leadership and enormous contribution over the past 12 months. I'd also like to thank our staff and the valuable contribution from hundreds of committed volunteers and committee members for their extraordinary commitment and hard work throughout the year.

Stephen Albin

Interim Chief Executive Officer

Overview of 2021



8,364

Total membership, including veterinarian, students and associate members as at 31 December 2021



6,068

Veterinarian members as at 31 December 2021



1,972

Student members as at 31 December 2021



89%

Member retention rate for 2021



8,230,181

Total revenue for the year ending 31 December 2021



13,556,779

Net assets as at 31 December 2021



715

Paid delegates who attended VetFest 2021, AVA's virtual veterinary conference



6,874

Veterinarians participated in AVA continuing education activities during 2021



175

Conferences, seminars, workshops, webinars and online learning held during 2021



382

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



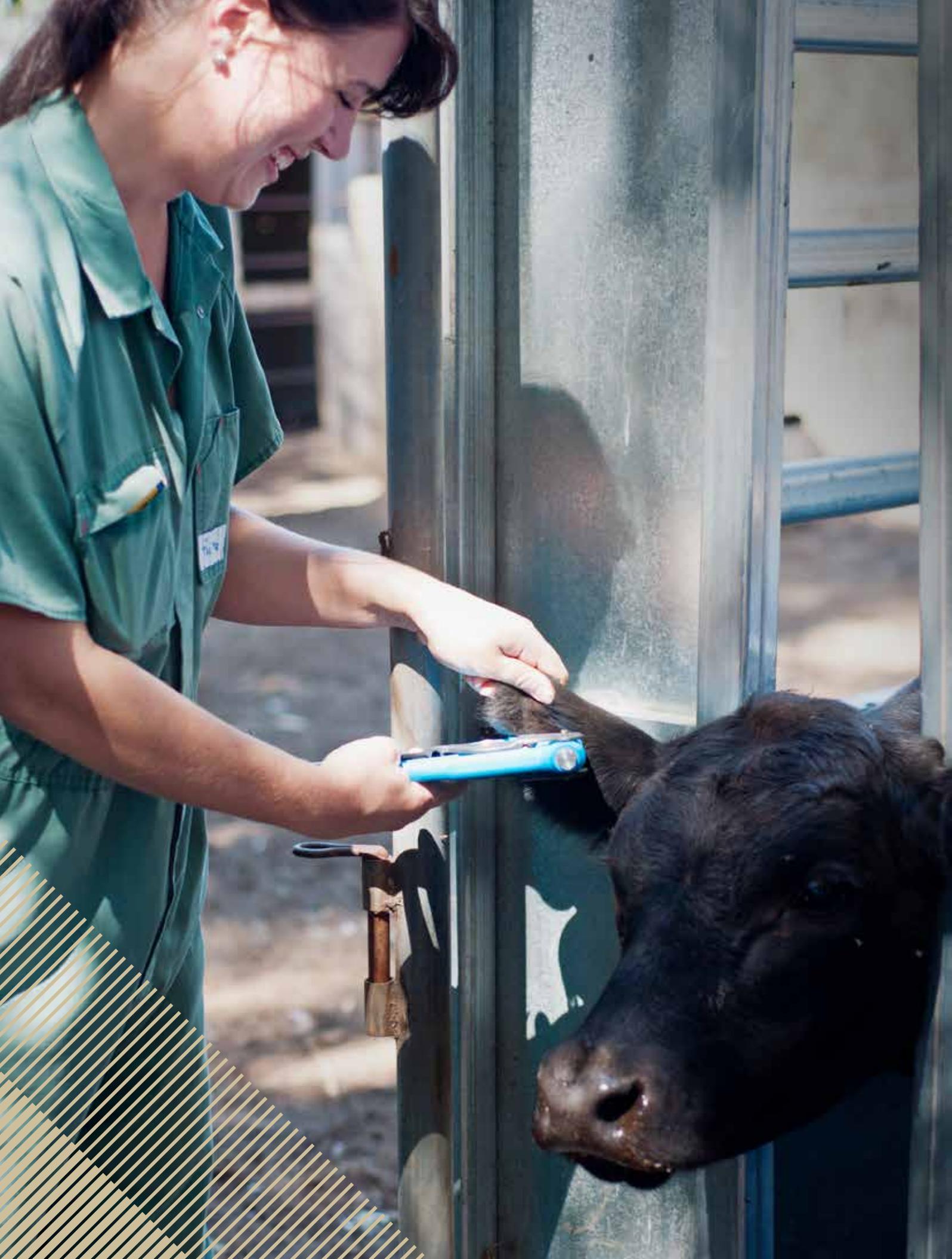
42

Paid staff provided support and services. The equivalent of 38.4 full time staff



567

Mentors and mentees were engaged in the mentoring program as at 31 December 2021



2021 Award Recipients

CONGRATULATIONS TO THE AVA'S 2021 AWARD RECIPIENTS

President's Award

// Dr Catherine Warburton

Fellows

// Dr Nick Kannegieter

// Dr David Middleton

Gilruth Prize

// Dr Kersti Seksel

Kesteven Medal

// Prof Colin Wilks

Meritorious Service Awards

// Dr Catherine Russell

// Dr Brendan Carmel

// Dr Sam Nugent

// Dr Finola McConaghy

// Dr Geoff Scarlett

// Dr Mark Kelman

// Dr Alan Sultan

// Dr Sheridan Alfirevich

// Prof Joanne Devlin

// Dr Caitlin Horwood

// Mr John Robb

Honorary Award

// Mrs Sue Crampton



Treasurer's Report

DURING 2021 THE AVA FACED A CONTINUATION OF THE COVID CHALLENGES IN TERMS OF FINANCES AND OPERATIONS. HAVING EMERGED FROM 2020 WITH A SURPLUS, THE TASK FOR 2021 WAS TO STRIKE A BALANCE BETWEEN ACHIEVING OUR OBJECTIVES AND FINANCIAL PRUDENCE.

Budget refocus

Although we successfully managed through 2020 in the face of COVID, the Board was keen to reactivate face-to-face conferences in 2021 and to push forward with strategic initiatives. However, amidst the return of government mandated lockdowns from June in NSW and Victoria, and border closures around the country, the Board acted swiftly to mitigate financial risk and exposure following the cancellation of conferences across the eastern seaboard. This included a pivot to a hybrid conference for the SCGV at very short notice while smaller SIG conferences such as the APV, AGV and UPAV progressed with virtual conferences. Given its success in 2020, VetFest had already been included in the 2021 events calendar, however we took advantage and extended the use of this platform by profiling our corporate partners in VetFest Marketplace. These events provided some income but also maintained members engagement through virtual meetings.

During the year savings were achieved by maintaining a recruitment freeze, restrictions on committee and staff travel costs and the removal of discretionary expenditure. As in 2020, some projects were again deferred given the uncertainty surrounding the pandemic.

Despite the uncertainties, the AVA proceeded with some important initiatives that will make the AVA more effective and better aligned to our members' needs. The highlights were:

- // Progress on the new AVA organisational structure and appointment of a new CEO
- // A governance review that also considered modernising the AVA Constitution
- // Reporting on the AVA Veterinary Wellness Strategy by SuperFriend
- // Launch of 'Employer of Choice Program'.

Operating result

In 2021, the consolidated result including the trusts for the AVA was a deficit of \$707,402 (surplus of \$1,494,360 in 2020). Within this figure, the AVA parent entity result was a deficit of \$586,080, which was worse than budget by \$402,165 and worse than the 2020 reported surplus of \$557,700.

These financial statements also disclose other comprehensive income by making allowances for unrealised gains and losses. The increase in unrealised gains on investments (\$662,784) bring the comprehensive result for the consolidated entity to a deficit of \$44,618.

As in 2020, the COVID pandemic adversely impacted our traditional revenue streams. CPD attendance and income (including corporate support) at \$1.2M was significantly down against pre-COVID years (\$5.0M in 2019).

Despite the cancellation of all major conferences on the eastern seaboard, the organisation still managed to hold face to face events in the second half of the year. This included AVA Centenary conferences in WA, SA, NT and Tasmania.

The subscription income result was \$4,148,928 - below budget by \$176,255. Membership growth remains a challenge for the Board and management. Performance shows a retention rate of 89% which is in line with the 2020 outcome.

Support through government stimulus packages of \$455,009 was important in shoring up finances and allowing the AVA to pursue operational activities and to retain staff and committee structures.

Balance sheet

AVA remains in a sound financial position.

As at 31 December 2021, the AVA parent entity held a total of \$13,897,479 in total assets (\$13,831,805 in 2020). The current ratio of cash over commitments was 1.85 indicating that the AVA remains solvent and can pay bills when they fall due.

Investment performance

AVA investments in managed funds performed strongly over the year with the portfolio balance growing by 12.3% from \$2.9M at the start of the year to \$3.3M. Net distributions were also strong providing net income of \$117K compared to \$58K in 2020.



Audit and Risk Committee

The new Audit and Risk Committee completed its first full year of operation. Members of the Committee are Nick Sangster, Warwick Vale, Gemma Chuck, Alan Guilfoyle and Alistair Webb. The Head of Corporate Services (Michael Ghattas) supported the subcommittee providing timely, relevant, accurate and invaluable reports and advice. Our auditors, Pitcher Partners continued to offer sound independent advice.

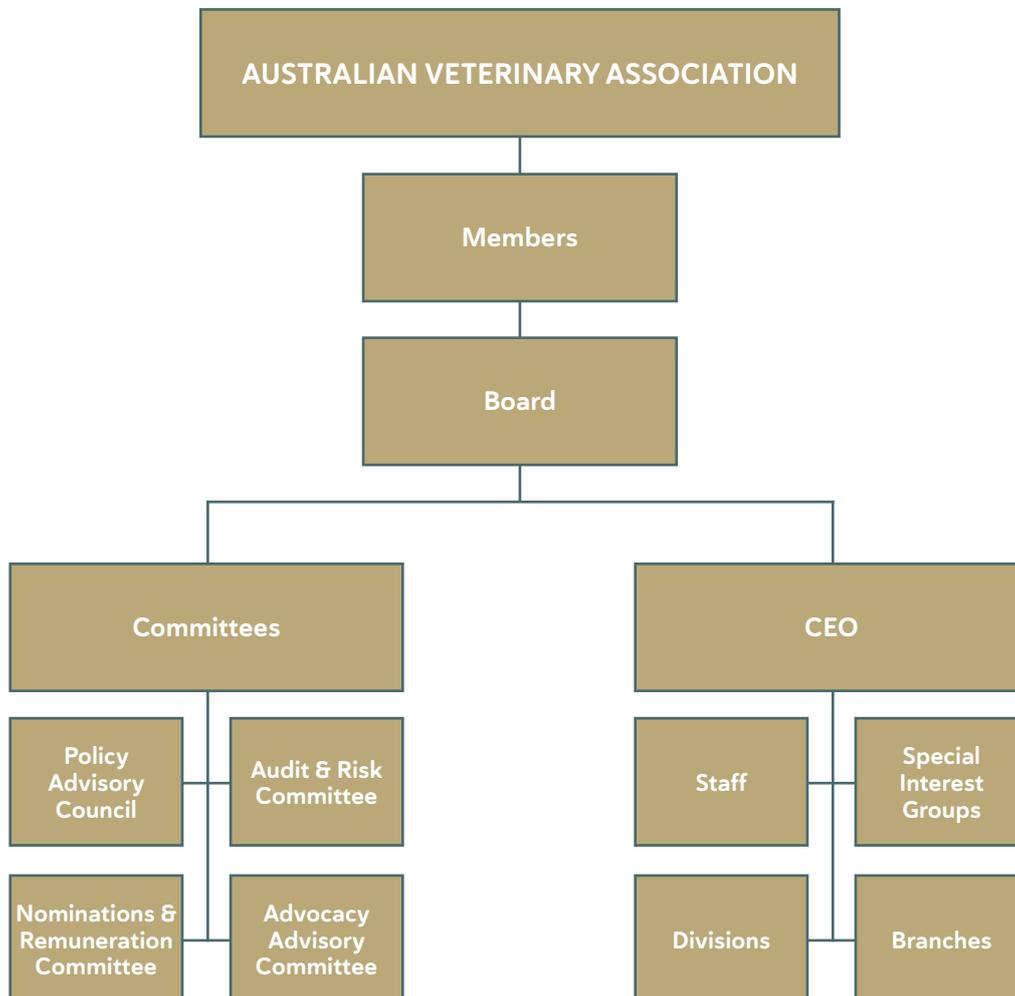
In 2021 the Committee was kept busy considering financial and risk advice during the year, especially in monitoring conference costs and cancellations. I thank the Committee and staff for navigating us through this unpredictable time. The challenges will not stop for the AVA but these experiences have prepared us well for the future.

I wish also to acknowledge our corporate partners who themselves have faced market challenges over the last 2 years. During the year they have responded positively to our initiatives including online conferences and 'marketplaces'. We all expect that the return of face-to-face meetings should allow us all to spring forward into a bright future and one with good financial security.

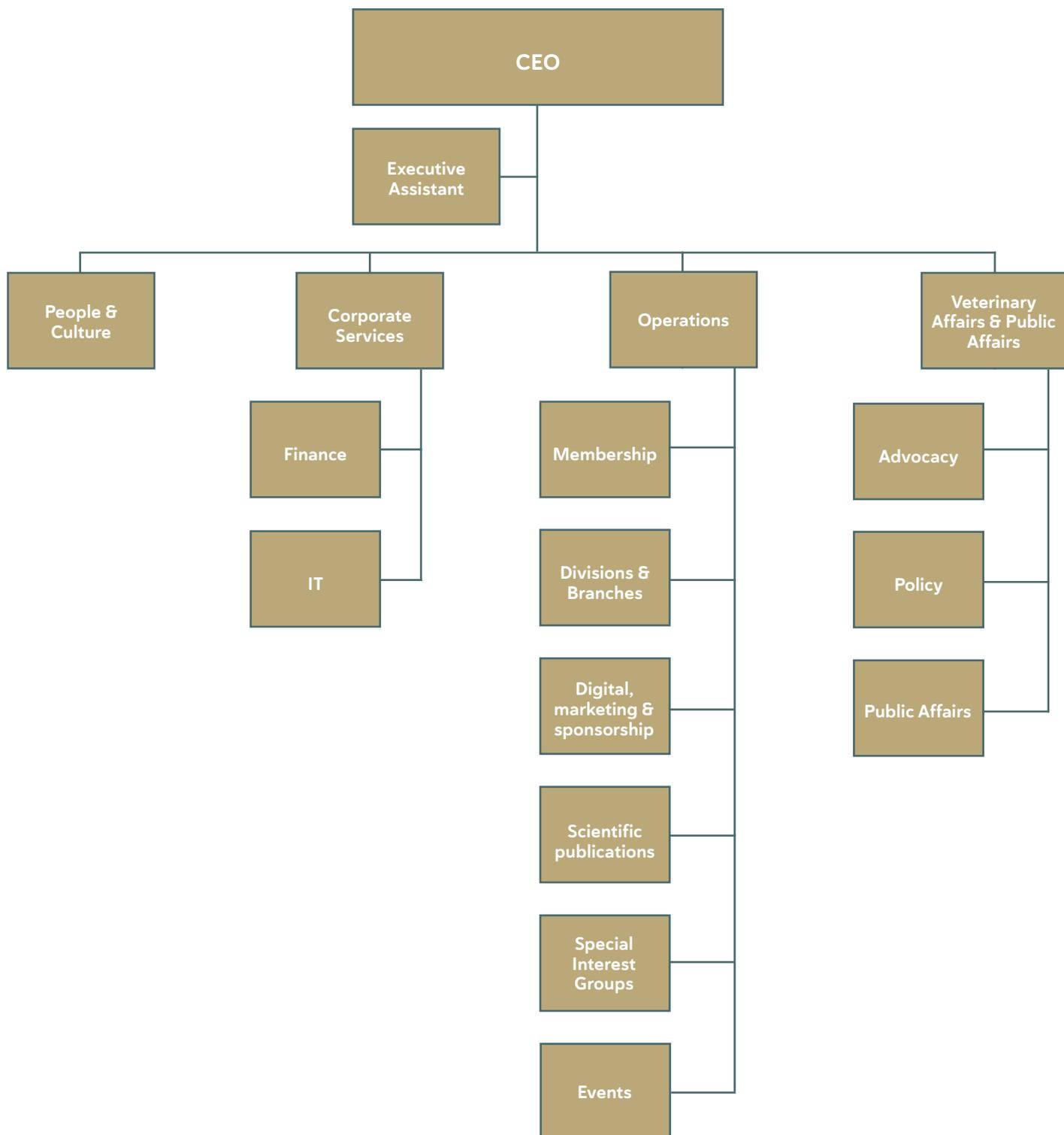
Delivering this report is my last duty on the AVA Board and I can tell you that the AVA is in good hands going forward. I offer a heartfelt thank you to my fellow Board members, President Warwick Vale and the dedicated AVA staff who have been pivotal to managing AVA's business and financial achievement of these results, especially during another difficult year.

Dr Nick Sangster
Treasurer

Organisational Report



Staff Structure



Directors' Report

THE DIRECTORS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED (“AVA” OR “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 2021.

Directors

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

- // Dr Warwick Jonathon Vale
- // Dr Nicholas Sangster
- // Dr Diana Barker (Appointed May 2021)
- // Dr Gemma Chuck (Appointed May 2021)
- // Dr Julia Crawford (Ceased May 2021)
- // Dr Sally Colgan
- // Dr Robert Doneley (Ceased May 2021)
- // Dr Meredith Flash (Ceased May 2021)
- // Dr Alan Guilfoyle
- // Dr Bronwyn Orr
- // Dr Matthew David Petersen
- // Dr Alistair Webb (Appointed May 2021)

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 (ceased July 2021).

Principal activities

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

Advocacy

- // representing veterinary professionals in Australia
- // promoting the value of the profession to the public, industry and government
- // providing leadership and expert scientific advice on animal health, welfare and production to members, industry and government

- // stimulating and contributing to informed debate on issues of scientific and professional importance
- // developing technical evidence-based policy on animal health and welfare issues
- // developing scientific guidelines for members on a range of topics, e.g., Antimicrobial Prescribing Guidelines
- // making science-based submissions in response to developments in government policy and legislation which may affect the conduct of veterinary science within Australia
- // providing scientific advice on issues of veterinary or public health significance, adverse events associated with pet food, major animal welfare incidents, emergency animal diseases, and natural disasters affecting animals or the profession
- // representing the AVA as a member of key national and international committees dealing with veterinary scientific issues.

Education

- // providing high standards of continuing education and professional development, including the VetFest 2021 virtual conference, various Divisional and Special Interest Group conferences providing the latest scientific and professional updates to members
- // webinars and online workshops
- // publication of the Australian Veterinary Journal, Australian Veterinary Practitioner, Companion, Australian Equine Veterinarian, The Australian Cattle Veterinarian and Skirting the Issues;
- // publication of other scientific newsletters, journals, communications and materials and the maintenance of the Vet Ed library.

Community

- // providing a forum for members to exchange information and ideas, and access to AVA services
- // meetings through Special Interest Groups, Divisions and Branch networks.

Support

- // programs to support members with their professional journey and wellbeing including early career mentoring, HR Advisory Service for employees and employers, and an Employee Assistance Program
- // supporting members through natural disasters, e.g., bushfire and COVID-19 issues of 2021.

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 ended 31 December 2021 was \$707,402 (2020: surplus \$1,494,360).

Review of operations

A review of the operations of the Economic Entity during the financial year is contained in the report of AVA's President.

The Economic Entity comprises The Australian Veterinary Association Limited, including 8 Divisions, 20 Special Interest Groups (SIGs) and 36 Branches in addition to the AVA National Group and 4 Trusts. 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).

As was the case in 2020, 2021 was a difficult year for many industries and AVA had many financial and operational challenges. The major preoccupation was handling the impact of COVID on our business, in particular government-imposed restrictions on hosting conferencing and education events. The Board recast the budget mid-2021. Changes included expectations of falls in income through the cancellation of face-to-face events in 2021 and reduced corporate support. Expenditure was decreased through restrictions on committee and staff travel costs and the removal of discretionary expenditure. The effects of the pandemic on traditional revenue streams meant that the AVA qualified for federal and state government stimulus.

Further detail on the financial and operational impacts of the pandemic are included in both the President's and Treasurer's Reports.

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. our profession (which includes);

// planning an effective veterinary workforce

// ensuring economic sustainability, and

// better regulation of the profession

2. improving animal welfare

3. fighting antimicrobial resistance.

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. progress findings of the member value research project to embed a revised value proposition that ensures the AVA maintains its relevance to the profession and continues to evolve and meet members' needs
2. to progress the actions outlined in the wellness report, a comprehensive report provided by external consultants to renew AVA's veterinary wellness strategy building upon AVA's existing resources providing a structured support program tailored for the veterinary profession
3. develop, update and maintain accreditation programs that provide better access and education resources for members so that they can build upon their knowledge and skills. The most significant program approved by the Board is the development of the AVA Chartered Veterinary Practitioner program
4. progress work that improves legislation impacting our members, advocating for national harmonisation and providing an optimal regulatory environment for the veterinary profession
5. workforce initiatives including the 2021 Workforce Survey, Award Report and Rural Bonding Scheme
6. establish a competency framework and career path for the profession, with a realistic benchmarking tool for employees and employers, to assist workforce sustainability
7. promote AVA's Employer of Choice and Return to Work programs to assist our members with workforce issues
8. build on AVA's Digital Transformation to include website enhancements and the digitisation of PREgCHECK
9. implement AVA communications and social media strategy to improve engagement with members and stakeholders, awareness of AVA, and engagement with the public
10. development of best-practice Antimicrobial Prescribing Guidelines for livestock species and horses.

Key performance measures

The Company measures its performance in achieving its objectives through 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 \$586k (2020-surplus \$558k) representing a negative variance of \$402k to the budget target deficit of \$184k.

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 matter or circumstances have arisen since 31 December 2021 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 year subsequent to 31 December 2021.

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.

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 2021, 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 Warwick Jonathon Vale

BSc BVMS (Hons II) FAVA

AVA President since May 2020. AVA Treasurer from May 2019-May 2020. AVA Board Director since November 2018. Graduated from Murdoch University 1989. Past Partner

of Midland/Bullsbrook Veterinary Hospitals, Valley Equine Veterinary Services and large mixed practices in WA. Now actively working in Vale Veterinary and Consulting Services clinical practice. Has extensive board/committee governance experience in not-for-profit organisations. Both AVA, SIG and Division experience. Member AVA for 29+ 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 Nicholas Sangster

BSc (Hons), BVSc (Hons), PhD, DipEVPC, MAICD

AVA Board Director since 2019. Current AVA Treasurer and Chair of the Audit and Risk Committee. Associate Editor for the Australian Veterinary Journal. Past member of the Cattle and Sheep SIGs of the AVA. Other awards include Fellow of the Australian Society for Parasitology and Diplomate of the European Veterinary Parasitology College. University academic and researcher including roles as Professor in Veterinary Parasitology (Sydney) and Professor in Veterinary Pathobiology and Head of School of Animal and Veterinary Sciences (Charles Sturt). Registered Specialist in Veterinary Parasitology and a private consultant in antiparasitic agents. Previous engagements with Australian Pesticides and Veterinary Medicines Authority (APVMA), Animal Health Australia, Veterinary Surgeons Board of NSW, Editor-in-Chief International Journal for Parasitology, the World Organisation for Animal Health (OIE) and Council of Veterinary Deans of Australia and New Zealand.

Dr Diana Barker

BVSc, MBA, MANZCVS (Small Animal Surgery)

AVA Board Director since May 2021. Director of Evervet group of Veterinary practices and Ripponlea Veterinary Hospital, all small animal practices in Melbourne, Victoria. Committee governance experience in not for profit and government organisations. Mental Health First Aid qualified. Previous committee member of MMPB and Victorian Division and ongoing contributor. Professional interests are Veterinary mental health and well-being, Veterinary workforce sustainability, Business Strategy, Building Culture, Diversity, Small animal surgery and Student mentoring and training.

Dr Gemma Chuck

BVetMed, PhD

AVA Board Director since May 2021. Member of Australian Cattle Veterinarians Executive Committee since 2016. Member of Western District (Victoria) AVA Branch

Committee 2012-2020. AVA and ACV Member since 2007. Adjunct Senior Lecturer at James Cook University, School of Veterinary and Biomedical Sciences since 2020. Adjunct Lecturer at Charles Sturt University since 2020. University of Melbourne Dairy Cattle Health and Production Residency 2010-2013. Dairy veterinarian and consultant in private practice. Employed at Apiam Animal Health since 2016 in Dairy Operations Team. Now Technical Services Lead for Production Animals and Graduate Development Program Leader since 2021. WestVic Dairy Board Director 2015-2018.

Dr Julia Crawford

BVSc

AVA President 2019-20. AVA Board Director since May 2015-2021. Meritorious Service Award 2015. NSW Division President 2012. NSW Division Treasurer 2009-2011. Chair National Industry Advisory Group for Veterinary Nursing 2013-2016. Chair Animal Care and Management IRC. Director Bondi Junction Veterinary Hospital. AVA Member since 1996. Chair of Policy Advisory Committee 2018, 2019.

Dr Sally Colgan

BVSc, DipVetClinStud, Diplomate ACVS, MAICD

AVA Board Director since May 2020. AVA Member since 1990. Current AVI President, also in 2012 and 2018. Member of the Australian Institute of Company Directors since 2018. AVI Committee member (2006-2010). Diploma Veterinary Clinical Studies. Diplomate American College Veterinary Surgeons since 2001. Founder, owner, and Managing Director SCEC/Eurofins SCEC 2002-2016. Managing Director Eurofins Animal Health 2016-2018. Director Vets Beyond Borders 2019. Chief Executive Officer Vets Beyond Borders since March 2020. Category A member Schools Animal Care and Ethics Committee since 2019.

Dr Robert JT Doneley

BVSc FANZCVS (Avian Health)

AVA Board Director 2016-20. AVA Vice President 2018-20. AVA Member since 1978. 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 2015-2018. 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 2016-2019. Professor, School of Veterinary Science, The University of Queensland. Chair of Nomination and Remuneration Subcommittee 2018-19.

Dr Meredith Flash

BVSc, Cert IVAS

AVA Board Director 2020-21. Member of the AVA Scientific Committee 2018-2020. President EVA 2016-2017. EVA Vice-President 2015-2016. EVA Stakeholder Committee chair 2014-2015. Executive Committee member of EVA 2007-2017. EVA Education Committee Member 2016-2020. Mentor with the AVA Mentoring Program 2017-2019. University of Melbourne Student Mentor 2018-2020. AVA Meritorious Service Award 2018. Member, AVAWE 2016-2020. PhD candidate at University of Melbourne 2016-2020. Lead researcher for the Australian Thoroughbred Wellbeing Project (2018-present). Owner of Flash Veterinary Services 2013-present. EVA Young Member Group President 2007-2008. Board member of the Australian Horse Industry Council since June 2020. Accredited Fédération Equestre Internationale (FEI) accredited veterinarian since 2012.

Dr Alan Guilfoyle

BVSc

AVA Board Director since May 2020. Member Australian Institute of Company Directors since 2020. AVA member since 1969. Graduated University Queensland 1971. Founder (1976)/Director Clermont Veterinary Surgery. ACV Bovine Practitioner of the Year 2014. AVA Meritorious Service Award (ACV) 2016. Member ACV Executive Committee since 2016. Member ACV Bull Subcommittee. ACV PREgCHECK and BULLCHECK examiner. Adjunct Senior Lecturer James Cook University.

Dr Bronwyn Orr

BVSc, MSc, MANZCVS (Animal Welfare)

AVA Board Director since May 2019. AVAWE Policy Councillor 2016-2019. AVA Member since 2014. Member of the Australian Institute of Company Directors since 2019. UQ AEC Category C member 2016. Pets in the Park Executive Committee member 2016 (QLD) and 2017-2019 (ACT). TGA AEC Category C member since 2019. JCU Outstanding Early Career Alumni Award 2018. Casual shelter veterinarian at RSPCA ACT since 2017. RSPCA Australia Scientific Officer for Companion Animals 2017-2019. Casual academic at The University of Sydney since 2018. Game Management Authority (GMA) Non-Executive Director since June 2020. Senior Veterinary Officer at the Commonwealth Department of Agriculture, Water and the Environment since May 2020. Casual emergency veterinarian at Canberra Veterinary Emergency Service from 2022.

Dr Matthew David Petersen

BSc BVMS,GAICD

AVA Board Director since November 2018. Chair Nominations and Remuneration Committee since May 2020. 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. ACV PREgCHECK examiner (manual & ultrasound). 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. Own and operate an irrigated beef farm.

Dr Alistair Webb

BVSc (Hons), MANZCVS (Feline Med), AAICD

AVA Board Director since May 2021. AVA Member since 1987. Current Principal of Rangeside Veterinarians – small animal practice in Toowoomba, Qld. Darling Downs & SW Qld AVA Branch President 1996-1998 and 2005 to 2014. Qld AVA Division President 2000 and Division Executive member 1997–2001 and 2013–2016. Qld Division Policy Councilor 1998–2001. ASAV Executive member from 2015 to 2021 and ASAV President 2018–2021. Affiliate member of AICD since 2021. Deputy Chair and Category A member of the University of Southern Queensland Animal Ethics committee since 2011. Chair of the AVA Chartered Veterinary Practitioner (CVP) Education Committee since 2019.

Meetings of Directors

During the financial year, 10 meetings of Directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Warwick Jonathon Vale	10	9
Nicholas Sangster	10	10
Diana Barker	6	5
Gemma Chuck	6	6
Julia Crawford	3	3
Sally Colgan	10	9
Robert Doneley	3	2
Meredith Flash	3	2
Alan Guilfoyle	10	10
Bronwyn Orr	10	10
Matthew David Petersen	10	10
Alistair Webb	6	6

Members Limited Liability

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 2021, the total amount that members of the Company are liable to contribute if the Company is wound up is \$418,200 (2020: \$426,750).

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 four trusts: Australian Veterinary Association Benevolent Fund (AVABF), Australian Companion Animal Health Foundation (ACAHF), Australian Veterinary Association Animal Welfare Trust (AVAAWT), and The Stephen Rose Foundation.

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 2021.

Indemnity and insurance of Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Company.

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 44.

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



Nicholas Sangster
Director and Honorary Treasurer



Warwick Vale
Director and President

Dated at Sydney 24 March 2022.



Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021	Notes	2021	Restated* 2020
		\$	\$
Revenue from ordinary activities			
Membership and subscriptions		4,148,928	4,070,175
Sponsorship		342,165	426,815
Affinity commissions		1,245,300	1,097,632
Communications and publications		350,136	323,659
Conferences and education		1,185,519	1,326,651
Other revenue			
Interest		20,123	37,781
Investment income		239,696	141,705
Donations and bequests		34,096	1,220,941
Government subsidies		455,009	1,173,331
Other revenue		209,209	209,638
Total revenue		8,230,181	10,028,328
Expenses			
Service expenses		(819,739)	(897,599)
Sponsorship, marketing and promotions expenses		(75,275)	(86,962)
Conferences and continuing education expenses		(1,270,605)	(1,305,325)
Communications and publications expenses		(1,466,497)	(1,454,109)
Occupancy expenses		(94,525)	(109,269)
Finance costs		(22,702)	(24,711)
Policy and advocacy		(477,886)	(429,624)
Administration expenses		(4,306,988)	(3,920,510)
Other operating expenses		(454,240)	(301,106)
Total expenses		(8,988,457)	(8,529,215)
(Deficit)/Surplus from ordinary activities before income tax expense		(758,276)	1,499,113
Income tax expense relating to ordinary activities	1(b)	-	-
(Deficit)/Surplus from ordinary activities after income tax expense		(758,276)	1,499,113
Realised/unrealised gain/(loss) on financial assets at fair value through profit and loss		50,874	(4,753)
(Deficit)/Surplus from ordinary activities after income tax expense, realised/unrealised gain/(loss) on financial assets at fair value through profit and loss	14	(707,402)	1,494,360
Other comprehensive income			
Items that may be reclassified to profit and loss			
Realised/unrealised gain on property	15	-	500,398
Items that may not be reclassified to profit or loss			
Realised/unrealised gain/(loss) on financial assets at fair value through other comprehensive income	15	662,784	(2,573)
Total comprehensive (loss) / income for the year		(44,618)	1,992,185

The accompanying notes form part of these financial statements.

*Refer Note 1(r) for change in accounting policy and restatement of prior period.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021	Notes	2021 \$	Restated* 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	16	4,416,266	4,757,389
Financial assets	6	-	93,055
Trade and other receivables	4	1,033,151	761,414
Inventories		30,991	26,139
Other current assets	5	431,346	462,224
Total current assets		5,911,754	6,100,221
Non-current assets			
Financial assets	6	6,443,501	5,364,054
Property and equipment	7	3,923,230	4,048,917
Right of use assets	8	286,326	331,129
Intangible assets	9	1,502,742	1,647,967
Total non-current assets		12,155,799	11,392,067
Total assets		18,067,553	17,492,288
LIABILITIES			
Current liabilities			
Trade and other payables	10	559,095	551,632
Contract liabilities	11	3,162,159	2,439,482
Lease liabilities	12	34,672	27,186
Provisions	13	420,127	415,287
Total current liabilities		4,176,053	3,433,587
Non-current liabilities			
Lease liabilities	12	234,065	268,737
Provisions	13	100,656	188,567
Total non-current liabilities		334,721	457,304
Total liabilities		4,510,774	3,890,891
Net assets		13,556,779	13,601,397
EQUITY			
Retained earnings	14	7,085,040	7,784,867
Reserves	15	6,471,739	5,816,530
Total Equity		13,556,779	13,601,397

The accompanying notes form part of these financial statements.

*Refer Note 1(r) for change in accounting policy and restatement of prior period.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021	Restated* Retained Earnings	Asset Revaluation Reserve	Restated* FVOCI Reserve	Capital Profits Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2020	6,238,303	442,712	888,339	4,039,858	11,609,212
Adjustment on change of accounting policy (Note 1 (r))	44,629	-	(44,629)	-	-
Balance at 1 January 2020 - restated	6,282,932	-	843,710		11,609,212
Total comprehensive income/(loss)					
Surplus from operating activities after income tax, realised/unrealised (loss)/gain on financial assets at fair value through profit and loss	1,494,360	-	-	-	1,494,360
Other comprehensive income/(loss)					
Unrealised gain on property	-	500,398	-	-	500,398
Change in fair value of financial assets at fair value through other comprehensive income	-	-	(2,573)	-	(2,573)
Total comprehensive income/(loss)	1,494,360	500,398	(2,573)	-	1,992,185
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	7,575	(7,575)	-	-	-
Balance at 31 December 2020	7,784,867	935,535	841,137	4,039,858	13,601,397
Total comprehensive income/(loss)					
Loss from operating activities after income tax, realised/unrealised (loss)/gain on financial assets at fair value through profit and loss	(707,402)	-	-	-	(707,402)
Other comprehensive income/(loss)					
Change in fair value of financial assets at fair value through other comprehensive income	-	-	662,784	-	662,784
Total comprehensive (loss) / income	(707,402)	-	662,784	-	(44,618)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	7,575	(7,575)	-	-	-
Balance at 31 December 2021	7,085,040	927,960	1,503,921	4,039,858	13,556,779

The accompanying notes form part of these financial statements.

*Refer Note 1(r) for change in accounting policy and restatement of prior period.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021	Note	2021 \$	2020 \$
Cash flow from operating activities			
Receipts from members' subscriptions		4,551,834	4,448,716
Receipts from other ordinary activities		4,728,971	6,132,799
Payments to suppliers and employees		(8,938,748)	(8,657,712)
Net payments to Australian Taxation Office for GST		(504,939)	(376,474)
Investment income received		239,696	141,705
Interest received		20,123	37,781
Net cash provided by operating activities		96,937	1,726,815
Cash flow from investing activities			
Proceeds from sale of financial assets at fair value through other comprehensive income		725,899	748,970
Payments for purchases of financial assets at fair value through other comprehensive income		(1,080,388)	(1,224,552)
Net investments of term deposits		93,697	242,945
Payments for purchases of intangible assets		(164,487)	(215,413)
Payments for purchases of property and equipment		(12,781)	(27,165)
Net cash used in investing activities		(438,060)	(475,215)
Net decrease/(increase) in cash held		(341,123)	1,251,600
Cash and cash equivalents at the beginning of the financial year		4,757,389	3,505,789
Cash and cash equivalents at end of the financial year	16	4,416,266	4,757,389

The accompanying notes form part of these financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

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 (“the Group” or “Economic Entity”). The Australian Veterinary Association Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

Basis of preparation

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.

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 24 March 2022.

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);
- // The Stephen Rose Foundation.

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, 2017 and 2019 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) 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 were carried out in 2020 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 provide the basis of property

valuations in the financial statements. Newly acquired properties are valued at fair value.

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. In the event the carrying amount of these assets is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised.

The Directors have reviewed the key assumptions adopted by the valuers in 2020 and do not believe there has been a significant change in the assumptions at 31 December 2021. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2021.

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. 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. Amounts included in the asset revaluation reserve relating to the asset sold are reversed to the 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.

(d) 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.

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.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss 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 profit and loss account.

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.

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 Economic Entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition (this has replaced the incurred loss model). All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 31 December 2021, there are no expected credit losses recognised (31 December 2020: nil).

(e) 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.

(f) 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.

(g) 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.

(h) Revenue

Revenue recognition policy for revenue from Contracts with Customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the member or third-party recipient

Revenue is recognised by applying a five-step model as follows:

1. identify the contract with the customer;
2. identify the performance obligations;
3. determine the transaction price;
4. allocate the transaction price;
5. recognise revenue.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months

between receipt of funds and satisfaction of performance obligations.

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 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;
- // grant income is recognised on completion of grant performance obligation.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the company at significantly below its fair value.

Once the asset has been recognised, the Company recognises any related liability amounts (e.g. provisions, financial liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

(i) Contract liabilities

Contract liabilities generally represent the unspent grants or other revenues received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / revenues.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

(j) Leases

At inception of a contract, the Company assesses whether a lease exists i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- // the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset;
- // the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- // the Company has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

The Company has elected not to separate non-lease components from lease components and have accounted for all leases as a single component.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate of 8% is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Significant estimates and judgements

Lease term – As a result of a significant event or significant change in circumstances the Directors have reviewed the extension option available for the commercial buildings. The lease payments that would arise during the optional extension periods have been included in the lease liability only if it is reasonably certain that the Company will choose to exercise the option.

Incremental borrowing rate – Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(k) 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.

(l) 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.

(m) Comparative figures

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

(n) 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 (i.e. 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 (i.e. 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 (i.e. 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.

(o) 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.

(p) Critical accounting estimates and judgments

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.

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

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 (e), 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.

(q) 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.

No new or amended Accounting Standards and Interpretations were applicable for the current reporting period and therefore there is no impact on the current reporting period.

(r) Changes in Accounting Policy - AASB 132 Financial Instruments: Presentation - Investment in Managed Funds

Investments in Australian managed funds entail the issue of units to investors under terms and conditions that give the holder, the right to redeem the units directly with the issuer. This right creates an obligation for managed funds to repurchase or redeem that instrument for cash or another financial asset. The accounting standards refer to these as 'puttable financial instruments'.

AASB 132 defines special exemptions that result in puttable financial instruments meeting the definition of an equity instrument. Consequently, investments in managed funds cannot be measured at 'fair value through other comprehensive income' and must be measured at 'fair value through profit or loss'.

The Economic Entity has previously recognised gains and losses on managed funds under 'fair value through other comprehensive income' and has now restated at 'fair value through profit or loss'.

Prior year profit and prior year other comprehensive income has been restated in accordance with the revised accounting policy. The revised accounting policy did not impact the reported amount of total comprehensive income, the net asset position of the company, or the carrying amounts of investments held in managed funds. Note that the change only resulted in a reclassification of movements in the fair value of the investments within the statement of comprehensive income itself.

The following table provides a summary of impact of the change in accounting policy on the financial statements:

Statement of Financial Position	Original	Restated	Adjustment
	\$	\$	\$

As at 31 December 2020

Retained Earnings	7,744,991	7,784,867	39,876
Reserves	5,856,406	5,816,530	(39,876)

Statement of Profit or Loss and Other Comprehensive Income	Original	Restated	Adjustment
	\$	\$	\$

For the year ended 31 December 2020

Realised/unrealised (loss)/gain on financial assets at fair value through profit and loss	-	(4,753)	(4,753)
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Surplus from ordinary activities after income tax expense	1,499,113	1,494,360	(4,753)
Realised/unrealised (loss) on financial assets at fair value through other comprehensive income	(7,326)	(2,573)	4,753

Statement of Changes in Equity	Original	Restated	Adjustment
	\$	\$	\$

As at 1 January 2020

Retained Earnings	6,238,303	6,282,932	44,629
FVOCI Reserve	888,339	843,710	(44,629)

As at 31 December 2020

Retained Earnings	7,744,991	7,784,867	39,876
FVOCI Reserve	881,013	841,137	(39,876)

The revised accounting policy did not impact the reported amount of the total comprehensive income or the carrying amount of investments held.



Notes to Financial Statements

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 2021 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.

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	Restated 2020*
	\$	\$
Profit and loss and other comprehensive income of the parent entity		
REVENUE		
Operating activities		
Membership and subscriptions	4,148,927	4,070,175
Sponsorship	342,041	426,100
Affinity commissions	1,245,300	1,097,632
Communications and publications	350,136	323,659
Conferences and education	1,185,519	1,326,651
Interest	12,638	23,540
Investment income	143,122	90,468
Government subsidies	455,008	1,173,331
Other revenue	222,627	202,578
Realised/Unrealised gain/(loss) on managed funds	50,874	(4,753)
Total revenue	8,156,192	8,729,381
EXPENSES		
Service expenses	604,416	562,535
Sponsorship, marketing and promotions expenses	75,275	86,962
Conferences and continuing education expenses	1,270,605	1,305,325
Communications and publications expenses	1,466,497	1,454,109
Occupancy expenses	94,525	109,269
Policy and advocacy expenses	477,886	429,624
Administration expenses	4,258,757	3,866,689
Finance cost	40,072	56,063
Other operating expenses	454,240	301,105
Total expenses	8,742,272	8,171,681
(Deficit) / Surplus for the year	(586,080)	557,700

*Refer Note 1(r) for change in accounting policy and restatement of prior period.

NOTE 2. PARENT ENTITY DISCLOSURES (CONTINUED)**Items that may be classified to profit or loss**

Realised/unrealised gain on property	-	500,398
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Items that may not be classified to profit or loss

Realised gain/ (loss) on financial assets at fair value through other comprehensive income	78,511	(21,973)
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Unrealised gain/(loss) on financial assets at fair value through other comprehensive income	254,923	(26,452)
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Total other comprehensive income	333,434	451,973
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Total comprehensive (loss) /income for the year	(252,646)	1,009,673
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Financial position of the parent entity

Current assets	4,862,039	4,933,392
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Non-current assets	9,035,440	8,898,413
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Total assets	13,897,479	13,831,805
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Current liabilities	4,296,984	3,755,425
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Non-current liabilities	234,065	457,305
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Total liabilities	4,531,049	4,212,730
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Net assets	9,366,430	9,619,075
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Total equity of the parent entity comprising of

Capital profits reserve	4,039,858	4,039,858
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Asset revaluation reserve	927,960	935,535
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FVOCI reserve	932,260	638,701
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Retained earnings	3,466,352	4,004,981
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Total equity	9,366,430	9,619,075
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*Refer Note 1(r) for change in accounting policy and restatement of prior period.

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Depreciation and amortisation	492,982	465,410
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Provision for employee entitlements	(83,071)	(12,348)
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Notes to Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$

NOTE 4. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	802,486	466,902
Other receivables	250,665	314,512
Allowance for expected credit losses	(20,000)	(20,000)
	1,033,151	761,414

NOTE 5. OTHER ASSETS

Current

Prepayments	431,346	462,224
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NOTE 6. FINANCIAL ASSETS

Current

Term deposits	-	93,055
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Non-current

Financial assets at fair value through profit and loss		
Managed funds	330,426	767,647
Financial assets at fair value through other comprehensive income		
Listed shares	6,113,075	4,596,407
	6,443,501	5,364,054
Total	6,443,501	5,457,109

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$
NOTE 7. PROPERTY AND EQUIPMENT		
Freehold land at valuation	915,023	915,023
Buildings at valuation	2,934,977	2,934,977
Less accumulated depreciation	(73,374)	-
	2,861,603	2,934,977
Office furniture and equipment at cost	1,806,597	1,793,816
Less accumulated depreciation	(1,659,993)	(1,594,899)
	146,604	198,917
Total property and equipment	3,923,230	4,048,917

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.

FOR THE YEAR ENDED 31 DECEMBER 2021	Freehold land	Buildings	Office furniture and equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2021	915,023	2,934,977	198,917	4,048,917
Additions	-	-	12,781	12,781
Depreciation	-	(73,374)	(65,094)	(138,468)
Carrying amount at 31 December 2021	915,023	2,861,603	146,604	3,923,230

Independent valuations of all land and buildings were carried out in 2020 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 2020 and do not believe there has been a significant change in the assumptions at 31 December 2021. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2021.

Notes to Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$
NOTE 8. RIGHT OF USE ASSETS		
Buildings	384,288	384,288
Accumulated depreciation	(97,962)	(53,159)
Total	286,326	331,129
Movements in carrying amounts		
Balance at 1 January	331,129	375,932
Depreciation	(44,803)	(44,803)
Carrying amount at 31 December	286,326	331,129
NOTE 9. INTANGIBLE ASSETS		
Software at cost	2,688,909	2,421,376
Less accumulated amortisation	(1,247,669)	(937,957)
Total software	1,441,240	1,483,419
Work in progress - development cost	61,502	164,548
Total	1,502,742	1,647,967

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 2021	1,483,419	164,548	1,647,967
Additions	102,985	61,502	164,487
Reclassification	164,548	(164,548)	-
Amortisation expense	(309,712)	-	(309,712)
Carrying amount at 31 December 2021	1,441,240	61,502	1,502,742

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$
NOTE 10. TRADE AND OTHER PAYABLES		
Current		
Trade payables	222,360	180,199
Accruals	321,722	334,352
Net GST payable	15,013	37,081
	559,095	551,632
NOTE 11. CONTRACT LIABILITIES		
Current		
Income received in advance:		
Membership subscriptions	1,992,156	1,944,163
Conference income	454,563	109,688
Other income in advance	715,440	385,631
	3,162,159	2,439,482

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$

NOTE 12. LEASE LIABILITIES

Current

Building leases	34,672	27,186
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Non-current

Building leases	234,065	268,737
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Total	268,737	295,923
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The Company has leases over buildings and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

TERMS AND CONDITIONS OF LEASES

(a) Buildings

Commercial lease

The Company leases corporate office buildings in various States for the corporate offices, the leases are for 3 years and include renewal options to allow the company to review for up to twice the non-cancellable lease term at the Company's discretion.

The Company includes options in the leases to provide flexibility and certainty to its operations and reduce costs of moving premises.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

The corporate office leases contain annual fixed 3% increases where the lease payments are adjusted at each anniversary date and undergo a market rent review on renewal of an option.

(b) Office equipment

Leases for office equipment such as photocopier and printers are generally for a 3-year term and are treated as leases of low value assets.

Lease impact in the Statement of Profit and Loss and Other Comprehensive Income

The amounts recognised in the statement of profit and loss and other comprehensive income relating to leases where the Company is a lessee are shown below.

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$
Interest on lease	22,702	24,711
Expenses relating to leases of low-value assets	21,206	23,105
	43,908	47,816

Notes to Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$
NOTE 13. PROVISIONS		
Current		
Employee benefits	420,127	415,287
Non-current		
Employee benefits	100,656	188,567
Total	520,783	603,854

A provision has been recognised for employee entitlements relating to annual leave and 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(e).

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	Restated* 2020
	\$	\$
NOTE 14. RETAINED EARNINGS		
Balance at 1 January	7,784,867	6,238,303
Adjustment on change of accounting policy (Note 1(r)) balance at 1 January 2020 restated	-	44,629
Transfer of depreciation on appraisal of property to asset revaluation reserve	7,575	7,575
(Deficit)/Surplus from operating activities	(707,402)	1,494,360
Balance at 31 December	7,085,040	7,784,867

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	Restated* 2020
	\$	\$
NOTE 15. RESERVES		
Asset revaluation reserve		
Balance at 1 January	935,535	442,712
Change in fair value of the assets:		
Realised/unrealised gain on property	-	500,398
Transfer of realised gain on sale of property	-	-
Transfer of depreciation on appraisal of property from retained earnings	(7,575)	(7,575)
Balance at 31 December	927,960	935,535
FVOCI Reserve		
Balance at 1 January	841,137	888,339
Adjustment on change of accounting policy (Note 1(r)) balance at 1 January 2020 restated	-	(44,629)

Change in fair value of financial assets at fair value through other comprehensive income:

Realised gain / (loss)	70,048	(69,984)
Unrealised gain	592,736	67,411
Balance at 31 December	1,503,921	841,137

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	Restated* 2020
	\$	\$

NOTE 15. RESERVES (CONTINUED)

Capital Profits Reserve

Balance at 1 January	4,039,858	4,039,858
Transfer of realised gain on property	-	-
Balance at 31 December	4,039,858	4,039,858
Total Reserves Balance at 31 December	6,471,739	5,816,530

Asset Revaluation Reserve

This reserve records the Economic Entity's appraisal increase of its revalued property at fair value through other comprehensive income.

FVOCI Reserve

This reserve reflects the realised and unrealised gains/losses 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

*Refer Note 1(r) for change in accounting policy and restatement of prior period. The revised accounting policy did not impact the reported amount of total comprehensive income or the carrying amount of investments held.

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$

NOTE 16. CASH FLOW INFORMATION FOR CASH AND CASH EQUIVALENTS

Cash on hand and cash in bank	1,814,095	1,709,883
Short term placements	2,602,171	3,047,505
	4,416,266	4,757,389

NOTE 17. 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 2021, the number of members was 8,364 (2020: 8,535).

FOR THE YEAR ENDED 31 DECEMBER 2021	2021	2020
	\$	\$

NOTE 18. KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation	2,559,705	2,283,504
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NOTE 19. 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 16.

Notes to Financial Statements

Information relating to the remuneration of Directors is included in Note 18 as part of remuneration provided to key management personnel. There were no other transactions between Directors and the Company during the year.

During the year, interest paid to controlled entities amounted to \$17,370 (2020: \$31,352) and loans between controlled entities amounted to \$37,374 (2020: \$340,649).

Apart from the above, there were no other transactions with related parties.

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

NOTE 20. COMPANY DETAILS

The registered office and principal place of business of the Company is:

Unit 40, 6 Herbert Street
St Leonards, NSW 2065

NOTE 21. SUBSEQUENT EVENTS

No matter or circumstances have arisen since 31 December 2021 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 year subsequent to 31 December 2021.

NOTE 22. 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.

FOR THE YEAR ENDED 31 DECEMBER 2021	Notes	2021	2020
		\$	\$
RECURRING FAIR VALUE MEASUREMENTS			
Financial assets			
Financial assets at fair value through profit and loss			
Managed funds	6	330,426	767,647
Financial assets at fair value through other comprehensive income			
Listed shares	6	6,113,075	4,596,407
Property and equipment			
Freehold land	7	915,023	915,023
Buildings	7	2,861,603	2,934,977

Managed funds are stated at the redemption price quoted by the investment managers at the reporting date.

The redemption price is based on the market value of the underlying investments on the same date net of the costs of realisation.

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 2020 year.

Directors' Declaration

The Directors of The Australian Veterinary Association Limited (“the Company”) declare that:

1. the financial statements and notes as set out on pages 22-42 are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 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.



Nicholas Sangster
Director and Honorary Treasurer

Dated at Sydney 24 March 2022.



Warwick Vale
Director and President

Auditor's Independence Declaration



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**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 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

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

S S Wallace
Partner

Pitcher Partners
Sydney

24 March 2022

Adelaide Brisbane Melbourne Newcastle Perth Sydney



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Independent Auditor's Report



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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 The Australian Veterinary Association Limited ("the Company") and its Controlled Entities ("the Group") which comprises the consolidated statement of financial position as at 31 December 2021, 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 Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Group 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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 2021 but does not include the financial report and our auditor's report thereon.

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



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 – Reduced Disclosure Requirements 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 Group 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 Group 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Group'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,

Independent Auditor's Report
To The Members of Australian Veterinary Association Limited
ABN 63 008 522 852



future events or conditions may cause the Group 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.

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

24 March 2022

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

Pitcher Partners
Sydney



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