



2012 ANNUAL REPORT

Australian Veterinary Association



Sheep

Horse



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The AVA Board



PRESIDENT
Dr Ben Gardiner



TREASURER
Dr Julia Nicholls



VICE PRESIDENT
Dr Peter Gibbs



DIRECTOR
Dr Steve Atkinson



DIRECTOR
Dr Sue Beetson



DIRECTOR
ACV nominee
Dr Peter Chenoweth



DIRECTOR
Dr Alastair Henderson



DIRECTOR
ASAVA nominee
Dr David Neck



DIRECTOR
EVA nominee
Dr Barry Smyth

Corporate supporters

PLATINUM AFFINITY PARTNER



PLATINUM SUPPORTER



GOLD EDUCATION SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



SILVER SUPPORTER



GOLD SUPPORTER



In my term as AVA President, I wanted to look at how we drive the success of the veterinary profession (our mission statement), particularly in regard to what I consider to be the key tasks of the association – planning for the future of the profession, continuing professional development, and developing and advocating policies to cover veterinary and professional issues.

I began my term by considering three questions:

1. If you are new to the profession (or about to join it), are you optimistic about your life-long career prospects?
2. Is the AVA providing the professional development opportunities our members expect?
3. Does the AVA have the right policies and are we sufficiently influential in advocating their use?

These areas have been the focus of much of our work in 2012 and continue to be important to the success of the AVA.

Future of the profession

There is no doubt with changes to technology and a global focus on trade of goods and services, the modern workforce is changing. Our veterinary workforce may be changing more than most, and we hear that recent graduates and students have concerns.

Deregulation and progressive feminisation of our profession have been creating change for a couple of decades and more recently a surge in numbers of Australian graduate veterinarians from seven veterinary schools further warrants our attention.

Currently, no government agency undertakes detailed workforce planning for our profession and historically we have relied on individual researchers for information. In 2012 with the cooperation of the state veterinary boards, the AVA funded some data collection via a survey sent to all registered veterinarians (it is our plan that this survey takes place annually). This information, along with some additional data we may gather from

other sources, is essential to inform future prospective students and education providers to secure a sensible solution for veterinary supply, demand and diversity.

Continuing professional development

As a member services organisation, continuing professional development is a major objective. For many years the AVA has delivered excellent educational and collegiate events and 2012 was no exception. The AVA Annual Conference, held in Canberra, was well attended and presented a number of inspiring plenaries, multiple streams of lectures, dinners and meetings capped off with our Gala Dinner held at Parliament House. Add a conference from almost every division and special interest group (SIG), numerous seminars, webinars and workshops, and we have an extremely busy professional development calendar each year.

The AVA discussion forums and some of our email discussion lists also provide a very valuable sharing and learning environment so there really are options for everyone everywhere.

As President I have had the privilege of attending many of these events and really enjoyed getting to know members right across our diverse profession, and yet there are so very many events that I could not attend. Most of our events are created by volunteers with a passion to contribute, with generous corporate support, and increasingly, with skilled staff support to take the grind and some of the risk out of running events. Our plan is to build our resources such that all members who volunteer for group executive roles can focus on planning and creating the content for the services they offer with support from capable staff.

The continuing professional development market is a crowded space so we need to be smart about our offerings, but the key point of difference I see for the AVA is that we are the hub to facilitate your professional development, not just the knowledge.

Policy and advocacy

A scan of the AVA policy compendium reveals 146 policies and position statements, covering a wide range of scientific issues affecting veterinarians and animals. Some policies cover more philosophical positions, but not enough speak to the future of the profession.

These expressions of collective opinion form important reference documents for members and the public, as well as the platform from which staff and our many volunteers who sit on executive and external committees can confidently espouse our profession's opinions.

There are a great many issues pursued to varying degrees but some of the recent key issues covered in our advocacy campaigns include:

- Hendra vaccine launch and subsequent media engagement
- Queensland laboratory closures
- Dangerous dogs advocacy campaign
- Biosecurity legislation reform submission
- AVA biosecurity guidelines 2nd edition
- Polite Pets Month
- Bovine Johne's disease outbreak in Queensland
- Skilled Occupations List submission
- Ag-Vet Chemicals delegation to the Senate Committee
- JETACAR Review submission
- Proposed post-entry quarantine station submission
- Various state veterinary legislative reviews.

We know many outside groups do seek to understand our views because our documents are accessed regularly, especially in reaction to a news story involving animal welfare. But they remain essentially passive documents awaiting others' enquiries. This is mostly because our policies on animal activities are generally closely aligned to the laws, guidelines, standards and codes. This is not surprising given that our profession has historically held seats at the decision-table for much animal legislation and regulation. However, with changes to demographics and supply, deregulation

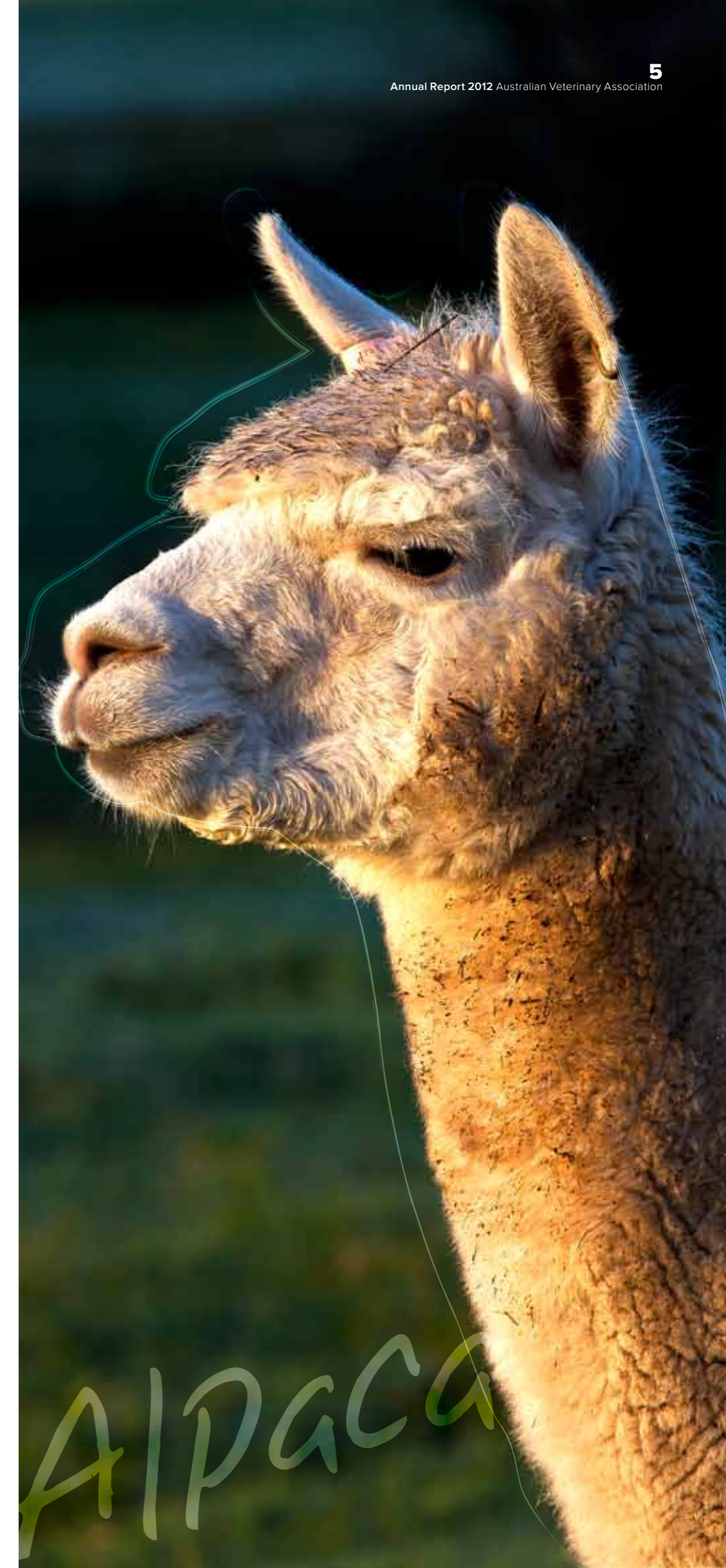
effects, reductions in public service delivery, communication advances, animal activism and more, we are experiencing real changes that carry both opportunities and threats to our future.

It is our job on the Board to capture and analyse as many of these issues as possible, to measure their potential impact and to develop appropriate strategies and organisational policies to deal with the issues. These cannot be allowed to wait for others' interest. Our concerns and propositions need to be taken to as many relevant decision makers and other stakeholders as possible in order to actively influence change where we feel change is necessary. Essentially, we need a shift in emphasis from reactive to more active advocacy, a move that may make some uncomfortable.

To drive the success of the veterinary profession, has an obvious 'self-interest' ring, so it is critical that we not only believe in this but strive to show that the public and their animals are best served with a strong and successful veterinary profession. Advocacy of the profession by the AVA spans all parts of the organisation from individual members who speak to meetings or have segments or columns on various media, bloggers, branches, SIGs, divisions and national office activities. The Board has been working with senior managers to bring more emphasis to policies on professional issues and we will bring this discussion to the many forums and to Policy Advisory Council at the 2013 AVA Annual Conference in Cairns. While our profession is impacted by regulation in all three tiers of government, this federal election year creates opportunities for us to drive the success of the veterinary profession.

Finally, on behalf of the AVA Board I would like to thank the hundreds of members who volunteer their time and creative energy to the AVA and to our dedicated staff around the country. Your hard work in 2012 has been greatly appreciated and effective, and we look forward to a successful year ahead.

Ben Gardiner



Advocacy

Our most significant advocacy wins in 2012 were the result of successful collaboration across special interest groups, divisions and national office.

In February, the AVA met with Racing New South Wales to discuss a proposal to establish a licensing system for veterinarians involved in the racing industry. We surveyed members of Equine Veterinarians Australia (EVA) and the NSW Division to gather their views on the proposal and an overwhelming 85% of respondents felt it would not help increase integrity in racing. The AVA and EVA then met with several stakeholders, including the NSW Minister for Racing and the Australian Racing Board to put forward our position and successfully stopped the new regulations being implemented.

After successful AVA lobbying in previous years, the Queensland Government established a rebate scheme for Queensland veterinarians attending suspected Hendra virus cases.

In Tasmania, AVA lobbying led to restricted acts of veterinary science being retained or strengthened in the new Tasmanian veterinary practice legislation.

We also spoke on behalf of members on wages, on-call duty, broken shift allowance and public holidays at Fair Work Commission hearings into the Animal Care and Veterinary Services Award, and we argued for an end to preferential treatment for veterinary immigrants through the Skilled Occupations List.

In August the AVA brought together experts to develop our comprehensive policy response to dog bite prevention, *Dangerous dogs – a sensible solution*. In addition to regulation, the report recommends a range of measures including encouraging socially-responsible pet ownership, enforcing compliance with pet identification, registration and restraint rules, while educating the whole community including children about safety around dogs. It also emphasises the importance of a national register of dog bite incidents and mandatory reporting of incidents to

provide a solid evidence base for future policy decisions. AVA representatives met with governments around Australia and worked with the media to drive the development of sensible policy in this area.

Member benefits and membership reforms

We commissioned two independent research projects in 2012 to better understand the needs of two important member segments, recent veterinary graduates and practice owners. These intensive projects took an in-depth look at the needs and concerns of members and provided the foundations for our new offerings to these two groups.

In May we unveiled the Vet Ed library, a searchable collection of AVA publications, which has now expanded to include free access for members to past issues of international veterinary and medical journals.

A much-requested resource, *My return – a practical guide to returning to your veterinary career*, was also released in 2012. The guide helps veterinarians to make the transition back in to the veterinary world after a career break.

On 1 July the move to a single annual renewal date was completed and all AVA members now have a membership year that runs from 1 July to 30 June. Members have been asking for this for some time, and there are some clear benefits to this change. We also undertook a project to standardise membership fees across our special interest groups, which will take full effect in the next renewal cycle beginning on 1 July 2013.

AVA in the media

We ran some successful media campaigns in 2012, including Pet Dental Health Month and the inaugural Polite Pets Month, to raise awareness of the important role vets play in animal health. Our profile with rural media also benefited from our involvement in the Australian Year of the Farmer campaign.

The Hendra virus vaccine launch in November was a campaign highlight. Working alongside Pfizer Animal Health and CSIRO, there was a lot of planning and activity across the AVA in the lead up to the launch. Our role in the launch was

a great success with President, Ben Gardiner as a key spokesperson. The AVA received 900 media mentions for the Hendra vaccine launch, which contributed to us achieving our highest-ever monthly result for media hits in November 2012.

Overall, we received 4328 media mentions in 2012, an increase from the 4140 mentions we received in 2011.

Animal health and welfare

In line with AVA policy, the AVA, EVA and dental special interest group worked together to halt the proposal to establish an advanced diploma for non-veterinary equine dentistry.

PetFAST (Pet Food Adverse Event System of Tracking) was established by the AVA and the Pet Food Industry Association of Australia to track health problems in dogs and cats that are suspected of being associated with pet food, treats and pet meat. It is designed to identify possible patterns that might point to a cause. It is for vets only and reports can be lodged online via the AVA website at www.ava.com.au/petfast.

Looking back at 2012, the AVA's success in advocacy, member services, media and animal health and welfare would not have been possible without the dedicated support of our sponsors, the AVA Board and staff.

I'd like to take this opportunity to thank our corporate supporters, Guild Group, Hill's Pet Nutrition, Provet, Troy Laboratories, Ceva Animal Health, Royal Canin and IDEXX Laboratories and welcome Ceva and Royal Canin, who both joined the ranks of AVA corporate supporters in 2012. The continued support from our sponsors, advertisers, exhibitors and corporate supporters has been instrumental to our achievements.

I'd also like to thank the AVA Board, particularly Barry Smyth and Ben Gardiner, for their support over the past year. Thanks must also go to all our volunteers and paid staff, you should all be proud of what we have achieved together.

Graham Catt

2012 award recipients

Congratulations to the AVA's 2012 award recipients.

GILRUTH PRIZE

• Emeritus Professor Malcolm Nairn

KENDALL ORATION AND MEDAL

• Senator Chris Back

EXCELLENCE IN TEACHING AWARD

• Associate Professor Elizabeth Tudor

DON KERR STUDENT AWARD

• Dr Julie Crook-King

FELLOWSHIP

• Professor Glenn Browning

• Dr Gary Wilson

MERITORIOUS SERVICE AWARDS

• Dr David Beggs

• Dr Adrian Choi

• Mrs Anne Cover

• Dr Kevin McGrath

• Dr Bruce Pott

• Dr Rodney Starr

PRESIDENT'S AWARD

• Laureate Professor Marshall Lightowers

HONORARY MEMBER

• Professor Peter J Coloe

AVA PRACTICES OF EXCELLENCE AWARDS

• North Nowra Veterinary Hospital – Best small animal veterinary practice

• Murray Bridge Veterinary Clinic – Best large animal veterinary practice



The 2012 financial year provided a solid financial outcome for the AVA.

The AVA parent budget target was again break even and this was achieved with the bonus of a modest surplus of \$118,453.

For clarification, the statutory accounts to which my report is attached, unless otherwise indicated, are 'consolidated', representing the combined activities of all branches, divisions and national office as well as the AVA trusts. The trusts are controlled entities in that the Board has the power to approve and remove trustees, but has no direct input into operations of the trusts. Financial results over which we have direct control are described as 'parent' (the trusts are excluded) and are referenced as such. The comprehensive income (loss) allows for the recognition of changes in fair value of property and available-for-sale assets.

2012 financial operating result

The final operating result for the AVA was a surplus of \$214,506, of which the parent entity contributed \$118,453. After allowance is made for unrealised gains on AVA freehold property and investments the total comprehensive income of the AVA is a surplus of \$654,256.

The main highlights of the 2012 AVA financial year were:

- Achievement of the forecast balanced operating budget.
- Total revenue increase of 5.5% from 2011, resulting in revenue of \$10.6 million in 2012.
- Increased revenue supported higher levels of expenditure, which rose by \$609,000 (6.1%).
- Continued strong financial management and budget adherence of the 80 groups and national office with some truly outstanding conference results.
- Increased subscription income built on last year's favourable result with indicators of continued growth in this important income stream. Income from subscriptions exceeded \$3 million for the first time.

- The value of the AVA investment portfolio with Macquarie Bank (including cash management accounts) grew by 17% (\$395,000) during the course of 2012 despite the volatile share market and lower interest rates.
- Excellent and sustained levels of valued commercial support with some significant contracts signed during the year. This indicates a level of confidence in the AVA by supporters.
- Overall, AVA groups reduced governance costs due largely to the adoption of new communication tools and online opportunities.

Balance sheet

The AVA remains in a strong position and held total assets of \$13.799 million and net assets of \$10.609 million, with the parent holding net assets of \$9.537 million and a secure current ratio of 1.50.

Investment performance

In 2012, the AVA held financial investments with year end balances in the form of managed funds (\$0.884 million), equities (\$1.474 million) and term deposits (\$4.479 million). The managed funds and equities balances rose by \$345,000, reflecting a year which began with market volatility but concluded with many months of sustained market improvement. These funds are managed by Macquarie Bank and the finance committee meets with them regularly to review this performance. We also review our minimum cash balances required for operations and continue to hold funds in excess of this as a secure form of investment in term deposits. These deposits yielded an average weighted return of approximately 4.7% at 31 December 2012. The interest rates available for AVA funds have fallen in accordance with market conditions in the past year. The AVA engages an external rate adviser (secure investments) to advise on the range of best rate outcomes available in financial markets for the terms required.

Property and equipment

During 2012 there were no major property or asset acquisitions and no material shift in property valuations. The AVA holds five offices as freehold and combined with plant and equipment

holds a book valuation of \$5.352 million as at 31 December 2012. There are no current Board resolutions committing to any new property acquisitions. There has been a refurbishment of the Queensland office, which also has the Australian and New Zealand College of Veterinary Scientists as a tenant. Apart from this there have been no other capital investments or expenses of any material magnitude. There are no plans to make any changes to the AVA property portfolio or undertake any significant renovations in 2013.

Trusts and funds

The AVA has seven trusts being the Australian Companion Animal Health Foundation (ACAHF), Australian Veterinary Association Benevolent Fund (AVABF), Australian Veterinary Association Animal Welfare Trust (AVAAWT), Animal Welfare and Crisis Response Trust (AWCRT), Veterinary Emergency Support Trust (VEST), AVA Animal Welfare Institute Trust (AVAAWIT) and Stephen Rose Foundation, which have a total equity of \$1.072 million. The ACAHF, AVAAWT, AVABF, AWCRT, VEST, AVAAWIT and Stephen Rose Foundation held balances of \$748,443, \$67,510, \$191,023, (\$47), \$24,814, \$10 and \$40,000 respectively.

The Board Finance Committee

The Board Finance Committee held eight face-to-face meetings and a number of teleconferences throughout the year. Members of the 2012 committee were David Neck, Peter Gibbs and Alastair Henderson, and Barry Smyth in the early part of 2012. The President is an ex officio and the CEO Graham Catt and Executive Officer to the CEO, Sue McGrath also attended most meetings. Corporate Services Manager, John Robb and Finance Officer, Anna Gregori support the subcommittee, providing timely, relevant, accurate and invaluable reports and advice. Thanks to all for their commitment and hard work.

Due to the favourable trends identified throughout the year, the committee invited the large special interest groups to submit proposals for special projects to increase their membership. The successful proposals will be rolled out in 2013. We are also continuing to cost a

new finance accounting package and an upgrade to the iMIS membership database, which will form part of the 2013 budget.

The revised Terms of Reference for all Board subcommittees were recently adopted to accord with Australian Institute of Company Directors recommendations.

The Board-approved 2013 budget is once again a balanced one; the third in succession. The Board believes that this is responsible, despite the improvement in revenue forecasts, and can be achieved with the modest increase proposed for the base subscription.

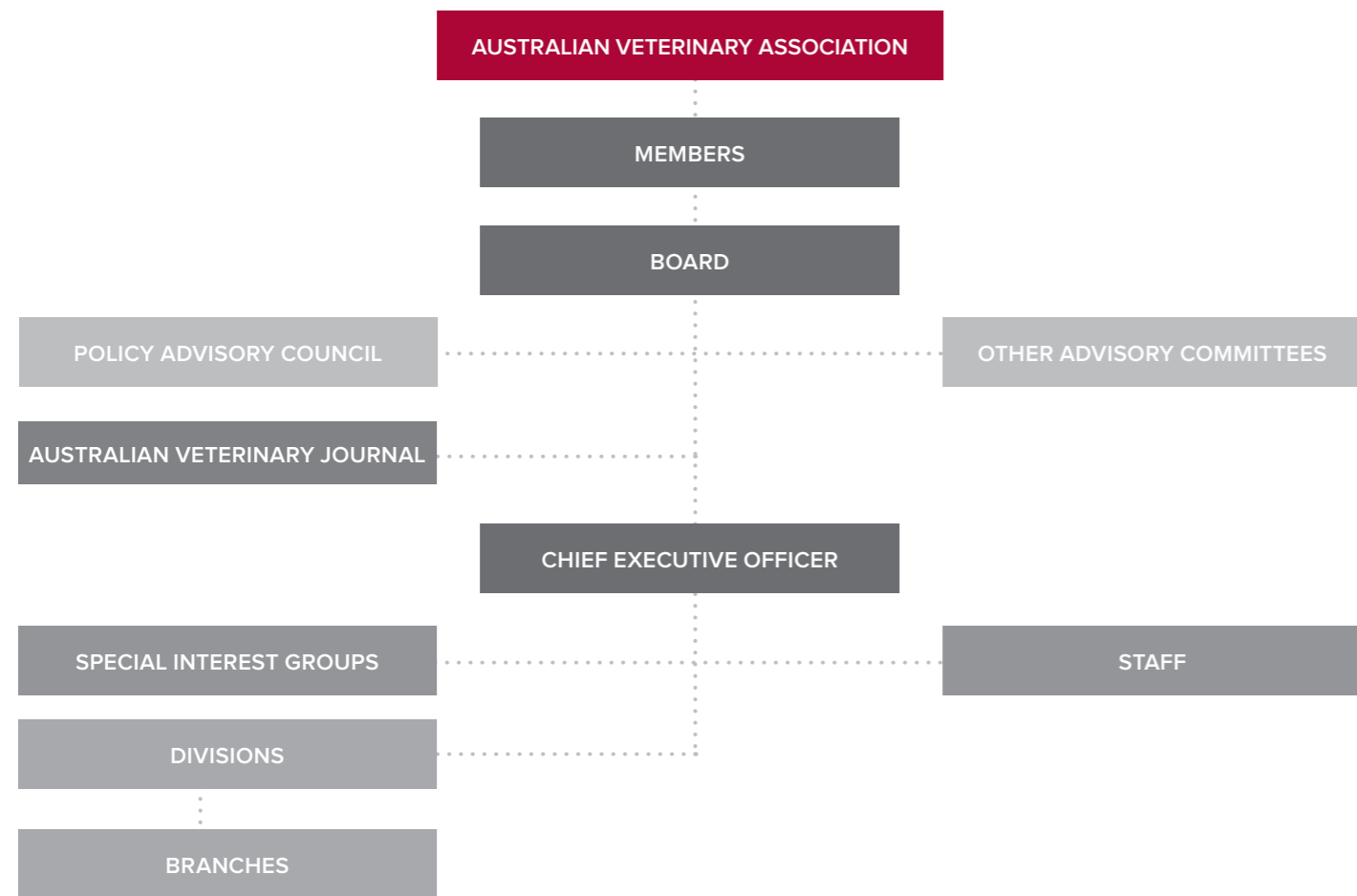
As surpluses are identified, other projects, especially those for improved advocacy, may be funded in response to business cases received.

This very pleasing result for 2012 could not have been achieved without the contributions from the executive officers and the many members who volunteer their time as honorary treasurers, conference and meeting organisers and who promote the association to colleagues and external stakeholders.

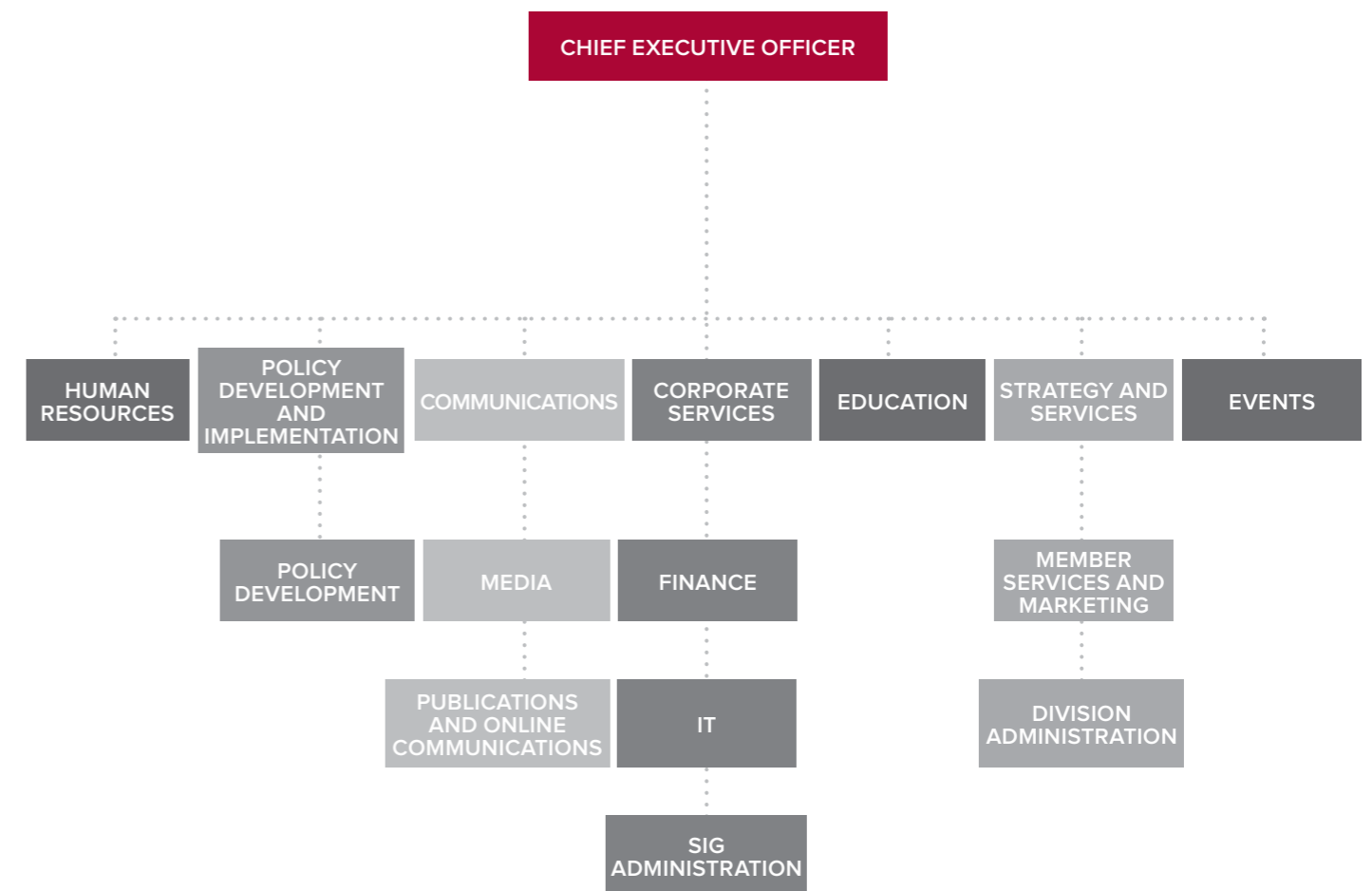
Julia Nicholls



Organisational chart



Staff structure



The Directors of The Australian Veterinary Association Limited (The Company) present their report together with the financial statements of the Australian Veterinary Association Limited and Controlled Entities (economic entity) for the financial year ended 31 December 2012.

Directors

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

Ben Gardiner

Peter Gibbs

Julia Nicholls

Steve Atkinson

Peter Chenoweth

Barry Smyth

Sue Beetson – appointed 23 May 2012

Alastair Henderson – appointed 23 May 2012

David Neck – appointed 23 May 2012

Adele Feakes – terminated 23 May 2012

Mark Lawrie – terminated 23 May 2012

Michele Cotton – terminated 23 May 2012

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

G Catt, MA, MBA, Grad Dip Business. Company Secretary since 16 April 2008.

J Robb, B Ec(Hons), LLB. Company Secretary since 10 March 2009.

Principal activities

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

- operation as an association representing veterinary professionals in Australia
- promotion of the value of the profession to the community, industry and government

- providing a forum for veterinarians to exchange ideas and access member services
- assisting members to strive for professional excellence
- providing high standards of continuing professional development
- publication of the *Australian Veterinary Journal* and other scientific veterinary journals and materials
- providing leadership and expert advice in animal science, health, welfare and production
- stimulating informed debate on issues within the areas of professional competence
- developing technical policy on animal health and welfare issues.

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

Operating results

The consolidated surplus from operations for the year was \$214,506 (2011: consolidated surplus of \$236,175).

Review of operations

A review of the operations of the economic entity during the financial year is contained in the President's report on page 4.

The economic entity comprises The Australian Veterinary Association Limited, including 8 divisions, 22 special interest groups (SIGs) and 40 branches in addition to the AVA national group and 7 trusts. All groups operate within their own budgetary control but within financial operating guidelines promulgated by the Board of Directors. Being a not-for-profit entity, the Company does not seek to maximise profits but to provide member services compatible with possible 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).

Mission and purpose of the AVA – short-term and long-term objectives

The mission and purpose of the Company is to drive the success of the veterinary profession to benefit animals, the environment, the community and our members.

In service of this mission and purpose the Company's objectives are set out in the strategic plan 2012–2015 but may be summarised as follows:

1. Community awareness of the profession – To facilitate an understanding of the profession with the community, politicians and the media.
2. Identity and differentiation – To ensure all stakeholders understand the role of the Company, the value offered and how the AVA differs from other organisations.
3. Building a membership culture – To build a culture in which all veterinarians feel they have to be a member.
4. Engaged members – To ensure members understand the value provided by the Company and our role, and actively engage with their professional association.
5. Cohesive organisational structure – To retain diversity throughout all levels of the Company while minimising duplications and maximising efficient use of member resources, and to ensure all stakeholders understand the role of the Company.
6. Right people, roles and resources – To ensure all staff and volunteers put energy into the right projects, at the right time and are supported by the resources they need to get the job done.
7. Good governance – To put in place the right performance measurements, systems and reporting of outcomes to provide the greatest support to successful implementation of the strategic plan.

Strategies

To achieve these objectives the Company has adopted a range of strategies as set out in the strategic plan 2012–2015. These strategies include:

1. Community awareness of the profession – Commission a report on community perceptions of the veterinary profession; undertake a 12 month study of media representations of the veterinary profession; form litmus groups to assess the Company's success in influencing community perceptions.
2. Identity and differentiation – Incorporate identification initiatives in 2013 membership renewal campaigns; roll out new Vet Ed Excellence Award and program; relaunch classified advertisements with focus on practice owners and managers.
3. Building a membership culture – Develop a tangible value offers from 2012 research relating to new graduates; develop membership offers for practice owners based on research outcomes; develop social media strategy.
4. Engaged members – Form litmus groups for member input; introduce and market online international journal access through Vet Ed library; increase number of webinars through Vet Ed library; develop a program for use of new forms of media for member communication; upgrade online discussion forums; undertake research into needs of life and retired members.
5. Cohesive organisational structure – Upgrade member database, develop a business plan for a structure to support all groups; upgrade the Company's accounting system.
6. Right people, roles and resources – Upgrade events registration and management system; implement training of all staff on member benefits and the value of AVA membership for all veterinarians, implement a new information management system; develop an annual online volunteer survey to secure feedback on engagement and role satisfaction.
7. Good governance – Revise group policies and procedures, enhance processes for recruitment and selection of Board members; update the board charter.

Key performance measures

The Company measures its own performance in achieving the objectives through the use of both quantitative and qualitative benchmarks set out in the strategic plan 2012–2015. 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 attainment of the Company's approved annual budget in the following manner. The Board has approved a break even budget for both the years ended 31 December 2011 and 2012.

Financial surplus of parent company

2012

Actual: \$118,453

Benchmark: \$0

2011

Actual: \$189,042

Benchmark: \$0

Significant changes in state of affairs

No significant changes in the economic entity's state of affairs occurred during the financial year.

Events subsequent to reporting date

No matters or circumstances have arisen since 31 December 2012 that significantly affected or may significantly affect:

- (a) the operations of the economic entity
- (b) the results of those operations
- (c) the state of affairs of the economic entity in the financial years subsequent to 31 December 2012.

Likely developments

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

Likely developments in the activities of the economic entity are noted elsewhere in the Annual report, with the Company continuing to work towards the achievement of its objectives.

Dividends

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

Directors' benefits

Since 31 December 2012, 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 or she is a member, or with a company in which he or 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.

Information on Directors

Ben Gardiner
BVSc
AVA member since 1982. AVA Director since May 2008. Various AVA branch and ACV SIG executive positions since 1989, including ACV President 2003–2004. Elected member local government 1995–1999.

Peter Gibbs
BVSc, MANZCVS (Anaes & IC), MAICD
AVA member since 1970. AVA Director since May 2008. AVA Vice President 2010–2013. NSW Division President 2006. NSW Division committee member 2002–2008. Policy Councillor 2007–2008.

Julia Nicholls
OAM, BVMS, PhD, MANZCVS (Feline Medicine), GAICD
AVA member since 1980. AVA Director since October 2009. Director Adelaide Animal Emergency and Referral Centre. Meritorious Service Award 1992. South Australian Division President 1986–1987. South Australian Division committee member 15 years. ASAVA Accredited Hospitals Convenor five years. Animal Welfare Officer, University of South Australia. Member Animal Ethics Committees. Member Veterinary Surgeons Board of South Australia 1987–1993 and 2002–2005. Member Australian Veterinary Boards Council 2002–2008. Trustee Feline Health Research Foundation.

Steve Atkinson
BVSc, MANZCVS (Animal Welfare), DipContEd
AVA member for more than 35 years. AVA Director since May 2007. President and Policy Councillor AVAWE 1997–2007. Chair AVA Animal Welfare Trust. Chair AVA Animal Welfare Advisory Committee. Industry Fellow, University of Queensland Veterinary School. Teaching at University of Queensland Veterinary School. Chair NSW Minister’s Animal Welfare Advisory Council.

Peter Chenoweth
BVSc (Hons), PhD, MANZCVS (Reproduction), MACT
AVA member since 1966. AVA Director since June 2011. Queensland Division President 1980. Federal Council. Meritorious Service Award 1987. Policy Councillor for four years. Current ACV and ARV committee member (newsletter editor). President Society for Theriogenology 2005–2006. President Association for Applied Animal Andrology 2010. Director University of Queensland Pastoral Veterinary Centre 1980–1984. Deputy Dean, University of Queensland 1985–1988. Endowed Chair, Kansas State University 1997–2005. Presiding Officer Animal Care and Ethics Committee, Charles Sturt University 2006–2010.

Barry Smyth
BVSc, MBA, PhD, GAICD, FANZCVSc, Diplomate ACVS, Registered Specialist Equine Surgery
AVA member since 1969. AVA Director since May 2007. EVA President 2006–2007. Secretary AEVA 2004–2006. Director President Australian Horse Industry Council Inc. 2006–2009. Director AHIC 2002–2009 – various roles. Director private companies. Clinical veterinary practice in Australia and overseas. Research in Australia and USA. University teaching in Australia and overseas.

Alastair Henderson
BVSc., MVSc, Dip.BusMan
AVA Member since 1968. AVA Director since May 2012. ACV Treasurer. Meritorious Service Award. AVA Fellow. ACV Life member.

David Neck
BSc, BVMS, MANZCVSc (Small Animal Surgery, Veterinary Radiology, Anaesthesia and Intensive Care)
AVA member since 1993. AVA Director since May 2012. Western Australian Division President 2005, 2006 and 2008 and committee member 2009. ASAVA President 2011–current. Policy Councillor 2011–2012. West Australian Veterinary Surgeons Board member 2007–2009 and Deputy member 2010–current. West Australian Poisons Advisory Committee 2010–current. Schools Animal Ethics Committee 2006–2009. Ian Miller Medal. AVA Meritorious Service Award 2011. Australian Safer Communities Award, Post Disaster Category 2007. Director, Cottesloe Animal Hospital 2007–current.

Mark Lawrie
BVSc, MANZCVS (Animal Welfare), GCM (Vet Practice), GAICD
AVA member since 1995. AVA Director 2006–2012. National President 2008–2010. NSW Division President 2005–2006. RSPCA NSW Chief Veterinarian 1993–2008. Secretary AMRRIC 2003–2007. Consultant Veterinarian in Australia and Asia (Animal Welfare, Practice Management and Design, Companion Animal Management, New Products)

Michele Cotton
BSc(Vet)(Hons), BVSc, MVPHMgt
AVA member since 1968. AVA Director since May 2009. AVPMA Secretary 2009. AVPMA committee member 2008–2009. AVBIG committee member 2008–2009. Policy Councillor 2008–2009. AVA Education Taskforce 2009. AVA Risk and Audit Committee 2009. Director Post Graduate Foundation in Veterinary Science 2002–2007. General and zoo veterinary practice. University laboratory services and undergraduate teaching in Australia and overseas. Currently on the governing boards of various not-for-profit organisations.

Adele Feakes
BVSc (Hons) (Melb) Cert WAT
AVA member since 1983. AVA Director since February 2011. Rural practice owner for 24 years. Experience in MID AQIS and the Army Reserve. Teacher, University of Adelaide. Co-founder Australian Camelid Veterinary Network.

Sue Beeton
BSc (Hons), PhD
AVA member since 1982. AVA Director since May 2012. Western Australia Division Treasurer 2004–2006. Convenor Bain Fallon Equine Conference 2007. Financial control of Bain Fallon Conference 2008–present. EVA Treasurer 2008–2011. Senior and Managing Partner VetPath Laboratory Services 1998–2007. Adjunct Assistant Professor Clinical Pathology Murdoch University 2005–present. Member of the Board of the Murdoch University Veterinary Trust 2010–present. Director of Vet ClinPath Consulting 2011–present.

Meetings of Directors

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

Directors' Meetings

	Number eligible to attend	Number attended
Dr Ben Gardiner	8	8
Dr Peter Gibbs	8	8
Dr Julia Nicholls	8	7
Dr Steve Atkinson	8	8
Dr Peter Chenoweth	8	7
Dr Barry Smyth	8	8
Dr Sue Beetson	3	2
Dr Alastair Henderson	3	3
Dr David Neck	3	3
Dr Mark Lawrie	5	4
Dr Michele Cotton	5	2
Dr Adele Feakes	5	5

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 2012, the total amount that members of the Company are liable to contribute if the Company is wound up is \$362,550 (2011: \$345,800).

Insurance for Company Officers

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

Crisis Response Trust (AWCRT), Veterinary Emergency Response Trust (VEST), AVA Animal Welfare Institute Trust 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 2012.

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

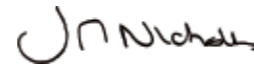
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

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 32.

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



J Nicholls
Director and Honorary Treasurer



B Gardiner
Director and President

Dated at Sydney 12th day of April 2013

For the year ended 31 December 2012	Notes	2012 \$	2011 \$
Revenue from ordinary activities	2	10,680,962	10,131,336
Gain/(Loss) from non-operating activities	2	16,926	(20,576)
Total revenue		10,697,888	10,110,760
Service expenses		(677,153)	(842,836)
Sponsorship, marketing and promotions expenses		(168,141)	(196,213)
Conferences and continuing professional development expenses		(3,908,962)	(3,133,786)
Communications and publications expenses		(1,309,715)	(1,299,954)
Occupancy expenses		(245,549)	(210,850)
Policy and advocacy expenses		(452,138)	(429,507)
Administration expenses		(3,117,273)	(3,259,682)
Other operating expenses		(604,451)	(501,757)
Surplus from ordinary activities before income tax expense		214,506	236,175
Income tax expense relating to ordinary activities	1(b)	-	-
Surplus from ordinary activities after income tax expense	11	214,506	236,175
Other comprehensive income (loss)			
Unrealised gain/(loss) on available-for-sale financial assets and property		424,457	(230,870)
Reversal of unrealised (gain)/loss on available-for-sale financial assets in prior year which were realised this year		15,282	(11,375)
Total other comprehensive income (loss)		439,739	(242,245)
Total comprehensive income/(loss) for the year		654,245	(6,070)

The accompanying notes form part of these financial statements.

Statement of financial position

As at 31 December 2012	Notes	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	14	1,843,494	1,902,029
Financial assets	6	3,307,761	2,793,704
Trade and other receivables	4	470,089	547,977
Inventories		25,068	23,790
Other current assets	5	442,833	385,185
Total current assets		6,089,245	5,652,685
NON-CURRENT ASSETS			
Financial assets	6	2,358,289	2,013,220
Property and equipment	7	5,352,094	5,295,328
Total non-current assets		7,710,383	7,308,548
Total assets		13,799,628	12,961,233
CURRENT LIABILITIES			
Trade and other payables	8	884,907	972,979
Other liabilities	9	1,852,871	1,625,265
Provisions	10	349,898	292,099
Total current liabilities		3,087,676	2,127,858
NON-CURRENT LIABILITIES			
Provisions	10	102,759	115,942
Total non-current liabilities		102,759	115,942
Total liabilities		3,190,435	3,006,285
Net assets		10,609,193	9,954,948
EQUITY			
Retained earnings	11	6,542,318	6,315,495
Reserves	12	4,066,875	3,639,453
Total equity		10,609,193	9,954,948

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year to 31 December 2012	Retained earnings	Asset revaluation reserve	Capital profits reserve	Total
		\$	\$	\$
Balance at 1 January 2011	6,071,003	261,460	3,628,555	9,961,018
TOTAL COMPREHENSIVE INCOME				
Surplus from operating activities	236,175	-	-	236,175
OTHER COMPREHENSIVE INCOME				
Change in fair value of available-for-sale financial assets	-	(242,245)	-	(242,245)
Total comprehensive income	236,175	(242,245)	-	(6,070)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	8,317	(8,317)	-	-
Balance at 31 December 2011	6,315,495	10,898	3,628,555	9,954,948
TOTAL COMPREHENSIVE INCOME				
Surplus from operating activities	214,506	-	-	214,506
OTHER COMPREHENSIVE INCOME				
Change in fair value of available-for-sale financial assets and property	-	439,739	-	439,739
Total comprehensive income	214,506	439,739	-	654,245
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	12,317	(12,317)	-	-
Balance at 31 December 2012	6,542,318	438,320	3,628,555	10,609,193

The accompanying notes form part of these financial statements.

For the year ended 31 December 2012	Notes	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members' subscriptions		3,970,773	3,488,260
Receipts from other ordinary activities		7,681,585	7,704,072
Payments to suppliers and employees		(10,806,126)	(9,913,219)
Net payments to Australian Taxation Office for GST		(583,141)	(480,156)
Investment income received		112,880	127,221
Interest received		258,998	264,186
Net cash provided by operating activities		634,969	1,190,364
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale financial assets		287,473	363,779
Payments for purchases of available-for-sale financial assets		(321,126)	(487,267)
Net investments of short-term placements		(514,057)	(1,133,705)
Payments for purchases of property and equipment		(145,794)	(103,504)
Net cash used in investing activities		(693,504)	(1,360,697)
Net decrease in cash held		(58,535)	(170,333)
Cash and cash equivalents at the beginning of the financial year		1,902,029	2,072,362
Cash and cash equivalents at end of the financial year	14	1,843,494	1,902,029

The accompanying notes form part of these financial statements.

For the year ended 31 December 2012

Note 1. Statement of significant accounting policies

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

The Australian Veterinary Association Limited has adopted AASB 1053 – Application of Tiers of Australian Accounting Standards and AASB 2010–2 – Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

In accordance with the Corporations Amendment (Corporate Reporting Reform) Act 2010, parent entity columns are no longer required to be presented in the consolidated financial statements with summarised parent entity financial information to be provided in a note as disclosed in Note 22.

BASIS OF PREPARATION

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a 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 statement were authorised for issue on 10 April 2013.

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)
- Animal Welfare and Crisis Response Trust (AWCRT)
- Veterinary Emergency Support Trust (VEST);
- AVA Animal Welfare Institute Trust
- 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 2004 which affirmed that there had been no substantial change in purpose of the Company since October 1981 and that the Company could continue as a tax exempt entity.

(c) Inventories

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

(d) Property and equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Company to have an independent valuation every three years, with annual appraisals being made by the Directors. New independent valuations of all properties as at 31 December 2012 have been obtained and provide the basis of property valuations in the financial statements. Newly acquired properties are valued at cost, in the period preceding the next round of external valuations.

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

Any accumulated depreciation at the date of revaluation is eliminated against

the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

Office furniture, fittings and equipment

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

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

Depreciation

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

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

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

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

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

Gains and losses on disposals are determined by comparing the proceeds

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

Impairment of assets

At each reporting date, the economic entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(e) Financial instruments

Recognition and initial measurement

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

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

Derecognition

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

Available-for-sale financial assets

Available-for-sale financial assets include financial assets not included in the following categories:

- Financial assets at fair value through profit and loss
- Loans and receivables
- Held to maturity investments

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to asset revaluation reserve in equity unless the assets are impaired.

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.

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

At each reporting date, the economic entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to financial position date. Employee benefits expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(g) Provisions

Provisions are recognised when the economic entity has a 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.

(h) 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.

(i) Revenue

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

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

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

(j) Leases

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

(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 Taxation 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 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) 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.

The Directors assess impairment at each reporting date by evaluating conditions specific to the economic entity that may lead to impairment of assets. Where an impairment trigger exists the recoverable amount of the assets is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. At 31 December 2012 there are no impairments.

For the year ended 31 December 2012	2012	2011
	\$	\$
Note 2. Revenue from ordinary activities		
OPERATING ACTIVITIES		
Subscriptions	3,039,870	2,843,115
Affinity commissions	1,074,704	1,050,866
Interest	264,342	266,967
Investment income	112,040	133,534
Rental income	17,205	21,373
Other revenue (includes conferences and publications)	6,172,801	5,815,481
	10,680,962	10,131,336
NON-OPERATING ACTIVITIES		
(Loss)/Gain on disposal of investments	16,926	(20,576)
	16,926	(20,576)
Total revenue	10,697,888	10,110,760

Note 3. Profit from ordinary activities

Profit from ordinary activities has been determined after:

EXPENSES		
Depreciation and amortisation	234,233	225,630
Provision for employee entitlements	44,592	101,720

Note 4. Trade and other receivables

CURRENT		
Trade receivables	220,411	301,238
Other receivables	249,678	246,739
	470,089	547,977

Note 5. Other current assets

CURRENT		
Prepayments	442,833	385,185
	442,833	385,185

For the year ended 31 December 2012	2012	2011
	\$	\$
Note 6. Financial assets		
CURRENT		
Short-term placements	3,307,761	2,793,704
NON-CURRENT		
Available-for-sale		
Managed funds	884,151	874,626
Listed shares	1,474,138	1,138,594
	5,666,050	2,013,220

Note 7. Property and equipment

Land and buildings		
Freehold land at:		
- Independent valuation 2012 (2011: 2009)	751,189	776,189
Buildings at:		
- Independent valuation 2012 (2011: 2009)	4,168,811	4,303,811
Less accumulated depreciation	-	(206,005)
	4,920,000	4,873,995
Office furniture and equipment at cost	1,531,238	1,385,444
Less accumulated depreciation	(1,099,144)	(964,111)
	432,094	421,333
Total property and equipment	5,352,094	5,295,328

(a) Movements in carrying amounts

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

	Freehold land	Buildings	Office furniture and equipment	Total
	\$	\$	\$	\$
Balance at the beginning of the year	776,189	4,097,806	421,333	5,295,328
Additions	-	-	145,794	145,794
Revaluation increments/(decrements)	(25,000)	170,205	-	145,205
Depreciation	-	(99,200)	(135,033)	(234,233)
Carrying amount at the end of the year	751,189	4,168,811	432,094	5,352,094

Independent valuations of all land and buildings were carried out on August 2012 and January 2013 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 2012 and do not believe there has been a significant change in the assumptions at 31 December 2012. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2012.

For the year ended 31 December 2012

	2012	2011
	\$	\$

Note 8. Trade and other payables

CURRENT

Sundry creditors	884,907	972,979
	884,907	972,979

Note 9. Other liabilities

CURRENT

Income received in advance		
Membership subscriptions	1,414,080	919,965
Annual conference income	275,554	529,045
Other income in advance	163,237	176,255
	1,852,871	1,625,265

Note 10. Provisions

CURRENT

Employee benefits	349,898	292,099
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NON-CURRENT

Employee benefits	102,759	115,942
Total	452,657	408,041

Number of employees at year end	53	53
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	Annual leave	Long service leave	Total
	\$	\$	\$
Movements of provisions:			
Opening Balance at 1 January 2012	212,001	196,040	408,041
Additional provision raised during the year	218,559	17,047	235,606
Amounts used	(190,990)	-	(190,990)
Unused amounts reversed during the year	-	-	-
Balance at 31 December 2012	239,570	213,087	452,657

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

For the year ended 31 December 2012

	2012	2011
	\$	\$

Note 11. Retained earnings

Balance at 1 January	6,315,495	6,071,003
Transfer of depreciation on appraisal of property to asset revaluation reserve	12,317	8,317
Surplus from operating activities	214,506	236,175
Balance at 31 December	6,542,318	6,315,495

Note 12. Reserves

ASSET REVALUATION RESERVE

Balance at 1 January	10,898	261,460
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OTHER COMPREHENSIVE INCOME

Change in fair value of available-for-sale financial assets and property:		
Unrealised gain(loss)	424,457	(230,870)
Reversal of unrealised loss(gain) in prior year which were realised this year	15,282	(11,375)
	439,739	(242,245)
	450,637	19,215

Transfer of depreciation on appraisal of property from retained earnings	(12,317)	(8,317)
Balance at 31 December	438,320	10,898

CAPITAL PROFITS RESERVE

Balance at 1 January	3,628,555	3,628,555
Transfer from retained earnings	-	-
Transfer from asset revaluation reserve	-	-
Balance at 31 December	3,628,555	3,628,555
Total reserves balance at 31 December	4,066,875	3,639,453

Note 13. Capital and leasing commitments

Capital commitments:

As at 31 December 2012 the group did not have any capital commitments.

Payable – minimum lease payments:

- not later than 1 year	35,540	79,280
- later than 1 year but not later than 5 years	58,593	26,180
	94,133	105,460

For the year ended 31 December 2012	2012	2011
	\$	\$
Note 14. Cash flow information for cash and cash equivalents		
Cash on-hand and cash in bank	549,723	1,076,935
Short-term placements	1,293,771	825,094
	1,843,494	1,902,029

Note 15. 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. At 31 December 2012 the number of members was 7,251 (2011: 6,916).

Note 16. Remuneration of the auditor

Amounts received or due and receivable by the auditor of the Company:

Audit of the financial statements	31,000	29,000
Other services	2,672	7,415
	33,672	36,415

Note 17. Key management personnel compensation

Total compensation	1,790,592	1,678,929
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Note 18. Related parties

Directors: The names of persons who were Directors at any time during the year are set out in the Directors' report on page 12.

Information relating to the remuneration of Directors is included in Note 17 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 \$51,626 (2011: \$59,248) and loans between controlled entities amounted to \$762,386 (2011: \$907,099).

There were no other transactions with related parties and Directors.

Note 19. Financial instruments

The economic entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and available-for-sale financial assets.

(a) Net fair value

The net fair value of:

- Listed investments have been valued at the quoted market price at financial position date, adjusted for transaction costs expected to be incurred. For unlisted investments where there is no organised financial market the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.
- Other assets and other liabilities approximate their carrying values.

For the year ended 31 December 2012	2012	2011
	\$	\$

Note 20. Company details

The registered office of the Company is:

Unit 40
6 Herbert Street
St Leonards
NSW 2065

Note 21. Subsequent events

No matters or circumstances have arisen since 31 December 2012 that significantly affected or may significantly affect:

- the operations of the economic entity
- the results of those operations
- the state of affairs of the economic entity in the financial years subsequent to 31 December 2012.

Note 22. 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 2012 the parent company was The Australian Veterinary Association Limited.

	2012	2011
	\$	\$
PROFIT OF THE PARENT ENTITY		
Surplus/(deficit) for the year	118,453	189,042
Total comprehensive (loss) for the year	558,192	(53,203)
FINANCIAL POSITION OF THE PARENT ENTITY AS AT 31 DECEMBER		
Current assets	5,781,952	5,576,162
Total assets	13,492,335	12,884,711
Current liabilities	3,852,126	3,789,507
Total liabilities	3,954,885	3,905,448
Net assets	9,537,450	8,979,263
TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF		
Issued capital		
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	438,320	10,898
Retained earnings	5,470,575	5,339,810
Total equity	9,537,450	8,979,263

Director's declaration

The Directors of the Company declare that:

1. the financial statements and notes as set out on pages 17–29, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001
 - (b) give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date of the economic entity.
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.



J Nicholls
Director and Honorary Treasurer



B Gardiner
Director and President

Dated at Sydney this 12th day of April 2013



MOORE STEPHENS ACCOUNTANTS & ADVISORS

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Australian Veterinary Association Limited and its controlled Entities for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

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



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney this 12th day of April 2013.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of The Australian Veterinary Association Limited ("the Company") and its Controlled Entities ("the Consolidated Entity"), which comprises the statements of financial position as at 31 December 2012, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the Consolidated Entity comprising The Australian Veterinary Association Limited and its Controlled Entities at the year's end or from time to time during the financial year.

Directors' Responsibility 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 (including Australian Accounting Interpretations) 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Opinion

In our opinion the financial report of The Australian Veterinary Association Limited and its Controlled Entities is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2012 and of its performance for the period ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of The Australian Veterinary Association Limited and its Controlled Entities for the period ended 31 December 2012 included on The Australian Veterinary Association Limited's website. The Company's directors are responsible for the integrity of The Australian Veterinary Association Limited's website. We have not been engaged to report on the integrity of The Australian Veterinary Association Limited's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney this 12th day of April 2013.



Australian veterinary Association

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Annual Report 2012

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