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ANNUAL REPORT

The Australian Veterinary Association Ltd



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THE AVA BOARD



PRESIDENT
Dr Ben Gardiner



TREASURER
Dr Sue Beetson



VICE PRESIDENT
Dr Julia Nicholls



DIRECTOR
Dr Peter Gibbs



**DIRECTOR
ACV NOMINEE**
Dr Peter Chenoweth



DIRECTOR
Dr Alastair Henderson



**DIRECTOR
ASAVA nominee**
Dr David Neck



**DIRECTOR
EVA nominee**
Dr Christopher Reardon



DIRECTOR
Dr Malcolm McLennan

CORPORATE SUPPORTERS

PLATINUM AFFINITY PARTNER



PLATINUM SUPPORTER



GOLD EDUCATION SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



SILVER SUPPORTER



PRESIDENT'S REPORT

I have enjoyed the privilege of a second term as president and while more accustomed to the job, I found 2013 even busier than 2012. It was a successful year for the AVA on a number of fronts. If we had a singular function it is to help members to be more successful in their careers and while there are many ways we do this, our primary avenue is through providing excellent continuing professional development.

Continuing professional development

During 2013 we again provided more than a hundred continuing professional development opportunities and I had the great pleasure of attending many of them. Those who attended the flagship AVA conference in Cairns would recall stimulating plenaries backed up by presentations of scientific excellence.

Likewise the big group conferences from ASAVA, ACV, EVA and the divisions or the road shows from AVAPM, and the many other events all provided easy access to expand our knowledge and skills. These events coupled with a multitude of seminars, webinars, meetings, journals and our online library resources make the AVA arguably the largest provider of veterinary continuing professional development in Australia.

However, this is a market that is increasingly competitive and global, and so I extend my congratulations to the volunteers who create the planned learning opportunities, to the staff that help bring them to reality and the

confidence that members display by choosing the AVA offerings. We will continue to develop smarter learning offerings to suit the changing needs of the modern profession. I believe that there will always be learning, particularly of intangible skills or motivation, that can best be delivered in a face to face conference style where the AVA stands above the pack.

Membership

Growth in membership has been a key goal for the past six years and I am pleased to report our graduate members increased another 6.1% in 2013, creating 31% growth over past five years. This growth would be all the stronger if we could retain everyone who joins, so there is much yet to do to prove the AVA is both necessary and attractive to 'join for life'.

We have tailored some membership offerings to specific demographic groups, beginning a few years ago with students (now over 90% members) and in 2013 we developed some new member offerings for new and recent graduates based on our research project the previous year. You'll hear more about this and new approaches to practice-based subscriptions in 2014.

Of course we continue to understand that careers are no longer always full-time for life, so the 50% concession continues to assist many of those in part-time employment.

Average monthly visitors to our website grew by over 50% in 2013 and the milestone of incorporating all large

special interest group sites into the one AVA website had an influence on this increased traffic.

Advocacy

What most sets 2013 apart from previous years was our decision to give stronger focus to being an effective advocate for the profession. We created a public affairs team and after consulting with members we launched our five strategic advocacy priorities where we believe our profession can best be assisted with a stronger voice and activity. The five priorities are:

- Planning an effective veterinary workforce
- Financial sustainability
- Filling the gap in government veterinary services
- Better regulation
- Fighting antimicrobial resistance.

These priorities are designed to place members' concerns squarely at the forefront of our activities and will be supported by various projects over the coming years.

I am pleased to report some substantial progress in these five strategic advocacy priorities during 2013, but also in some other issues that our members have been concerned about.

We published the report on our first annual veterinary workforce survey in April 2013. This was our first effort to find out the facts about the workforce and where it's heading. With the continued support of the state and territory



registration boards we were able to repeat the survey with improvements. We intend to continue gathering data annually and to build a strong factual basis for future advocacy on workforce issues. An independent researcher was commissioned to review all the currently available data on workforce statistics and report on the way ahead, and plans are underway for a more detailed model to project supply and demand for our profession in the future.

We established our pet insurance taskforce to examine the role of pet insurance in financial sustainability for the profession in the future. In its first months, the taskforce achieved excellent results in establishing cooperative working relationships with the nation's pet insurance providers. The taskforce also set out a path towards both better products for pet owners, and greater involvement of veterinarians in pet insurance.

We appeared at the Fair Work Commission review of the Animal Care and Veterinary Services Award where two of our four recommendations were adopted in the updated version of the Award.

We pushed strongly for nationally-agreed terms for engagement of private practitioners in an emergency animal disease outbreak and negotiated with the multi-jurisdictional committee to see this brought to fruition. This was an initiative that we had tried to progress since the equine influenza outbreak in 2007-8 and 2013 saw our aims finally realised.

We're also working much more collaboratively with the medical

profession in addressing the issue of antimicrobial resistance.

Our pursuit of 'better regulation' focuses on national recognition and harmonisation of veterinary acts across all jurisdictions and 2013 saw a working group grapple with the many issues around what makes good veterinary regulation and what our policies have to say about them. They were able to reach consensus on some basic principles that we can advocate across all states and territories.

We responded effectively to defeat the proposed \$2000 cap on education expense deductions by collaborating with other professional organisations.

In an era of deregulation, it was ironic to become embroiled in fighting a new regulatory threat announced by Racing NSW – a requirement for veterinarians engaged in racing services to be separately licensed. The Board took a unanimous view that veterinarians in every jurisdiction are already comprehensively regulated and any attempt to separately regulate veterinarians should be strenuously opposed. At considerable cost, we supported legal action to fight this threat and our actions at least forced Racing NSW to negotiate with the NSW Veterinary Practitioners Board. Unfortunately the legal challenge was not successful, but we remain firmly resolved to defeat this threat. I have been buoyed by the member support for these actions, recognising that although a minority of members would be directly impacted by this new licence, the potential precedent

for further regulatory burden is much more significant and could affect a large proportion of the profession.

I think 2013 was a pivotal year for the AVA where the influence and profile of our profession grew significantly, and where we laid the foundations for this growth to continue for the next several years. I acknowledge we will always reflect a diversity of views, but I believe our profession is now more 'one' than ever, close enough to understand and appreciate the vastly variable scope of our daily work.

Finally, as my term on the AVA Board concludes, I would like to thank members for simply being members. I especially want to single out those who volunteer to make the AVA what it is, and the staff who not only provide their skills but who personally 'invest' in our profession. I truly value the new relationships I have developed both within and outside our profession. It has been a great honour to work with 20 individual directors, the CEO and senior management with whom I have spent so much time during my roles as Treasurer and President. The incoming Board is full of talent and integrity, and I wish them every success.

Ben Gardiner

CEO'S REPORT

In April 2013, the AVA made some changes to help us better achieve our mission:

To drive the success of the veterinary profession and promote veterinary science to benefit animals, the environment, the community, and our members.

Our research clearly told us that members want the AVA to be more influential in creating change on the issues they care about. This led to a renewed focus on how we advocate, and a new public affairs program that aims to:

- align advocacy and scientific advisory activities with strategic priorities agreed by the Board and based on the issues our members care about
- bring about tangible changes and outcomes to address the issues members care about, and
- increase transparency and communication of advocacy activities to members and the Board.

To do this, we brought together our policy and communications teams into a single public affairs team led by a National Public Affairs Manager. We completed a member consultation program to identify our key long-term priorities, and established programs to progress these five strategic advocacy priorities over the long term. The Board also approved an increased financial investment in the public affairs program.

No sooner had we made these changes than they were tested by a significant

national issue that had the potential to have a devastating impact on the profession and the association.

The previous Australian government had planned a \$2000 limit on tax deductions for self-education expenses. This limit would have had a huge impact on the ongoing professional development of AVA members and a crippling effect on the AVA. We joined together with 21 other organisations to create the Scrap the Cap alliance and lobbied individually and as an alliance to have the decision reversed.

The alliance's advocacy successfully delayed the implementation of the cap, and then the new federal government announced its decision to permanently abandon the concept. By this stage, the alliance had grown to include 70 organisations and is an excellent example of how organisations can work together to lobby for change.

Policy

At the 2013 Annual General Meeting our members approved a change to the Constitution to establish the new role of Chair of the Policy Advisory Council, nominated from among the Board directors. The Chair helps to coordinate the priorities of the Board and the Council, and to facilitate the work of Policy Advisory Council in developing our all-important policies and position statements. The inaugural Policy Advisory Council Chair is Dr Julia Nicholls, our 2013 – 2014 Vice President, and in a short time Dr Nicholls has

already proven the value of this approach.

In response to some confusion within the profession about a veterinarian's legal obligations, the AVA also produced detailed guidelines to help veterinarians make informed decisions about the appropriate use of compounded medicines.

Scientific conferences and continuing professional development

Advancing and promoting veterinary science is central to our mission. In 2013 a total of 133 AVA continuing professional development events were added to our Vet Ed calendar; 114 conferences or workshops and 19 webinars.

The AVA's Annual Conference was held in Cairns and included a very popular international speaker, Temple Grandin. The conference exceeded financial expectations and attracted 773 delegates. Trade was also strong with stands and breakfast and lunch session sponsorship selling out. Our corporate supporters and medallion sponsors continue to invest in the AVA and its Annual Conference.

To support this critical aspect of our activity, the national events team continues to extend service provision to more of AVA's special interest groups and state divisions. A new online registration system has been rolled out for our larger events and this service will be extended in 2014.



Vet Ed library

The Vet Ed library was expanded in 2013, allowing members to search a broad range of both Australian and international scientific journals across a range of disciplines. Members can read articles from the world's most comprehensive veterinary, medical and science databases.

Communications

The AVA celebrated a milestone in July with the successful integration of the four largest special interest group websites into the AVA website. The cattle, equine and practice management sites all went live in early July. They now sit alongside the small animal special interest group site on the AVA website.

We significantly increased our presence on social media in 2013. We now regularly engage with a significant audience through Twitter, Facebook and LinkedIn. We are finding social media a useful way of reinforcing our messages from our primary communication channels: email and the AVA website.

Corporate support

We were very pleased to have signed Investec as a new AVA corporate supporter in 2013. Investec joins a team of highly committed corporate supporters, who make a significant investment in the veterinary profession through AVA activities.

Guild Insurance is our platinum affinity partner, providing invaluable insurance and other benefits to AVA members. As a platinum corporate supporter, Hill's Pet

Nutrition supports a vast range of activities large and small to demonstrate a commitment to the veterinary profession.

Provet is our gold education supporter, and the company particularly invests in our work in continuing professional development for veterinarians.

Royal Canin, Investec and Troy Laboratories Australia are all gold supporters involved across a range of groups and activities. Our silver supporter Idexx Laboratories has also demonstrated its commitment to the profession through a renewed three-year contract.

I'd also like to thank our other affinity partners Diners Club and Bupa Australia for their support.

Thank you

Finally I would like to acknowledge and thank our dedicated board, staff, and my leadership team. In particular I want to thank President Ben Gardiner, with whom I've worked closely not only for the two years of his presidency, but for his term as national treasurer prior to this. Ben's contribution has been significant, and his counsel and friendship valuable.

Finally, I want to thank the almost 10% of our members who contribute to their AVA through roles with groups and committees. At the end of the day an association can only be as strong as its members, and the engagement and commitment of members remains our greatest asset.

Graham Catt

2013 award recipients

Congratulations to the AVA's 2013 award recipients.

GILRUTH PRIZE

- Dr David Wishart

KENDALL ORATION AND MEDAL

- Dr Angus Cameron

EXCELLENCE IN TEACHING AWARD

- Dr Rowland Cobbold

DON KERR STUDENT AWARD

- Dr Callan Solari

FELLOWSHIP

- Dr Michael Hayward
- Dr Malcolm McLennan

MERITORIOUS SERVICE AWARDS

- Dr Jane Axon
- Mr Philip Bloom
- Dr Patricia Clarke
- Dr Katharine Haines
- Dr Deborah Middleton
- Dr David Rendell
- Dr Maureen Revington
- Dr Bruce Twentyman

PRESIDENT'S AWARD

- Dr Peter Thornber

HONORARY MEMBER

- Ms Margaret Wilson

PRACTICE OF EXCELLENCE AWARDS

- Animal Referral Hospital – Best small animal veterinary practice
- Don Crosby Veterinary Surgeons – Best large animal veterinary practice

TREASURER'S REPORT

Financial operating result

The final consolidated operating result for AVA was a deficit of \$369,122 of which the parent entity operating result was a deficit of \$423,142. After allowance is made for significant unrealised gains on AVA freehold property and investments, the total comprehensive result for the AVA for the year was a deficit of \$40,173.

The main highlights of the AVA financial year from January 2013 to December 2013 were:

- support of the vital Racing NSW legal case
- total revenue reached \$10.8m, an increase of 1.3% over 2012
- continued strong financial management and budget adherence of the 80 groups within the AVA with some very strong conference results
- continued growth in subscription income to over \$3.1m
- expenditure on the core activities of veterinary conferencing and publications amounted to over \$4.4m in direct costs (excluding other shared costs such as salaries which contribute to these core activities)
- the value of the AVA investment portfolio with Macquarie Bank grew by 13% (\$399,000) during the course of 2013
- higher levels of valued commercial support with new contracts signed during the year.

In 2013, the AVA resolved to fight the constant attempts by Racing NSW to license veterinarians treating

thoroughbred horses in training. The AVA therefore supported a legal challenge to the proposed licensing rules and this challenge had a material impact on the 2013 financial results. Expenses related to this case (which are included in these financial statements) amount to approximately \$400,000. This amount includes the costs of:

- legal advice prior to the commencement of the case
- application to the Supreme Court of New South Wales for an injunction against Racing NSW to prevent introduction of the licensing scheme in the very short term
- two hearings of the Supreme Court of New South Wales to determine if Racing NSW had the power to license veterinarians.

The President has referred in his report to the reasons behind the decision to support legal action against Racing NSW.

These expenses have not significantly impacted upon the overall strength of the AVA's financial position. The balance sheet of the AVA continues to present a strong and secure financial position.

The AVA parent budget target for 2013 was to break even. However, given the importance of the Racing NSW legal action the Board determined that these legal costs would be incurred even if a budget deficit resulted. The AVA parent financial result for the 2013 year was a deficit of \$423,000. Without these legal costs, the result would have effectively

matched the budget target of break even (with a minor deficit of \$8,000).

The statutory accounts to which my report is attached, unless otherwise indicated are 'consolidated', representing the combined activities of all special interest groups, 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' and the trusts are excluded. The comprehensive income (or loss) allows for the recognition of changes in fair value of property and available-for-sale assets.

Balance sheet

AVA remains in a strong position and at December 2013 held total assets of \$14.294m and net assets of \$10.569m, with the parent holding net assets of \$9.443m and a secure current ratio of 1.30.

Investment performance

In 2013, AVA held financial investments in the form of managed funds (\$1.014m), equities (\$1.652m) and term deposits (\$4.494m). The managed funds and equities balances rose by \$399,000, reflecting a year of improving conditions in world equity markets. These funds continue to be managed by Macquarie Bank and the finance committee meets periodically with Macquarie Bank to review this performance. We also review our minimum cash balances required for operations and continue to hold funds in



excess of this need as a secure form of investment in term deposits. These deposits yielded an average weighted return of approximately 3.81% at 31 December 2013. The interest rates available for AVA funds have fallen appreciably in accordance with market conditions in the past year. The impact of this fall was such that interest income derived by the AVA parent entity was \$25,000 below the expected budget level for the full 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 2013 there were no major property or asset acquisitions and no material changes in property valuations. The AVA holds five offices as freehold and these assets, when combined with relevant plant and equipment, hold a book valuation of \$5.192m as at 31 December 2013. There are no current Board resolutions committing to any new property acquisitions. Similarly, there have also been no other capital investments or capital expenses of any material amount in 2013. The AVA does however intend to commit in 2014 to the acquisition of a new financial accounting software package.

Funds and trusts

The AVA had six trusts at the conclusion of the 2013 year - being the Australian Companion Animal Health Foundation (ACAHF), Australian Veterinary

Association Benevolent Fund (AVABF), Australian Veterinary Association Animal Welfare Trust (AVAAWT), Veterinary Emergency Support Trust (VEST), AVA Animal Welfare Institute Trust (AVAAWIT) and Stephen Rose Foundation which have a total equity of \$1.125m. The Animal Welfare and Crisis Response Trust was wound up during the 2013 year.

The Board Finance Committee

Finance is a subcommittee of the Board and meets face to face over the two days of the seven Board meetings each year. The Finance Committee also holds a number of teleconferences and emails for out of session work. Members this year were Julia Nicholls and Alastair Henderson with Peter Gibbs, Peter Chenoweth and David Neck in the early months of 2013. The President is ex-officio and the CEO Graham Catt and Sue McGrath attend most meetings. The National 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 your commitment and hard work.

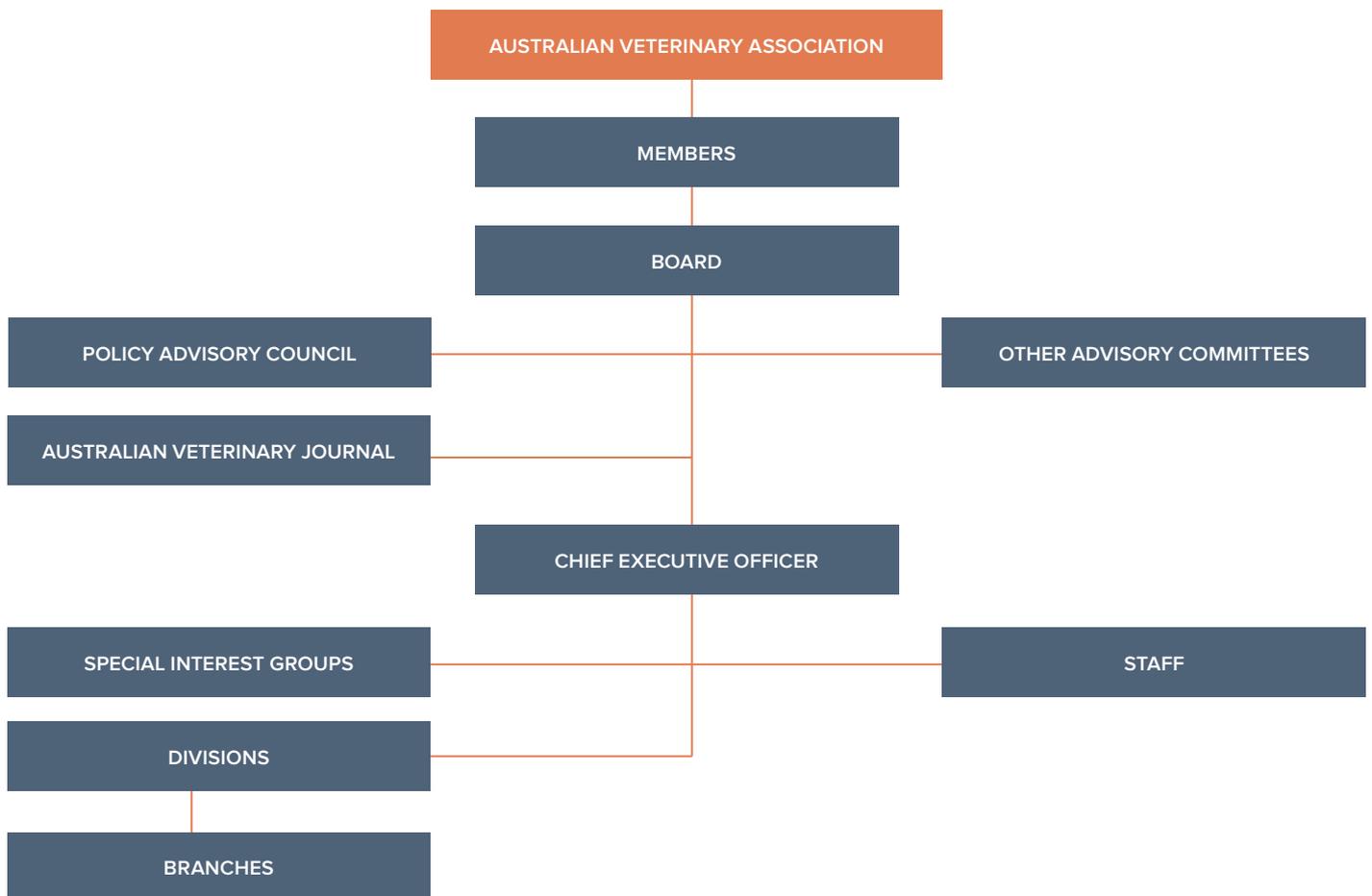
The approved 2014 budget provides for a small budget deficit of \$250,000. The deficit is intended to support a series of one-off projects. Your Board believes that this small deficit is timely and appropriate to support these projects.

The 2013 result is a very sound one, even with the impact of the Racing NSW legal action. The financial strength of the AVA has enabled it to undertake this important

action. The sound financial result and underlying financial strength could not have been achieved without the contributions from the executive officers, other staff and the many members who volunteer their time as honorary treasurers, conference and meeting organisers.

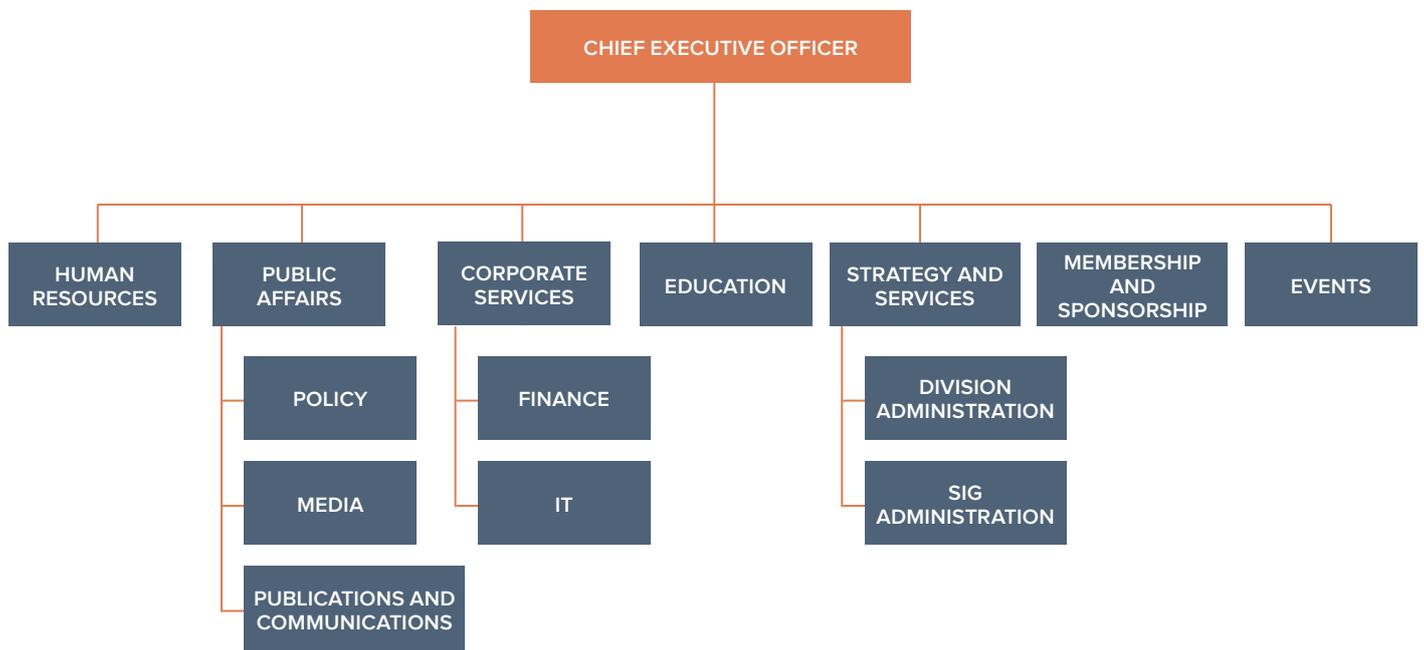
Susan Beetson

ORGANISATIONAL CHART





STAFF STRUCTURE



DIRECTORS' REPORT

The Directors of The Australian Veterinary Association Limited (“The Company”) present their report together with the financial statements of The Australian Veterinary Association Limited and Controlled Entities (“Economic Entity”) for the financial year ended 31 December 2013

Directors

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

Ben Gardiner

Julia Nicholls

Sue Beetson

Peter Gibbs

Peter Chenoweth

Alastair Henderson

David Neck

Christopher Reardon – Appointed May 2013

Malcolm McLennan – Appointed May 2013

Steve Atkinson – Terminated May 2013

Barry Smyth – Terminated May 2013

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;
- conduct of the 2013 AVA National Conference “Into the Future” in Cairns
- conduct of the 40th Annual ASAVA Conference “Advanced Imaging and Endoscopy” in the Gold Coast

- conduct of the 35th Bain Fallon Memorial Lectures for EVA “Surgery, Internal Medicine and Ophthalmology” in Melbourne and the ACV Conference “Focus on Fertility” in Darwin
- the presentation of numerous other conferences, seminars, workshops and meetings throughout Special Interest Groups, Divisions and Branches
- publication of the *Australian Veterinary Journal*
- publication of the Australian Veterinary Practitioner, the Companion, the Australian Equine Veterinarian and The Australian Cattle Veterinarian.
- publication of other scientific newsletters, journals, communications and materials
- maintenance of the Vet Ed library
- promotion of the value of the profession to the community, industry and government
- providing a forum for veterinarians to exchange ideas and access member services
- assisting members to strive for professional excellence
- providing high standards of continuing education and professional development
- providing leadership and expert advice in animal science, health, welfare and production
- stimulating informed debate on issues within the areas of scientific and professional importance
- developing technical policy on animal health 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 deficit from operations for the year was (\$369,122) (2012: consolidated surplus of \$214,506)

Review of operations

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

The Economic Entity comprises The Australian Veterinary Association Limited, including 8 Divisions, 21 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 objects of the company are set out in its Constitution.

The Mission of the company is to drive the success of the veterinary profession and promote veterinary science to benefit animals, the environment, the community and our members.

In service of the objects and Mission the Company’s current objectives are set out in the Strategic Plan. These exist in addition to the conduct of the company’s continuing core activities but may be summarised as follows:

1. Effective advocacy
2. Community Awareness of the Profession
3. Identity and Differentiation
4. Building a Membership Culture
5. Engaged Members
6. Effective Organisational Structure
7. Right People, Roles and Resources
8. Good Governance

Strategies

To achieve these objectives the Company has adopted a range of strategies as set out in the Strategic Plan. These strategies include:

1. Effective advocacy - Develop a veterinary workforce stock and flow model, represent members in the scheduled veterinary industry award review, conduct pet insurance taskforce and create antimicrobial prescribing resources.
2. Community Awareness of the Profession – Undertake research in relation to community perceptions of the veterinary profession and implement communication strategy using research results.
3. Identity and Differentiation – Roll out new Vet Ed Excellence award and Program and introduction of expanded on line library.
4. Building a Membership Culture – Implement new graduate member program, trial of practice subscription offer and social media acquisition campaign.
5. Engaged Members – Trial new member communications channels and implement member communications strategy.
6. Cohesive Organisational Structure – Upgrade member database, website and accounting software.
7. Right People, Roles and Resources – Develop induction process to provide an understanding of the profession, develop a leadership program for group volunteers and update the staff performance review system.
8. Good Governance – Revision of group policies and procedures and introduce presidential election software and on line voting.

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 2014 Strategic Plan. 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 2012 and 2013 (refer also Treasurers report).

Financial result of parent company

2013 deficit

Actual: \$423,142

Benchmark: \$0

2012 surplus

Actual: \$118,453

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

The company was involved in a legal action in the Supreme Court of New South Wales in the final months of 2013 and the early months of 2014. The action was commenced by 5 equine veterinarians against Racing NSW and the company agreed to assist in the conduct of this legal action. For further details relating to this event please refer to Note 21 of these Financial Statements)

No other matters or circumstances have arisen since 31 December 2013 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 2013.

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 2013 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.

INFORMATION ON DIRECTORS

Ben Gardiner

BVSc

AVA Director from May 2008. AVA Treasurer 2009-2012, AVA National President 2012-now. AVA branch and ACV executive positions since 1989 including ACV President 2003-2004. Elected member local government 1995-1999. AVA member from 1982.

Julia Nicholls

OAM, BVMS, PhD, MANZCVS
(Feline Medicine), GAICD

AVA member since 1980. AVA Director since October 2009. Meritorious Service Award 1992. South Australian Division President 1986-7. South Australian Division committee 15 years. Veterinary Surgeons Board South Australia 1987-1993 and 2002-2005. Representative on Australian Veterinary Boards Council 2002-2008. ASAVA Accredited Hospitals Convenor 5 years. Member South Australian Controlled Substances Advisory Council. Trustee Feline Health Research Fund; Director Australasian Society Feline Medicine. Member various Animal Ethics Committees. Academic Clinician University of Adelaide School of Animal and Veterinary Science.

Sue Beetson

BSc (Hons), PhD

AVA Director since May 2012. Treasurer AVA Western Australia 2004-2006. Convenor Bain-Fallon Equine Conference 2007. Treasurer EVA 2008-2011. Financial control of Bain Fallon Conference 2008-present. Senior and Managing Partner VetPath Laboratory Services 1998-2007. Adjunct Ass Prof Clinical Pathology Murdoch University 2005-now. Member of the Board of the Murdoch University Vet Trust 2010-present. Director of Vet ClinPath Consulting 2011-present. AVA member 1982

Peter Gibbs

BVSc, MANZCVS (Anaes & IC), MAICD

AVA Director since May 2008. AVA Vice President 2010-2013. NSW Division committee member 2002-2008. President NSW Division 2006. Policy Councillor 2007-2008. AVA member since 1970.

Peter Chenoweth

BVSc (Hons), PhD, MANZCVS
(Reproduction). MACT

AVA Director since June 2011. QLD Div President 1980. Federal Council, Meritorious Service Award 1987 and member of Policy Advisory Council for 4 years. Current Executive Member ACV and ARV (newsletter editor). President Society for Theriogenology 2005-2006. President Association for Applied Animal Andrology 2010. University- Director UQ Pastoral Veterinary Centre 1980-1984. Deputy Dean UQ 1985-1988. Endowed Chair, Kansas State University 1997-2005. Presiding Officer ACEC, CSU 2006-2010. AVA member since 1966.

Alastair Henderson

BVSc., MVSc, Dip.BusMan

AVA Director since May 2012. AVA Member since 1968. previous Treasurer ACV. Awarded MSA. Fellow AVA. Life member ACV.

David Neck,
BSc, BVMS, MANZCVSc (Small Animal
Surgery, Veterinary Radiology,
Anaesthesia and Intensive Care)

AVA Member since 1993. AVA Director since May 2012. President AVA WA Division 2005, 2006 and 2008. President ASAVA 2011-current. Policy Advisory Councillor 2011-2012. West Australian Veterinary Surgeons Board Member 2007-2009, Deputy Member 2010-current. West Australian Poisons Advisory Committee 2010-current. Schools Animal Ethics Committee 2006-2009. Ian Miller Medal, AVA WA Division 2009. AVA Meritorious Service Award 2011. Australian Safer Communities Award, Post Disaster Category 2007. Director, Cottesloe Animal Hospital 2007-current.

Christopher Reardon
BVSc (Hons), BSc (Hons),
MANZCVS(Equine Medicine)

AVA member since 1994. AVA Director since 2013. President Darling Downs & South West branch (1996-1999). EVA Committee member (2006-2010), EVA President 2010. Member of AVA-EVA Hendra Virus Task Force. Director Wells & Garde Pty Ltd T/A Warwick & Allora Veterinary Clinics.

Malcolm McLennan
BVSc, MSc, MVSc, MANZCVSc, GCEd

AVA member since 1964. AVA Director 2002-2004 and re-elected Director in May 2013. Queensland Division President 2001-2002 and South-east Queensland Branch President 1999-2001 and 2011-2013. Coordinator, AVA Education Day at annual Conference from 2003-2009 and 2011-2014. Adjunct Senior Lecturer UQ from 2011 to present. Chief Clinical Examiner, National Veterinary Exam (NVE) for overseas veterinarians from 2010 to the present and NVE Board member, 2008-2014. Honorary Historian, Queensland Division, AVA, 2006-2014.

Steve Atkinson
BVSc, MANZCVS (Animal Welfare),
DipContEd

AVA Director since May 2007. President / Policy Councillor AVAWE 1997-2007. Chair AVA Animal Welfare Trust. Chair AVA AWAC, AVA member for more than 35 years. Industry Fellow University of Queensland Veterinary School. Teaching at University of Queensland Veterinary School, Chair NSW Minister's Animal Welfare Advisory Council.

Barry Smyth
BVSc, MBA, PhD, GAICD, FANZCVSc,
Diplomate ACVS, Registered Specialist
Equine Surgery

AVA National President 2010-2012. AVA Director since May 2007. President Equine Veterinarians Australia 2006-2007. Secretary AEVA 2004-2006. Director Australian Horse Industry Council Inc. 2002-2009. President AHIC 2006-2009. Director private companies. Clinical Veterinary Practice Australia and overseas. Research Australia and USA. University teaching Australia and overseas. AVA member since 1969.

DIRECTORS' REPORT CONTINUED

Meetings of Directors

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

Directors' Meetings

	Number eligible to attend	Number attended
Dr Ben Gardiner	7	7
Dr Julia Nicholls	7	7
Dr Sue Beetson	7	7
Dr Peter Gibbs	7	7
Dr Peter Chenoweth	7	7
Dr Alastair Henderson	7	6
Dr David Neck	7	7
Dr Christopher Reardon	3	3
Dr Malcolm McLennan	3	3
Dr Stephen Atkinson	4	4
Dr Barry Smyth	4	4

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 2013, the total amount that members of the Company are liable to contribute if the Company is wound up is \$372,450 (2012: \$362,550).

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 2013.

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.



S Beetson

Director and Honorary Treasurer

Dated at Sydney 10th day of April 2014



B Gardiner

Director and President

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013	Notes	2013 \$	2012 \$
Revenue from ordinary activities	2	10,847,922	10,680,962
(Loss) /Gain from non-operating activities	2	(9,514)	16,926
Total revenue		10,838,408	10,697,888
Service expenses		(810,941)	(677,153)
Sponsorship, marketing and promotions expenses		(202,509)	(168,141)
Conferences and continuing professional development expenses		(3,657,075)	(3,908,962)
Communications and publications expenses		(1,344,938)	(1,309,715)
Occupancy expenses		(252,111)	(245,549)
Policy and advocacy expenses		(593,307)	(452,138)
Administration expenses		(3,813,300)	(3,117,273)
Other operating expenses		(533,349)	(604,451)
(Deficit)/Surplus from ordinary activities before income tax expense		(369,122)	214,506
Income tax expense relating to ordinary activities	1(b)	-	-
(Deficit)/Surplus from ordinary activities after income tax expense	11	(369,122)	214,506
Other comprehensive income (loss)			
Unrealised gain/(loss) on available-for-sale financial assets and property		320,119	424,457
Reversal of unrealised (gain)/loss on available-for-sale financial assets in prior year which were realised this year		8,830	15,282
Total other comprehensive income (loss)		328,949	439,739
Total comprehensive/ (loss) income for the year		(40,173)	654,245

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013	Notes	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	14	1,300,253	1,843,494
Financial assets	6	4,281,484	3,307,761
Trade and other receivables	4	400,206	470,089
Inventories		25,826	25,068
Other current assets	5	427,088	442,833
Total current assets		6,434,857	6,089,245
NON-CURRENT ASSETS			
Financial assets	6	2,667,398	2,358,289
Property and equipment	7	5,192,042	5,352,094
Total non-current assets		7,859,440	7,710,383
Total assets		14,294,297	13,799,628
CURRENT LIABILITIES			
Trade and other payables	8	660,939	884,907
Other liabilities	9	2,189,827	1,852,871
Provisions	10	725,153	349,898
Total current liabilities		3,575,919	3,087,676
NON-CURRENT LIABILITIES			
Provisions	10	149,358	102,759
Total non-current liabilities		149,358	102,759
Total liabilities		3,725,277	3,190,435
Net assets		10,569,020	10,609,193
EQUITY			
Retained earnings	11	6,185,513	6,542,318
Reserves	12	4,383,507	4,066,875
Total equity		10,569,020	10,609,193

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year to 31 December 2013	Retained earnings	Asset revaluation reserve	Capital profits reserve	Total
		\$	\$	\$
Balance at 1 January 2012	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	-	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
TOTAL COMPREHENSIVE INCOME				
(Deficit)/Surplus from operating activities	(369,122)	-	-	(369,128)
OTHER COMPREHENSIVE INCOME				
Change in fair value of available-for-sale financial assets and property	-	328,949	-	328,949
Total comprehensive income	(369,122)	328,949	-	(40,179)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	12,317	(12,317)	-	-
Balance at 31 December 2013	6,185,513	754,952	3,628,555	10,569,020

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2013	Notes	2013 \$	2012 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members' subscriptions		3,671,829	3,970,773
Receipts from other ordinary activities		8,365,393	7,681,585
Payments to suppliers and employees		(11,291,146)	(10,806,126)
Net payments to Australian Taxation Office for GST		(567,085)	(583,141)
Investment income received		123,797	112,880
Interest received		211,178	258,998
Net cash provided by operating activities		513,966	634,969
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale financial assets		322,624	287,473
Payments for purchases of available-for-sale financial assets		(319,404)	(321,126)
Net investments of short-term placements		(973,723)	(514,057)
Payments for purchases of property and equipment		(86,704)	(145,794)
Net cash used in investing activities		(1,057,207)	(693,504)
Net decrease in cash held		(543,241)	(58,535)
Cash and cash equivalents at the beginning of the financial year		1,843,494	1,902,029
Cash and cash equivalents at end of the financial year	14	1,300,253	1,843,494

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

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 statements were authorised for issue on 10th April 2014.

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 2013 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

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 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 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 is 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 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) 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 2013 there are no impairments

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013	2013	2012
	\$	\$
Note 2. Revenue from ordinary activities		
OPERATING ACTIVITIES		
Subscriptions	3,142,787	3,039,870
Affinity commissions	1,121,069	1,074,704
Interest	191,134	264,342
Investment income	125,994	112,040
Rental income	21,754	17,205
Other revenue (includes conferences and publications)	6,245,184	6,172,801
	10,847,922	10,680,962
NON-OPERATING ACTIVITIES		
(Loss)/Gain on disposal of investments	(9,514)	16,926
	(9,514)	16,926
Total revenue	10,838,408	10,697,888
Note 3. Profit from ordinary activities		
Profit from ordinary activities has been determined after:		
EXPENSES		
Depreciation and amortisation	238,874	234,233
Provision for employee entitlements	97,013	44,592
Note 4. Trade and other receivables		
CURRENT		
Trade receivables	187,666	220,411
Other receivables	212,540	249,678
	400,206	470,089
Note 5. Other current assets		
CURRENT		
Prepayments	427,088	442,833
	427,088	442,833

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013	2013	2012
	\$	\$
Note 6. Financial assets		
CURRENT		
Short-term placements	4,281,484	3,307,761
NON-CURRENT		
Available-for-sale		
Managed funds	1,014,637	884,151
Listed shares	1,652,761	1,474,138
	6,948,882	5,666,050

Note 7. Property and equipment

Land and buildings		
Freehold land at:		
- Independent valuation (2012)	751,189	751,189
Buildings at:		
- Independent valuation (2012)	4,168,811	4,168,811
Less accumulated depreciation	(100,956)	-
	4,819,044	4,920,000
Office furniture and equipment at cost	1,610,060	1,531,238
Less accumulated depreciation	(1,237,062)	(1,099,144)
	372,998	432,094
Total property and equipment	5,192,042	5,352,094

(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	751,189	4,168,811	432,094	5,295,328
Additions	-	-	78,822	78,822
Revaluation increments/(decrements)	-	-	-	-
Depreciation	-	(100,956)	(137,918)	(238,874)
Carrying amount at the end of the year	751,189	4,067,855	372,998	5,192,042

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 2013. The Directors therefore believe the carrying amounts of the land and buildings correctly reflect the fair value less costs to sell at 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013	2013	2012
	\$	\$
Note 8. Trade and other payables		
CURRENT		
Sundry creditors	660,939	884,907
	660,939	884,907
Note 9. Other liabilities		
CURRENT		
Income received in advance		
Membership subscriptions	1,600,484	1,414,080
Annual conference income	367,787	275,554
Other income in advance	221,556	163,237
	2,189,827	1,852,871
Note 10. Provisions		
CURRENT		
Employee benefits	400,312	349,898
Legal Costs	324,841	
NON-CURRENT		
Employee benefits	149,358	102,759
Total	874,511	452,657
Number of employees at year end	57	53

	Annual leave	Long service leave	Legal Costs	Total
	\$	\$	\$	\$
Movements of provisions:				
Opening Balance at 1 January 2013	239,570	213,087	-	452,657
Additional provision raised during the year	334,869	14,305	324,841	674,015
Amounts used	(252,161)	-	-	(252,161)
Unused amounts reversed during the year	-	-	-	-
Balance at 31 December 2013	322,278	227,392	324,841	874,511

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. A provision of \$324,841 has also been raised for legal advice and associated costs incurred in relation to a legal action.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013	2013	2012
	\$	\$
Note 11. Retained earnings		
Balance at 1 January	6,542,318	6,315,495
Transfer of depreciation on appraisal of property to asset revaluation reserve	12,317	12,317
(Deficit)/Surplus from operating activities	(369,122)	214,506
Balance at 31 December 2013	6,185,513	6,542,318
Note 12. Reserves		
ASSET REVALUATION RESERVE		
Balance at 1 January	438,320	10,898
OTHER COMPREHENSIVE INCOME		
Change in fair value of available-for-sale financial assets and property:		
Unrealised gain(loss)	320,119	424,457
Reversal of unrealised loss(gain) in prior year which were realised this year	8,830	15,282
	328,949	439,739
	767,269	450,637
Transfer of depreciation on appraisal of property from retained earnings	(12,317)	(12,317)
Balance at 31 December 2013	754,952	438,320
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 2013	3,628,555	3,628,555
Total reserves balance at 31 December 2013	4,383,507	4,066,875
Note 13. Capital and leasing commitments		
Capital commitments:		
As at 31 December 2013 the group did not have any capital commitments.		
Payable – minimum lease payments:		
- not later than 1 year	97,248	35,540
- later than 1 year but not later than 5 years	143,221	58,593
	240,469	94,133

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013	2013	2012
	\$	\$
Note 14. Cash flow information for cash and cash equivalents		
Cash on-hand and cash in bank	772,521	549,723
Short-term placements	527,732	1,293,771
	1,300,253	1,843,494

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 2013 the number of members was 7,449 (2012: 7,251).

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	31,000
Other services	-	2,672
	31,000	33,672

Note 17. Key management personnel compensation

Total compensation	1,892,680	1,790,592
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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 \$39,707 (2012: \$51,626) and loans between controlled entities amounted to \$578,521 (2012: \$762,386).

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

Note 20. Company details

The registered office of the Company is:

Unit 40
6 Herbert Street
St Leonards
NSW 2065

Note 21. Subsequent events

The company was involved in a legal action in the Supreme Court of New South Wales in the final months of 2013 and the early months of 2014. The action was commenced by 5 equine veterinarians against Racing NSW and the company agreed to assist in the conduct of this legal action.

The legal action sought orders that proposed Rule 82C of the Rules of Racing was of no effect as Racing NSW had no statutory power to implement such rule. This proposed Rule 82C of the Rules of Racing seeks to require all veterinarians involved in the racing industry in New South Wales to be licensed by Racing NSW.

A hearing of this matter occurred in March 2014. In his judgement, issued on 24 March 2014, Rothman J decided that Racing NSW did have the power to implement Rule 82C.

The company has incurred significant legal costs in this action and has raised a provision in respect of such costs (refer Note 10 of these Financial Statements).

No other matters or circumstances have arisen since 31 December 2013 that significantly affected or may significantly affect:

- (a) the operations of the economic entity
- (b) the results of those operations; or
- (c) the state of affairs of the economic entity in the financial years subsequent to 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

2013

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 2013 the parent company was The Australian Veterinary Association Limited.

PROFIT OF THE PARENT ENTITY

(Deficit)/Surplus for the year	(423,142)	118,453
Total comprehensive (loss)/income for the year	(94,193)	558,192

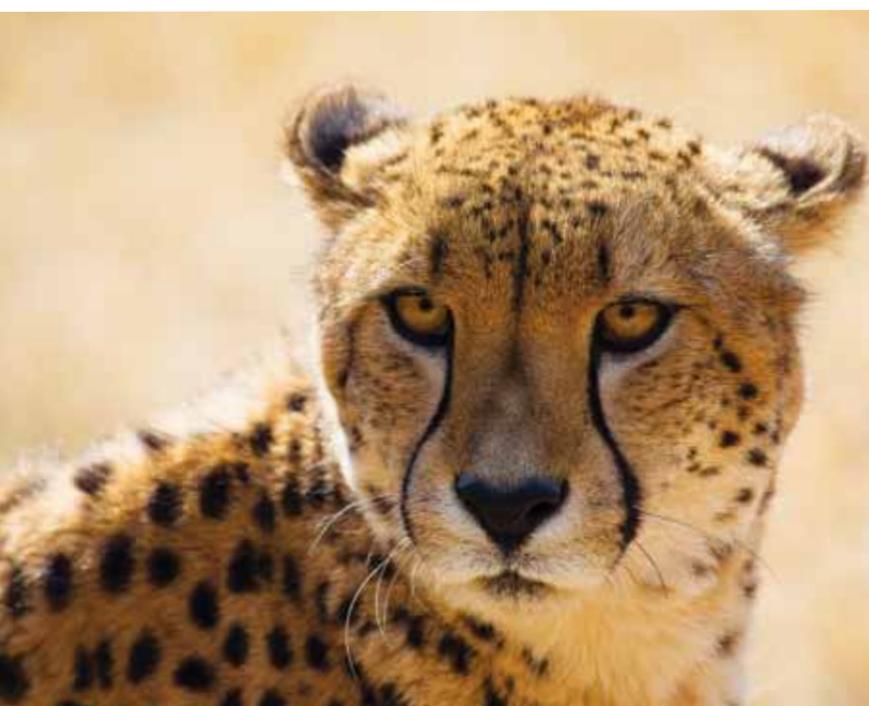
FINANCIAL POSITION OF THE PARENT ENTITY

AS AT 31 DECEMBER 2013

Current assets	5,889,685	5,781,952
Total assets	13,749,124	13,492,335
Current liabilities	4,156,505	3,852,126
Total liabilities	4,305,862	3,954,885
Net assets	9,443,262	9,537,450

TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF

Issued capital		
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	754,952	438,320
Retained earnings	5,059,755	5,470,575
Total equity	9,443,262	9,537,450



DIRECTOR'S DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes as set out on pages 17-30, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2013 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.



S Beetson
Director and Honorary Treasurer

Dated at Sydney this 10th day of April 2014



B Gardiner
Director and President



AUDITOR'S INDEPENDENCE DECLARATION

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Moore Stephens Sydney

Level 15, 135 King Street
Sydney NSW 2000

GPO Box 473
Sydney, NSW 2001

T +61 (0)2 8236 7700
F +61 (0)2 9233 4636

www.moorestephens.com.au

**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 The Australian Veterinary Association Limited and its controlled Entities for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of The Australian Veterinary Association Limited and its Consolidated Entities during the period.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney this 9th day of April 2014.

INDEPENDENT AUDITOR'S REPORT

MOORE STEPHENS

ACCOUNTANTS & ADVISORS

Moore Stephens Sydney

Level 15, 135 King Street
Sydney NSW 2000

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Sydney, NSW 2001

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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 2013, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year 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.

INDEPENDENT AUDITOR'S REPORT

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 25 of the financial statements has not changed as at the date of providing our audit opinion.

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 2013 and of its performance for the year 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 2013 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 10th day of April 2014.



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ANNUAL REPORT

The Australian Veterinary Association Ltd

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Annual Report 2013

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