



2015

ANNUAL REPORT

THE AUSTRALIAN VETERINARY ASSOCIATION LTD



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THE AVA BOARD



PRESIDENT
Dr Robert Johnson



VICE PRESIDENT EVA NOMINEE
Dr Christopher Reardon



TREASURER
Dr Sue Beetson



DIRECTOR
Dr Julia Nicholls



DIRECTOR
Dr Malcolm McLennan



DIRECTOR ACV NOMINEE
Dr Robert Bonanno



DIRECTOR
Professor James Gilkerson



DIRECTOR ASAVA NOMINEE
Dr Julia Crawford



DIRECTOR
Paula Parker

CORPORATE SUPPORTERS

PLATINUM AFFINITY PARTNER



PLATINUM SUPPORTER



GOLD EDUCATION SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



SILVER SUPPORTER



SILVER SUPPORTER



SILVER SUPPORTER





PRESIDENT'S REPORT

IT IS A TREMENDOUS PRIVILEGE TO SERVE AS THE PRESIDENT OF THE AVA AND TO REPRESENT THE PROFESSION THAT I LOVE AND RESPECT, ESPECIALLY AS WE ENTER INTO OUR STRATEGIC PLAN FOR 2016-2021.

As president, I am proud of the achievements of our members and staff who work tirelessly to support and further the profession and stand up for the health and welfare of Australia's animals.

Our advocacy program is one of our real strengths as it's only through our combined efforts that our voice can be heard when it counts. Here's a sample of what we achieved in 2015.

PLANNING AN EFFECTIVE VETERINARY WORKFORCE

The AVA's workforce modelling report was released in January providing solid data on the sustainability of the veterinary workforce in Australia. We met with university

deans and veterinary boards across Australia to discuss the findings. The report found that unless we make some significant changes, there will be a large oversupply of veterinarians in coming years. The single exception was for government veterinarians, who the model predicted were more likely to be in undersupply.

Advocacy in relation to proposed higher education reforms continued in 2015, with the revised legislation rejected by the Senate for a second time in February. The AVA communicated with key Senate cross benchers in relation to potential unintended consequences of the legislation for the profession. Our advocacy work also influenced the ALP's higher education policy, released in September, which will be their platform for the 2016 federal election campaign.

The year ended with the new Prime Minister appointing Simon Birmingham as the new Minister for Education. We were able to meet with his key advisor to discuss our concerns about the previous reforms, and express

our interest in helping to find solutions in any new package put to parliament by the Turnbull government.

ENSURING ECONOMIC SUSTAINABILITY

The review of the Award has continued throughout 2015 and has not yet reached a conclusion. We have been diligent in ensuring the AVA remains involved throughout the process, and have been effective so far in achieving several of the changes requested by members. However, the main concern over minimum wages will not be addressed through the award review process.

The AVA cattle special interest group has been working to raise the profile of their pregnancy diagnosis and bull breeding schemes. They have worked to rebrand and promote the scheme which has been positively received by both members and their clients.

The pet insurance taskforce completed its work and was disbanded. Achievements in 2015 included progress with the two pet insurance underwriters to improve their products in line with the recommendations of the pet insurance taskforce, and ongoing relationship building.

FILLING THE GAP IN GOVERNMENT VETERINARY SERVICES

We established a very productive working relationship with Animal Health Australia that laid the groundwork for cooperative projects to improve animal disease surveillance in the future.

A Victorian Ombudsman's audit of biosecurity preparedness was an excellent opportunity to highlight the risk of declining numbers of government veterinarians. Some months later, the federal government commissioned an independent assessment of our veterinary services through the OIE's Performance of Veterinary Services (PVS) tool. Once these findings are public, we will have an independent assessment of our animal disease surveillance and response capability that will be relevant to the AVA's advocacy program.

State election platforms for Queensland and NSW highlighted the need for additional resourcing to maintain or increase the employment of government veterinarians across the range of their responsibilities.

BETTER REGULATION

We're achieving better regulation by working with state governments. We sought to restart the review of the Queensland Veterinary Surgeons Act stalled by a new state government. The development process for the new veterinary act in WA resumed and we provided a submission when the draft Act was released for public comment.

The Tasmanian Division was able to provide input on an amendment bill for its Veterinary Act so that there remains a role for AVA in the nomination of veterinary board members. This is consistent with our recommended key principles for Veterinary Practice Acts in Australia.

The Victorian Division was successful in lobbying the Victorian Government to establish a parliamentary inquiry into restricted breed legislation.

A large amount of effort was involved with racing licensing in NSW in 2015, spurred by the charging of several trainers and vets with doping racehorses with cobalt. A resolution was eventually negotiated that established a policy for the implementation of a permit for veterinarians treating thoroughbreds in training.

FIGHTING ANTIMICROBIAL RESISTANCE

We participated in the development of the national antimicrobial resistance strategy, which was released in June 2015. AVA also provided input into the draft implementation plan for the strategy, and attended a consultation meeting to develop the final implementation plan. There are objectives and priorities in the strategy that are clearly the responsibility of the veterinary profession to implement. Our continued participation on the national organising committee for Antibiotic Awareness Week remains an important contact point with human health organisations working on the antimicrobial resistance challenge.

Towards the end of 2015, we announced a partnership with Animal Medicines Australia to develop evidence-based antimicrobial guidelines for horses, sheep, poultry, pigs, dairy cattle, extensive beef cattle and feedlot cattle. This will be a complex 3-year project commencing in 2016.

ANIMAL WELFARE

There was extensive consultation with members about the idea of adding a new strategic priority on animal welfare from 2016, which commenced with the animal welfare forum at the start of the 2015 Pan Pacific Veterinary Conference.

Our efforts to reinvigorate cross-sectoral collaborative efforts to improve animal welfare began with taking over responsibility for the website of the Australian Animal Welfare Strategy in 2014. We co-hosted an animal welfare roundtable in Canberra with the National Farmers Federation and RSPCA. More than 100 people who had been involved with the disbanded Australian Animal Welfare Strategy attended. The RSPCA and AVA have taken responsibility to progress the recommendations of the roundtable meeting.

As I enter my 40th year of practice it gives me pleasure to be a part of the team that has contributed to these achievements and to advocate on behalf of our members and the animals and communities which we serve.

Robert Johnson
PRESIDENT

CEO'S REPORT

IT'S BEEN ANOTHER GREAT YEAR AND I WOULD LIKE TO ACKNOWLEDGE AND THANK ALL OF OUR PEOPLE: OUR DEDICATED BOARD, STAFF, AND ALL THOSE WHO CONTRIBUTE TO THEIR AVA THROUGH ROLES WITH GROUPS AND COMMITTEES.

The relationship between Chairman and CEO is a critical one for any organisation, and I'd like to thank our President, Dr Robert Johnson, for his support and enormous contribution over the past 12 months. I'd also like to thank my own leadership team, the AVA's national managers, for their commitment and hard work over the year.

Finally, I want to thank all our members. 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
CEO

A BREAK DOWN OF 2015

5%

INCREASE ON 2014

8,821



Total membership, including veterinarians, students and associate members

5,973



Veterinarian members as at 30 June 2015

2,792



Student members as at 30 June 2015

93%



Member retention rate for 2015

\$11,904,614



Total revenue for the year ending 31 December 2015

\$9,493,376



Net assets as at 31 December 2015

1,121



Delegates attended the 2015 AVA / NZVA PanPac conference in Brisbane

140



Conferences, seminars, workshops and webinars held during 2015

4,618



Veterinarians participated in AVA continuing education activities

98%



Board members, attendance at meetings in 2015

320



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

55



Paid staff provided support and services. The equivalent of 40.2 full time staff

2015

AWARD RECIPIENTS

Congratulations to the AVA's 2015 award recipients.

PRESIDENT'S AWARD

- Dr David Beggs

KESTEVEN MEDAL

- Dr Anthony Forman

GILRUTH PRIZE

- Dr Graeme Allan

FELLOWS

- Dr Jane Axon
- Dr William Peter Holm
- Emeritus Professor Bruce Parry

MERITORIOUS SERVICE AWARDS

- Dr Julia Crawford
- Dr Peter Reid
- Dr Patricia Stewart

DON KERR STUDENT AWARD

- Dr Samuel Morgan

HONORARY MEMBER

- Professor Marshall Lightowlers
- BSc (Hons), PhD, FASP

PRACTICES OF EXCELLENCE AWARD

- Wilston Vet – small animals
- Gisborne Veterinary Clinic – mixed/large animals





TREASURER'S REPORT

OPERATING RESULT

The 2015 consolidated operating result for AVA was a surplus of \$8,727 of which the parent entity operating result was a surplus of \$15,748. The AVA parent entity result also provided a positive variance of \$15,748 to the forecast annual budget break even result. The result is sound and stable, and achieved at a time of some uncertainty in Australian economic conditions.

These financial statements also disclose comprehensive income by making allowance for unrealised gains and losses on AVA freehold property and investments. The total comprehensive result for the consolidated AVA for the year was a deficit of \$36,302. The comprehensive result for the AVA parent entity alone was a deficit of \$29,281

The main highlights of the AVA financial year from January 2015 to December 2015 were:

- total revenue reached \$12.0 m. This level of revenue reflects an increase of 23% in total revenue since 2010. While this revenue level represented a decrease of \$1m on the revenue recorded in 2014 the reduction is due to the absence of a one off ACAHF donation of \$700,000

and a lower scale of conference activity with 2014 being the year of conduct of two major international conferences by AVA SIGs (ACV and UPAV).

- continued strong financial management and budget adherence of the 80 groups within the AVA with some very strong conference results
- membership subscription income was reported at \$3.650 m, an increase of 1% over 2014. The rate of growth in this item of income is however lower than in prior years
- the surplus achieved on the 2015 PANPAC Conference in Brisbane was one the highest of recent years (and continues to be based on management of costs per delegate)
- AVA conferences continue to achieve rates of return on expenses (excluding salary costs) of over 50%
- expenditure on the core activities of veterinary conferencing and publications amounted to \$5.0m 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 3.8% (\$120,000) during the course of 2015.

During the same period the ASX 200 Accumulation Index rose by 2.6%

- strong levels of valued commercial support from fellow industry participants

This difference between the consolidated result and that of the AVA as the parent entity alone highlights the consolidated status of the AVA Financial Statements. 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 in most cases has no direct input into operations of the trusts.

BALANCE SHEET

AVA remains in a sound financial position and at December 2015 held total assets of \$15.224m and net assets of \$11.319 m, with the parent entity holding net assets of \$9.493m and a secure current ratio of 1.4.

INVESTMENT PERFORMANCE

As at the end of 2015, AVA held financial investments in the form of managed funds (\$1.015m), equities (\$1.950m) and term deposits (\$5.130m). The managed funds and equities balances rose by \$120,000 (3.8%), after a year of considerable uncertainty and volatility in world financial markets. These funds continue to be managed by Macquarie Bank and the Finance Committee meets periodically 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 2.7% at 31 December 2015. The interest rates available for AVA funds have continued to fall 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 \$54,000 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.

The AVA Finance Committee and Board are in the final stages of settling an Investment Policy which will provide a more effective bridge between AVA's resources and its financial needs over the term of the new Strategic Plan. The Investment Policy will also provide an improved foundation for the management of the AVA's investments.

PROPERTY AND EQUIPMENT

During 2015 there were no major property or asset acquisitions. The AVA holds five offices as freehold and these assets, when combined with relevant plant and equipment, hold a book valuation of \$5.041m as at 31 December 2015. The last update of property valuations was obtained as at 31 December 2014. The outcomes of

those valuations were referred to in my 2014 report. There are no current Board resolutions committing to any new property acquisitions. Similarly, there have also been no other capital investments or expenses of any material amount in 2015. The AVA does however intend to commit in 2016 to the acquisition of a new financial management system. The AVA has undertaken a long process of review and assessment of available system options. A final assessment of the preferred option is currently being conducted. This option is expected to be implemented in 2016. The expected cost is approximately \$260,000.

FUNDS AND TRUSTS

The AVA had seven trusts at the conclusion of the 2015 year, being:

- 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)
- Stephen Rose Foundation
- AVA Fighting Fund.

They have a total equity of \$1.825m and this level of equity did not change materially in the 2015 year.

THE FINANCE COMMITTEE

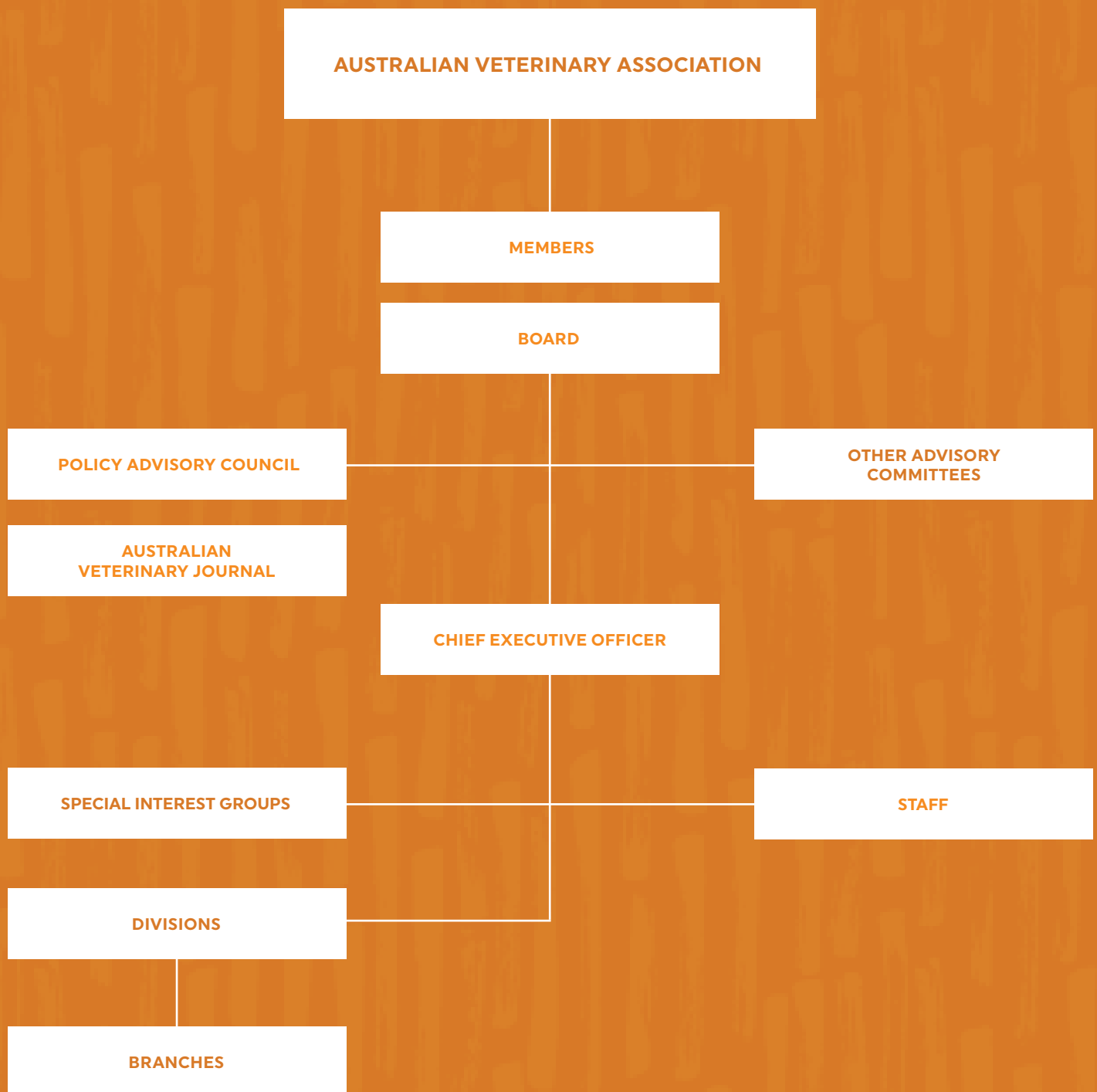
The Finance Committee is a subcommittee of the Board and meets either face-to-face (or through teleconference). In total the Committee met on 10 occasions during 2015. Members this year were Julia Nicholls, Robert Johnson, James Gilkerson, Rob Bonanno, Paula Parker and Ben Gardiner. In the operations of the Committee the President is ex officio in fulfilling their individual role on the Committee and the CEO Graham Catt, Sue McGrath and Amanda Webster 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.

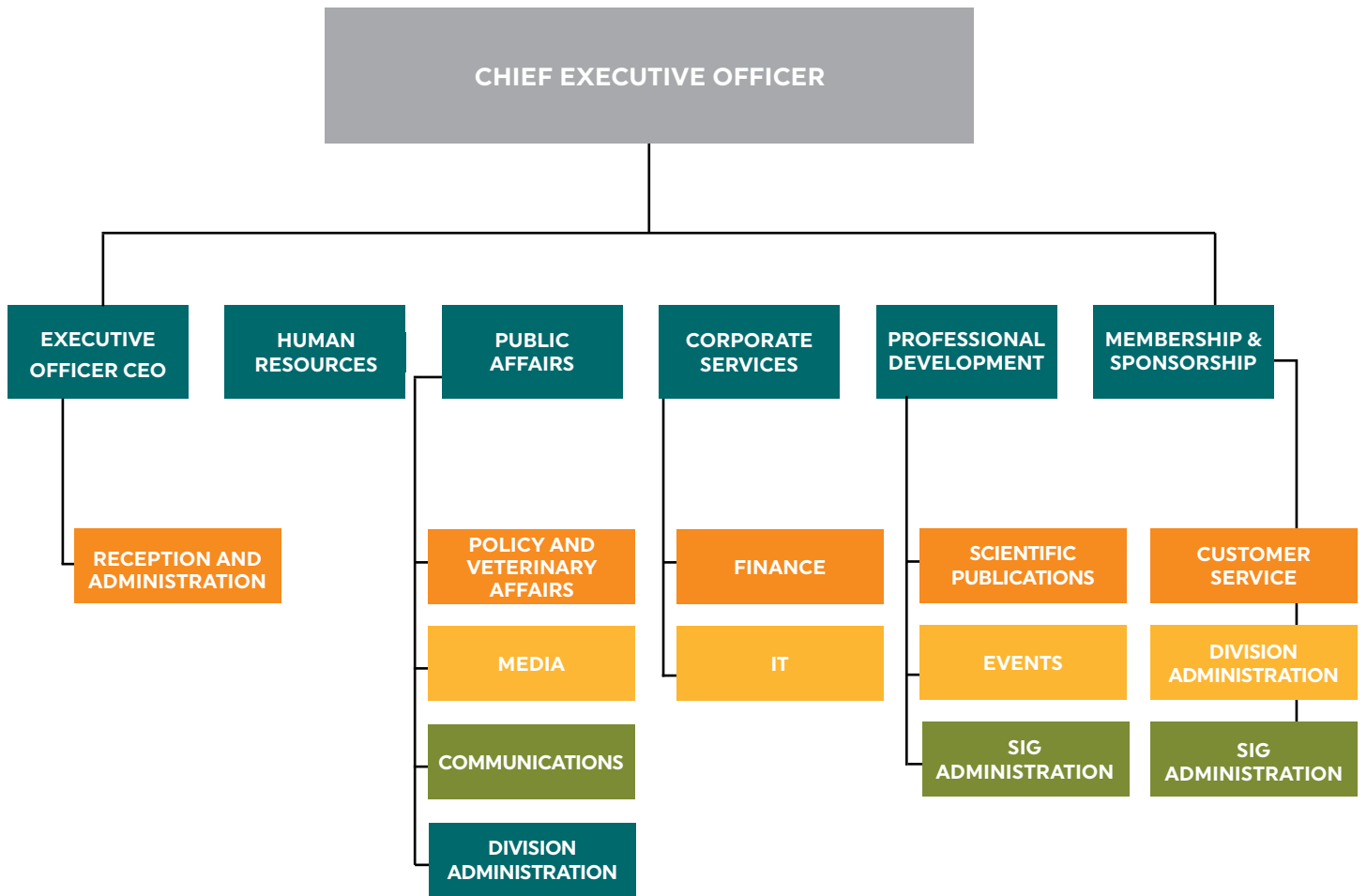
Again the sound financial result and underlying financial strength of the AVA could not have been achieved without the contributions from the executive officers, other staff and the many members who volunteer their time as Honorary Treasurers and conference and meeting organisers. Thank you to all who have contributed to the AVA's activities and achievement of this result.

Susan Beetson
TREASURER

ORGANISATIONAL REPORT



STAFF STRUCTURE





DIRECTORS' REPORT

THE DIRECTORS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED ("THE COMPANY") PRESENT THEIR REPORT TOGETHER WITH THE FINANCIAL STATEMENTS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED AND CONTROLLED ENTITIES ("ECONOMIC ENTITY") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015.

DIRECTORS

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

- Robert Johnson
- Christopher Reardon
- Susan Beetson
- Julia Nicholls
- Malcolm McLennan
- Robert Bonanno
- James Gilkerson
- David Neck
- Terminated May 2015

- Ben Gardiner
- Terminated May 2015
- Julia Crawford
- Appointed May 2015
- Paula Parker
- Appointed May 2015

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, BEc(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 2015 PANPAC National Conference in Brisbane

- conduct of the 42nd Annual ASAVA Conference "Problem Patients in Practice" on the Gold Coast
- conduct of the 37th Bain Fallon Memorial Lectures for EVA "Podiatry and Lameness, Foal Medicine and Surgery" in the Hunter Valley
- conduct of the Australian Cattle and Sheep Veterinarians Conference in Hobart
- conduct of the AVAPM conference "Bridging the Gap" in Sydney
- 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 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 \$8,727 (2014: consolidated surplus \$768,827).

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 eight Divisions, 21 SIGs and 40 Branches in addition to the AVA National Group and seven Trusts. All groups operate within their own budgetary control but within financial operating guidelines provided 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).

VISION, PURPOSE OF THE AVA, SHORT TERM AND LONG TERM OBJECTIVES

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

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

This leadership means enhancing the health and welfare of Australian animals, while delivering value (in the form of veterinary science, information, advocacy, innovation) that is critical to the success of animal industries.

The strategic priorities of the Company are:

1. Improving animal welfare
2. Planning an effective veterinary workforce
3. Ensuring economic sustainability
4. Better regulation
5. Fighting antimicrobial resistance

STRATEGIES

To achieve these objectives and priorities in 2016 and the years through to 2021 the Company will undertake a range of strategies within a new strategic plan in the fields of Leadership, Membership, Knowledge and Development of a strong organisation. Throughout 2015 the board have been developing this new Strategic Plan.

Among the projects already planned or underway as part of this new Strategic Plan are:

1. an advocacy program for 2016 to address specific welfare issues
2. a National Graduate Mentoring Program
3. significant transformation of our online presence and supporting member systems
4. development of a comprehensive veterinary professional development strategy

KEY PERFORMANCE MEASURES

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

A key benchmark in assessing the financial stability of the parent company has been attainment of the Company's approved annual budget in the following manner. The Board has approved a (\$300,000) deficit budget for the year ended 31 December 2016 and a break even budget for the year ended 31 December 2015.

Financial Surplus/(Deficit) of Parent Company

2015

Actual: \$15,748

Benchmark: \$0

2014

Actual: \$52,295

Benchmark: (\$250,000)

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 2015 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 2015

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 2015 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

ROBERT JOHNSON

BVSc MANZCVS (Feline) CertZooMed BA

AVA Director since 2014. President Unusual Pet and Avian 2009-2015. Policy Councillor UEP/UPAV 2005-2014. Chair,

Policy Advisory Council 2015. Treasurer Feline Chapter ANZCVS 2010 to 2015. Australian/New Zealand representative to the International Committee of the Association of Reptile and Amphibian Veterinarians (ARAV) 2012 – 2015. Lecturer, James Cook University, School of Veterinary and Biomedical Sciences 2006-present. Member of two animal ethics committees 1998-2005. Clinical Veterinarian Taronga Conservation Society Australia 2005-2012. Principal/partner Springwood Veterinary Clinic 1983-2003; South Penrith Veterinary Clinic 2003-present. AVA member since 1977.

CHRISTOPHER REARDON

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

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

SUSAN BEETSON

BSc (Hons), PhD

AVA Director since May 2012. AVA Treasurer 2013 – present. Meritorious Service Award 2014. Treasurer AVA Western Australia 2004-2006. Convenor Bain-Fallon Equine Conference 2007. Treasurer EVA 2008-2011. Financial control of Bain Fallon Conference 2008- 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 since 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. Member various Animal Ethics Committees.

MALCOLM MCLENNAN

BVSc, MSc, MVSc, MANZCVSc, GCEd, MAICD, FAVA

AVA member since 1964. AVA Director 2002 -2004 and re-elected Director in May 2013. Queensland Division President 2001-2002 and South-east Queensland Branch President 1999-2001 and 2011-2013. Coordinator, AVA Education Day at annual Conference from 2003-2009 and 2011-2015. 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, 2008-2015 and NVE Board member 2008-2015. Honorary Historian, Queensland Division, AVA, 2006 -2015.

ROBERT A BONANNO

BVSc (Hons)

AVA Director since 2014. ACV Committee member (2007-2010), ACV President 2010-2011, 2011-2012, ACV state representative (VIC) 2005-2006, Member of the AVA since 2001. ACV nominee to EU-FMD (Nepal 2013), Director Sheppvets P/L since 2001-2015. Currently Director Animal Health, Welfare and Biosecurity Fonterra IFV Beijing PRChina.

JAMES GILKERSON

BVSc, BSc (Vet) Hons, PhD

AVA member since 1995. AVA Director since 2014. Meritorious service award 2007, AVA President's Award 2008, Fellow of the AVA 2009. Member of Equine Veterinarians Australia executive committee 2001 to 2008. Member of Victorian Division committee 2002 to 2006. Member of Victorian Central branch committee 2010 to present. President Victorian Division 2005/6. President EVA 2007/8. Currently Professor of Veterinary Microbiology at the University of Melbourne.

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. 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.

BEN GARDINER

BVSc

AVA Director from May 2008. AVA Treasurer 2009-2012, AVA National President 2012-2014. AVA branch and ACV executive positions since 1989 including ACV President 2003-2004. Elected member local government 1995-1999. AVA member from 1982.

JULIA CRAWFORD

BVSc

AVA Director since May 2015. Meritorious Service Award 2015. NSW Division President 2012. NSW Division Treasurer 2009-2011, Chair National Industry Advisory Group for Veterinary Nursing 2013-2016. Principal/ Partner Bondi Junction Veterinary Hospital. AVA member since 1996

PAULA PARKER

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

AVA Director since May 2015. AVA Gippsland Branch President 2011-2015. AVA Student Member from 2004 - 2009. AVA Full Member from 2009.

MEETINGS OF DIRECTORS

During the financial year, 9 meetings of Directors were held. Attendances were:

	NO. ELIGIBLE TO ATTEND	NO. ATTENDED
DR ROBERT JOHNSON	9	8
DR CHRISTOPHER REARDON	9	9
DR SUE BEETSON	9	9
DR JULIA NICHOLLS	9	9
DR MALCOLM MCLENNAN	9	9
DR ROBERT BONANNO	9	8
DR JAMES GILKERSON	9	9
DR DAVID NECK	5	5
DR BEN GARDINER	5	5
DR JULIA CRAWFORD	4	4
DR PAULA PARKER	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 2015, the total amount that members of the Company are liable to contribute if the Company is wound up is \$430,300 (2014: \$401,000).

INSURANCE FOR COMPANY OFFICERS

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

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 2015.

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 34.

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



S Beetson

DIRECTOR AND HONORARY TREASURER



R Johnson

DIRECTOR AND PRESIDENT

Dated at Sydney 8th day of April 2016



FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015	Notes	2015 \$	2014 \$
Revenue from ordinary activities	3	11,967,213	12,979,361
Gain from non operating activities	3	26,588	30,314
TOTAL REVENUE		11,993,801	13,009,675
Service expenses		(860,206)	(913,007)
Sponsorship, marketing and promotions expenses		(181,902)	(175,936)
Conferences and continuing education expenses		(4,106,862)	(4,614,177)
Communications and publications expenses		(1,634,280)	(1,600,307)
Occupancy expenses		(321,960)	(267,367)
Policy and advocacy expenses		(501,929)	(457,394)
Administration expenses		(3,661,632)	(3,568,804)
Other operating expenses		(716,303)	(643,856)
SURPLUS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		8,727	768,827
Income tax expense relating to ordinary activities	1(b)	-	-
SURPLUS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE	12	8,727	768,827
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealised (loss)/gain on available-for-sale financial assets and property	13	(35,273)	8,075
Reversal of unrealised (loss)/gain on available-for-sale financial assets in prior year which were realised this year	13	(9,756)	9,028
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME		(45,029)	17,103
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(36,302)	785,930

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015	Notes	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	15	4,511,123	4,299,977
Financial assets	7	1,518,784	2,177,035
Trade and other receivables	5	500,025	775,683
Inventories		54,533	27,580
Other current assets	6	633,673	472,947
TOTAL CURRENT ASSETS		7,218,138	7,753,222
NON-CURRENT ASSETS			
Financial assets	7	2,964,925	2,812,467
Property and equipment	8	5,041,436	5,090,470
TOTAL NON-CURRENT ASSETS		8,006,361	7,902,937
TOTAL ASSETS		15,224,499	15,656,159
CURRENT LIABILITIES			
Trade and other payables	9	825,566	1,177,828
Other liabilities	10	2,466,864	2,531,235
Provisions	11	339,515	356,924
TOTAL CURRENT LIABILITIES		3,631,945	4,065,987
NON-CURRENT LIABILITIES			
Provisions	11	273,906	235,222
TOTAL NON-CURRENT LIABILITIES		273,906	235,222
TOTAL LIABILITIES		3,905,851	4,301,209
NET ASSETS		11,318,648	11,354,950
EQUITY			
Retained earnings	12	6,974,267	6,959,940
Reserves	13	4,344,381	4,395,010
TOTAL EQUITY		11,318,648	11,354,950

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 31 DECEMBER 2015	Retained earnings	Asset revaluation reserve	Capital profits reserve	Total
	\$	\$	\$	\$
BALANCE AT 1 JANUARY 2014	6,185,513	754,952	3,628,555	10,569,020
TOTAL COMPREHENSIVE INCOME:				
Surplus from operating activities	768,827	-	-	768,827
Other comprehensive income				
Change in fair value of available-for-sale financial assets	-	17,103	-	17,103
TOTAL COMPREHENSIVE INCOME	768,827	17,103	-	785,930
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	5,600	(5,600)	-	-
BALANCE AT 31 DECEMBER 2014	6,959,940	766,455	3,628,555	11,354,950
TOTAL COMPREHENSIVE INCOME/(LOSS):				
Surplus from operating activities	8,727	-	-	8,727
Other comprehensive income/(loss)				
Change in fair value of available-for-sale financial assets and property	-	(45,029)	-	(45,029)
TOTAL COMPREHENSIVE INCOME/(LOSS)	8,727	(45,029)	-	(36,302)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	5,600	(5,600)	-	-
BALANCE AT 31 DECEMBER 2015	6,974,267	715,826	3,628,555	11,318,648

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015	Note	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members' subscriptions		4,024,454	3,982,351
Receipts from other ordinary activities		9,018,183	9,817,626
Payments to suppliers and employees		(12,968,508)	(12,542,808)
Net payments to Australian Taxation Office for GST		(476,164)	(455,324)
Investment income received		176,117	158,254
Interest received		146,436	192,560
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		(79,482)	1,152,659
CASH FLOW USED IN INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale financial assets		226,523	203,226
Payments for purchases of available-for-sale financial assets		(369,795)	(274,107)
Net investments of short-term placements		658,251	2,104,449
Payments for purchases of property and equipment		(224,351)	(186,503)
NET CASH PROVIDED BY INVESTING ACTIVITIES		290,628	1,847,065
Net increase in cash held		211,146	2,999,724
Cash and cash equivalents at the beginning of the financial year		4,299,977	1,300,253
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15	4,511,123	4,299,977

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

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 *Australian Accounting Standards Board (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. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2.

BASIS OF PREPARATION

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

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

The financial statements except for the cash flow information, have been prepared on an accrual basis and

are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements were authorised for issue on 8 April 2016.

ACCOUNTING POLICIES

(A) PRINCIPLES OF CONSOLIDATION

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

The controlled entities are:

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

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

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

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

(B) INCOME TAX

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

(C) INVENTORIES

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

(D) PROPERTY AND EQUIPMENT

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Company to have an independent valuation every three years, with annual appraisals being made by the Directors. Independent valuations of all properties as at 31 December 2014 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 an expected life of 40 years, consistent with *AASB 116 – Property, Plant and Equipment*.

Office Furniture, Fittings and Equipment

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

The carrying amounts of office furniture, fittings and equipment are reviewed annually by Directors to ensure they are not in excess of the recoverable amount from

those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

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

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

CLASS OF DEPRECIABLE ASSET	DEPRECIATION RATE
BUILDINGS	2.5%
OFFICE FURNITURE AND FITTINGS	5-10%
EQUIPMENT	25-33%
LEASEHOLD IMPROVEMENTS	10%

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

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

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

Impairment of Assets

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

(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; and
- 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 profit or loss and other comprehensive income.

(F) EMPLOYEE BENEFITS

Short-term Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees

render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Other long-term employee benefits

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

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

(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 conferences and events.
- Advertising revenue for the publishing activity of the Company is recognised when the particular article is due to be published.
- Dividend and distribution revenue are recognised when the right to receive the income has been established.

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

(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) FAIR VALUE OF ASSETS AND LIABILITIES

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market

values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

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

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

(O) 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 2015 there are no impairments.

NOTE 2. PARENT ENTITY DISCLOSURES

In accordance with the *Corporations Amendment (Corporate Reporting Reform) Act 2010* and the *Corporations Act 2001* the following summarised parent entity information is set out below. As at, and throughout, the financial year ended 31 December 2015 the parent company was The Australian Veterinary Association Limited.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

2015

2014

\$

\$

NOTE 2. PARENT ENTITY DISCLOSURES PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME OF THE PARENT ENTITY:

REVENUE

OPERATING ACTIVITIES

- Subscriptions	3,658,594	3,620,319
- Affinity commissions	1,010,101	1,073,611
- Interest	133,405	184,566
- Investment income	174,447	157,255
- Rental income	25,305	25,305
- Other revenue (incl. conferences and publications)	6,876,174	7,128,566
	11,878,026	12,189,622

Non operating activities

- Gain on disposal of investments	26,588	30,314
TOTAL REVENUE	11,904,614	12,219,936

EXPENSES

Service expenses	860,206	923,007
Sponsorship, marketing and promotions expenses	181,902	175,936
Conferences and continuing education expenses	4,106,862	4,614,177
Communications and publications expenses	1,634,280	1,600,307
Occupancy expenses	321,960	267,367
Policy and advocacy expenses	501,929	457,394
Administration expenses	3,565,424	3,485,598
Other operating expenses	716,303	643,855
TOTAL EXPENSES	11,888,866	12,167,641

SURPLUS FOR THE YEAR

15,748

52,295

OTHER COMPREHENSIVE (LOSS)/INCOME

Unrealised (loss)/gain on available-for-sale financial assets and property	(35,273)	8,075
Reversal of unrealised (loss)/gain on available-for-sale financial asset in prior year which were realised this year	(9,756)	9,028
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME	(45,029)	17,103

TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR

(29,281)

69,398

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

2015

2014

\$

\$

NOTE 2. PARENT ENTITY DISCLOSURES (CONTINUED) FINANCIAL POSITION OF THE PARENT ENTITY:

Current assets	5,653,726	6,298,846
Total assets	13,660,087	14,201,783
Current liabilities	3,892,805	4,454,299
Total liabilities	4,166,711	4,689,125
NET ASSETS	9,493,376	9,512,658

TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF:

Issued Capital		
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	715,826	766,455
Retained earnings	5,148,995	5,117,648
TOTAL EQUITY	9,493,376	9,512,658

NOTE 3. REVENUE FROM ORDINARY ACTIVITIES

OPERATING ACTIVITIES

- Subscriptions	3,658,594	3,620,319
- Affinity commissions	1,010,101	1,073,611
- Interest	160,843	184,566
- Investment income	174,447	157,255
- Rental income	25,305	25,305
- Other revenue (incl. conferences and publications)	6,937,923	7,918,305
	11,967,213	12,979,361

NON OPERATING ACTIVITIES

- Gain on disposal of investments	26,588	30,314
TOTAL REVENUE	11,993,801	13,009,675

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

2015

2014

\$

\$

NOTE 4. PROFIT FROM ORDINARY ACTIVITIES. PROFIT FROM ORDINARY ACTIVITIES HAS BEEN DETERMINED AFTER:

EXPENSES

Depreciation and amortisation	252,804	251,134
Provision for employee entitlements	26,802	42,476

NOTE 5. TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	393,142	570,966
Other receivables	106,883	204,717
	500,025	775,683

NOTE 6. OTHER CURRENT ASSETS

CURRENT

Prepayments	633,673	472,947
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NOTE 7. FINANCIAL ASSETS

CURRENT

Short-term placements	1,518,784	2,177,035
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NON-CURRENT

Available-for-sale		
Managed funds	1,015,043	1,041,956
Listed shares	1,949,882	1,770,511
	2,964,925	2,812,467
	4,483,709	4,989,502

NOTE 8. PROPERTY AND EQUIPMENT

LAND AND BUILDINGS

Freehold land at:

- Independent valuation (2014)	751,189	751,189
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Buildings at:

- Independent valuation (2014)	4,038,811	4,038,811
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Less accumulated depreciation	(107,211)	-
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	4,682,789	4,790,000
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

2015

2014

\$

\$

NOTE 8. PROPERTY AND EQUIPMENT (CONTINUED)

Office furniture and equipment at cost	1,889,573	1,685,617
Less accumulated depreciation	(1,530,926)	(1,385,147)
	358,647	300,470
TOTAL PROPERTY AND EQUIPMENT	5,041,436	5,090,470

A) MOVEMENTS IN CARRYING AMOUNTS

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

	Freehold Land \$	Buildings \$	Office furniture and equipment \$	Total \$
BALANCE AT 1 JANUARY 2014	751,189	4,067,855	372,998	5,192,042
Additions	-	93,991	75,743	169,734
Revaluation decrements	-	(20,172)	-	(20,172)
Depreciation	-	(102,863)	(148,271)	(251,134)
CARRYING AMOUNT AT 31 DECEMBER 2014	751,189	4,038,811	300,470	5,090,470
BALANCE AT 1 JANUARY 2015	751,189	4,038,811	300,470	5,090,470
Additions	-	-	203,770	203,770
Depreciation	-	(107,211)	(145,593)	(252,804)
CARRYING AMOUNT AT 31 DECEMBER 2015	751,189	3,931,600	358,647	5,041,436

Independent valuations of all land and buildings were carried out in December 2014 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 2014 and do not believe there has been a significant change in the assumptions at 31 December 2015. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2015.

2015

2014

\$

\$

NOTE 9. TRADE AND OTHER PAYABLES

CURRENT

Sundry creditors	825,566	1,177,828
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

2015

2014

\$

\$

NOTE 10. OTHER LIABILITIES

CURRENT

Income received in advance		
Membership subscriptions	1,702,234	1,580,112
Annual conference income	644,252	767,861
Other income in advance	120,378	183,262
	2,466,864	2,531,235

NOTE 11. PROVISIONS

CURRENT

Employee benefits	339,515	356,924
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NON CURRENT

Employee benefits	273,906	235,222
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TOTAL

613,421

592,146

Number of employees at year end	55	57
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MOVEMENTS OF PROVISIONS:

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
OPENING BALANCE AT 1 JANUARY 2015	310,888	281,258	592,146
Additional provision raised during the year	258,069	42,917	300,986
Amounts used	(274,185)	(5,526)	(279,711)
BALANCE AT 31 DECEMBER 2015	294,772	318,649	613,421

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.

2015

2014

\$

\$

NOTE 12. RETAINED EARNINGS

BALANCE AT 1 JANUARY	6,959,940	6,185,513
Transfer of depreciation on appraisal of property to asset revaluation reserve	5,600	5,600
Surplus from operating activities	8,727	768,827
BALANCE AT 31 DECEMBER	6,974,267	6,959,940

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015	2015 \$	2014 \$
NOTE 13. RESERVES		
ASSET REVALUATION RESERVE		
Balance at 1 January	766,455	754,952
Other Comprehensive Income/(loss):		
Change in fair value of available-for-sale financial assets and property:		
- Unrealised (loss)/gain	(35,273)	8,075
- Reversal of unrealised (loss)/gain in prior year which were realised this year	(9,756)	9,028
	(45,029)	17,103
	721,426	772,055
Transfer of depreciation on appraisal of property from retained earnings	(5,600)	(5,600)
BALANCE AT 31 DECEMBER	715,826	766,455
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	4,344,381	4,395,010
NOTE 14. CAPITAL AND LEASING COMMITMENTS		
CAPITAL COMMITMENTS:		
As at 31 December 2015 the Economic Entity did not have any capital commitments.		
Payable – minimum lease payments:		
- not later than 1 year	99,770	101,721
- later than 1 year but not later than 5 years	44,924	53,275
	144,694	154,996
NOTE 15. CASH FLOW INFORMATION FOR CASH AND CASH EQUIVALENTS		
Cash on hand and cash in bank	1,458,672	886,668
Short term placements	3,052,451	3,413,309
	4,511,123	4,299,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

NOTE 16: 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 2015 the number of members was 8,606 (2014: 8,020).

	2015	2014
	\$	\$

NOTE 17. REMUNERATION OF THE AUDITOR

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

Audit of the financial statements	36,690	32,850
Other services	13,200	2,400
	49,890	35,250

NOTE 18. KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation	2,178,482	1,923,180
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NOTE 19: RELATED PARTIES

Directors: The names of persons who were Directors at any time during the year are set out in the "Directors' Report" on page 1.

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

During the year, interest paid to controlled entities amounted to \$27,198 (2014: \$31,515) and loans between controlled entities amounted to \$268,795 (2014: \$385,851).

There were no other transactions with related parties and directors.

NOTE 20: COMPANY DETAILS

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

Unit 40 , 6 Herbert Street St Leonards NSW 2065

NOTE 21: SUBSEQUENT EVENTS

No matters or circumstances have arisen since 31 December 2015 that significantly affected or may significantly affect:

- (a) The operations of the Economic Entity;
- (b) The results of those operation; or
- (c) The state of affairs of the Economic Entity in the financial years subsequent to 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2015

NOTE 22: FAIR VALUE MEASUREMENTS

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

	NOTES	2015 \$	2014 \$
RECURRING FAIR VALUE MEASUREMENTS			
FINANCIAL ASSETS			
Available-for-sale financial assets			
Managed funds	7	1,015,043	1,041,956
Listed shares	7	1,949,882	1,770,511
PROPERTY AND EQUIPMENT			
Freehold land	8	751,189	751,189
Buildings	8	3,931,600	4,038,811

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

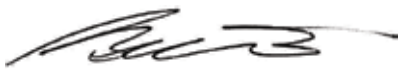
For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the previous year, which had used comparable market data for similar properties.

DIRECTORS' DECLARATION

THE DIRECTORS OF THE COMPANY DECLARE THAT:

1. the financial statements and notes as set out on pages 17-32, 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 2015 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



R Johnson
DIRECTOR AND PRESIDENT

Dated at Sydney this 8th day of April 2016

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of 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 2015, 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 Controlled Entities during the financial year.

Pitcher Partners

Scott Whiddett
Partner

Dated in Sydney, 8 April 2016.

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INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report to the Members of Australian Veterinary Association Limited

Report on the Financial Report

We have audited the accompanying financial report of Australian Veterinary Association Limited ("the Company") and its Controlled Entities ("the Consolidated Entity"), which comprises the statements of financial position as at 31 December 2015, 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 company's preparation of the financial report that gives a true and fair view 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 company'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.

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INDEPENDENT AUDITOR'S 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*.

Opinion

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

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 year ended 31 December 2015 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.

A handwritten signature in cursive script that reads "Pitcher Partners".

Pitcher Partners

A handwritten signature in cursive script that reads "Scott Whiddett".

Scott Whiddett
Partner

Dated in Sydney, 8 April 2016.





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2015 ANNUAL REPORT**

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