

2016 ANNUAL REPORT

THE AUSTRALIAN VETERINARY ASSOCIATION LTD



AVA
AUSTRALIAN VETERINARY
ASSOCIATION



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THE AVA BOARD



PRESIDENT
Dr Robert Johnson



TREASURER EVA NOMINEE
Dr Christopher Reardon



VICE PRESIDENT
Dr Sue Beetson



DIRECTOR
Dr Malcolm McLennan



DIRECTOR ACV NOMINEE
Dr Robert Bonanno



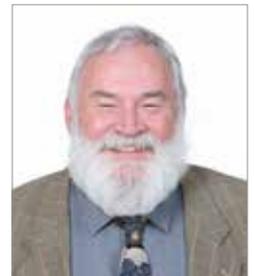
DIRECTOR
Professor James Gilkerson



DIRECTOR ASAVA NOMINEE
Dr Julia Crawford



DIRECTOR
Paula Parker



DIRECTOR
Dr Bob Doneley

CORPORATE SUPPORTERS

PLATINUM AFFINITY PARTNER



PLATINUM SUPPORTER



Transforming Lives™

GOLD EDUCATION SUPPORTER



GOLD FINANCE PARTNER



GOLD SUPPORTER



GOLD SUPPORTER



GOLD SUPPORTER



SILVER SUPPORTER



SILVER SUPPORTER



SILVER SUPPORTER



President's Report

It has been an exciting year for the AVA with the launch of our bold new strategy, and as the national president, it has been an honour to share our new strategic plan with the veterinary community and the public.

In our 2016-2021 strategy, we articulated the AVA's vision to be the health and welfare leader in Australia's animal industries. As veterinarians, we are compassionate and educated professionals who are committed to providing quality science based veterinary care to Australia's livestock industries, companion animals, wildlife and other animals. Through education, our profession takes the latest in scientific research and applies it in practice to ensure that animal health and welfare in Australia is of the highest standard.

EDUCATION

Education is a key priority for the AVA and a vital part of our new strategy, supporting the profession well into the future. It is always at the core of AVA activities. Every year, the AVA's continuing professional development (CPD) program delivers learning opportunities of the highest calibre through conferences, workshops, wet labs, field trips, roadshows, webinars and online learning. We are a profession that is driven by science and with veterinary medicine continuing to advance at a rapid pace, the AVA has remained focused on offering a diverse and comprehensive CPD program that meets the needs of every veterinary practitioner regardless of area of interest, geographic location or career stage.

In 2016, the AVA delivered 146 conferences, workshops, webinars and other CPD events. These are only made possible thanks to the enormous contribution of numerous volunteers and committee members of our special interest groups and divisions. For 2017, we have introduced a CPD Handbook for our members that has all the activities for the year delivering another expansive and quality CPD program. The online VetEd Library also had a face lift this year ensuring our members can access leading-edge scientific content easily. It gives members access to all major AVA publications, international journals and conference proceedings in the one place, with an average of 35,151 searches performed every month in 2016, indicating that's it's a well-utilised education service.

Educating our members about mental health was also a focus this year and we promoted a pilot program that delivers mental health workshops, tailored specifically for veterinarians and other practice staff. The two-day course has been well-received this year with all five course dates achieving strong attendance. The program is now running twice in 2017.

MENTORING

Last year we launched a new national Graduate Mentoring Program giving first year graduates direct access to one-on-one advice during this critical career stage. The program also provides mentors with training

so that they also feel confident to guide their mentees through their first year in practice. The program had a strong start last year and 471 mentors and mentees were involved in the program at December 2016. It will be an important component of developing and sustaining satisfying professional careers for veterinarians into the future.

ANIMAL WELFARE

Animal welfare has moved into our list of five strategic priorities in our new strategy, reflecting a call from members for their association to be more proactive and visible in this area. In partnership with RSPCA, we started to roll out a campaign that raises awareness about the health and welfare issues caused by exaggerated features in certain dog breeds such as pugs and French bulldogs. Media coverage was high following the launch of the campaign and further campaign activities are planned for 2017.

We launched our federal election policy platform in May during the Annual Conference. We called for the Government to invest \$1.2 million each year to develop and maintain a new national framework for animal welfare and provide leadership to the states and territories to promote ongoing improvements in animal welfare standards.

On the topic of live export, we have continued to advocate that a truly independent veterinarian should be mandated on every live export shipment and, that for both animal welfare and economic reasons, pregnancy diagnosis should only be undertaken by registered PREgCHECK accredited veterinarians to ensure accuracy.

In NSW, the government's decision to shut down the greyhound racing industry was reversed. The AVA made public statements advocating for the health and welfare of the dogs involved in the industry and will continue to call for changes in 2017 that ensure that greyhound welfare is best practice in NSW and a model for other jurisdictions to follow.

In all of these issues we seek to ensure that the latest of science based views are brought forward to address welfare concerns.

PLANNING AN EFFECTIVE VETERINARY WORKFORCE

Our advocacy statement, *Australian veterinary workforce planning - essential for our future*, is the basis of our advocacy to governments, universities, and veterinary boards. In 2016, we met with Education Minister Simon Birmingham's advisors and called for better targeting of investment in veterinary education.

In our federal election policy platform we highlighted key concerns around the need for a veterinary student loading equivalent to a medical student loading and limiting increases in veterinary degree student fees.

FIGHTING ANTIMICROBIAL RESISTANCE

We commenced a 12-month antimicrobial stewardship pilot trial in Canberra with 70 participating veterinarians across 15 practices. The stewardship pilot trial is a first step towards understanding how companion animal clinicians might improve or demonstrate their responsible approach to prescribing antibiotics with results to be released in 2017.

In 2016, we commenced a major project with Animal Medicines Australia to develop best practice antibiotic prescribing guidelines for horses and the main livestock species. This three-year project will continue in 2017.

ENSURING ECONOMIC SUSTAINABILITY

In one submission to the Productivity Commission, the AVA advocated for more vets on farms to increase rural practice sustainability. In another separate submission, the AVA highlights the need for the Government to focus its efforts on finding ways to engage more vets in the government sector. This will help fill an important gap within the workforce and increase our protection against biosecurity threats.

BETTER REGULATION

In 2016 we developed a policy on restricted acts of veterinary science. The Victorian Government is conducting a review on animal welfare in the state. The Victorian Division has met with ministers and provided input into the review advocating for acts of veterinary science to be restricted to those who have a veterinary degree on the grounds of better animal health and welfare outcomes. This advocacy work will continue in 2017.

In terms of achievements, the numbers speak for themselves. In 2016, total membership has grown by 5%; we've held 146 CPD events; 322 AVA members played an active voluntary role on committees, working groups, task forces and on the board.

Total revenue reached \$11.899m sustaining 2015 levels. AVA net worth remains strong and stable at \$9.2m. You can read more about our financial achievements in the Treasurer's Report.

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 2016

5%
INCREASE ON 2015

9,273



Total membership, including veterinarians, students and associate members

3,176



Student members as at 30 June 2016

6,153



Veterinarian members as at 30 June 2016

92%



Member retention rate for 2016

\$11,899,190



Total revenue for the year ending 31 December 2016

\$9,232,726



Net assets as at 31 December 2016

776



Delegates attended the 2016 AVA National Conference in Adelaide

146



Conferences, seminars, workshops and webinars held during 2016

4,104



Veterinarians participated in AVA continuing education activities

92%



Board members, attendance at meetings in 2016

322



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

57



Paid staff provided support and services. The equivalent of 41.6 full time staff

471



Total mentors and mentees engaged in the mentoring program as at 31 December 2016

2016 Award Recipients

Congratulations to the AVA's 2016 award recipients

PRESIDENT'S AWARD

> Dr Stephen Page

KESTEVEN MEDAL

> Dr Joanne Meers

GILRUTH PRIZE

> Professor Mary Barton

FELLOWSHIP

> Dr Ben Gardiner

> Dr Kersti Seksel

MERITORIOUS SERVICE AWARDS

> Dr Alan Guilfoyle

> Adjunct Professor Philip A Moses

> Dr Matthew (David) Petersen

> Dr Christine Smith

> Dr Philip Stott

> Katharine Haines

> Dr Sandra Baxendell

DON KERR STUDENT AWARD

> Dr Lucy Collins

HONORARY MEMBER

> Elizabeth Lightfoot

PRACTICES OF EXCELLENCE AWARD

> Wilston Vet – small animals

> Gisborne Veterinary Clinic – mixed/large animals



Treasurer's Report

OPERATING RESULT

The 2016 consolidated operating result for AVA was a deficit of \$265,493 of which the parent entity operating result was a deficit of \$279,757. The AVA parent entity result also provided a positive variance of \$20,243 to the approved annual budget result of a deficit of \$300,000. The result continues to be in accordance with Board approved budget targets and achieved at a time of some softness 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 \$246,386. The comprehensive result for the AVA parent entity alone was a deficit of \$260,650.

The main features of the AVA financial year ended 31 December 2016 were:

- > total revenue was sustained at levels near \$12.0m. This level of revenue reflects an increase of 23% in total revenue since 2010;
- > continued strong financial management and budget adherence of the 80 groups within the AVA with some very strong conference results;
- > expenditure on the core activities of veterinary conferencing and publications amounted to \$5.0m in direct costs (excluding other costs such as staff costs which relate to these core activities);
- > membership subscription income was reported at \$3.90m, an increase of 6% over 2015. The rate of growth in this item of income is based on increases in membership numbers not rises in fee levels;
- > the years result overall result was achieved not withstanding that some income lines (including member services and advertising revenue) did not meet forecast budget targets;



- > the 2016 result accommodated the conduct of the AVA branding project and the implementation of SAP Business One as the AVAs new financial management system;
- > AVA conferences continue to achieve rates of return on expenses (excluding salary costs) of over 50% (often based on sound management of costs per delegate; and
- > the value of the AVA investment portfolio with Macquarie Bank grew by 6.2% during the course of 2016.

This difference between the consolidated result and that of the AVA as the parent entity alone draws attention to 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 2016 held total assets of \$15.593m and net assets of \$11.072m, with the parent entity holding net assets of \$9.232m and a secure current ratio of 1.3.

INVESTMENT PERFORMANCE

As at the end of 2016, AVA held financial investments in the form of managed funds (\$1.020m), equities (\$2.034m) and term deposits (\$5.010m). The managed funds and equities balances rose by \$202,000 (6.2%) reflecting a year of consolidation and improvement 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 2.6% at 31 December 2016. The interest rates available for AVA funds have stabilised at historically low levels. 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 2016, 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 \$5.128m as at 31 December 2016. The last update of property valuations was obtained as at 31 December 2014 and further valuations will be obtained at the conclusion of the 2017 year.

There are no current Board resolutions committing to any new property acquisitions. The Board is however preparing a Property Strategy to guide the AVA in its future property

ownership and management decisions. It is expected this strategy will be finalised in the course of 2017. During 2016, the AVA undertook the implementation of SAP Business One as its financial management system. This system now provides the AVA with a modern financial management system able to provide considerable new information and insight in to the AVA's business. SAP Business One went live in the early days of January 2017. Capital expenditure incurred in 2016 in relation to the implementation of SAP Business One amounted to \$270,000, slightly under the amount budgeted for the project in that year. The implementation of SAP Business One was reviewed by our auditors as part of their audit and no issues of concern were reported to the Board. There have been no other capital investments or expenses of any material amount in 2016.

In 2017, the AVA intends to commit to a digital transformation project which will provide a new way forward for the way in which members and stakeholders deal with the AVA. The project will involve a new membership system and website. During 2016 the AVA has undertaken a long process of reviewing its requirements, preparing a specification and delivering requests for proposal to market. The process has continued in early 2017 after evaluation of replies and selection of a preferred solution.

THE FINANCE COMMITTEE

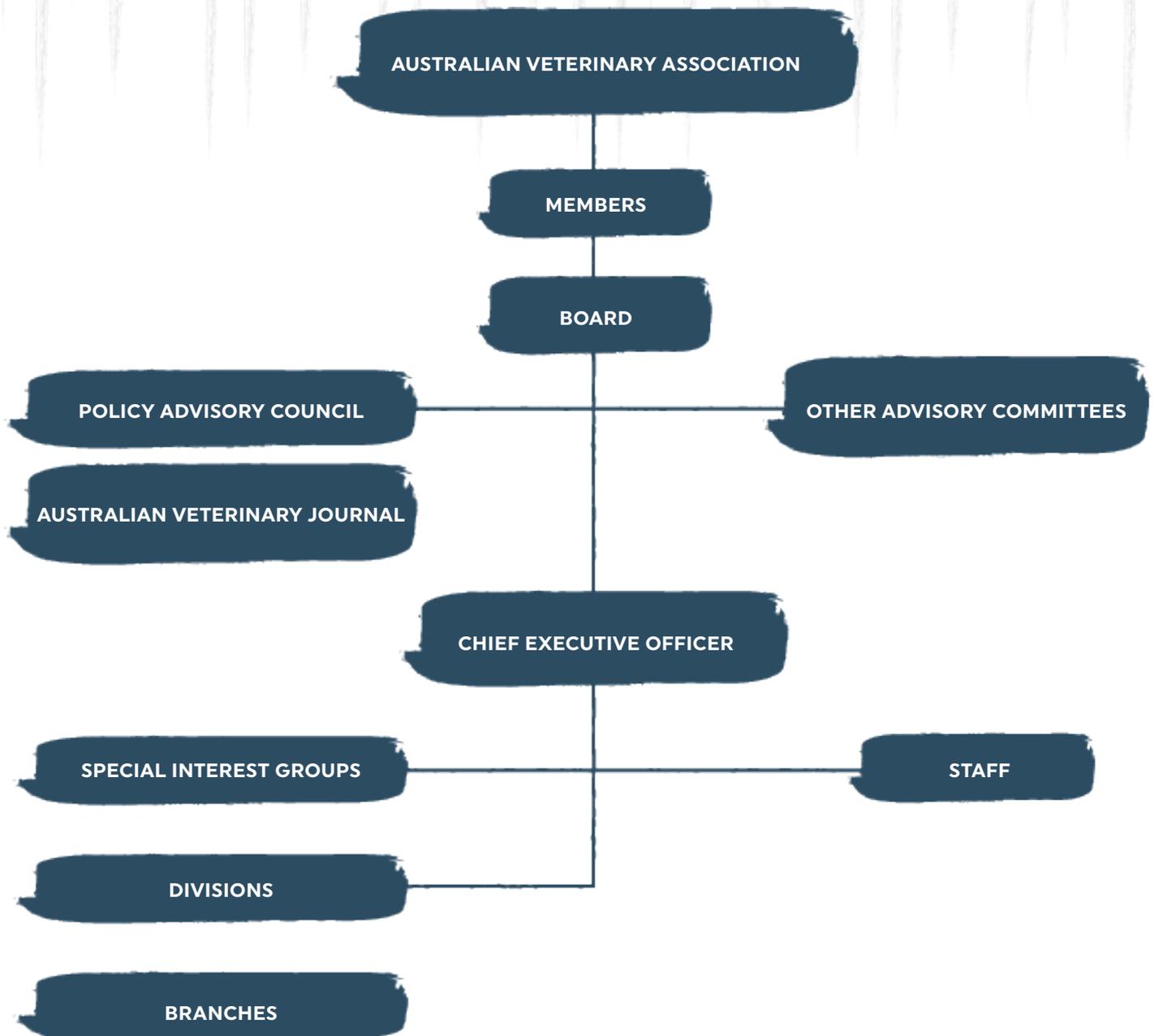
The Finance Committee is a subcommittee of the Board and meets either face to face (or through teleconference). In total the Committee met on 7 occasions during 2016. Members this year were Sue Beeton, Robert Johnson, James Gilkerson, Rob Bonanno and Paula Parker. In the operations of the Committee the 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.

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

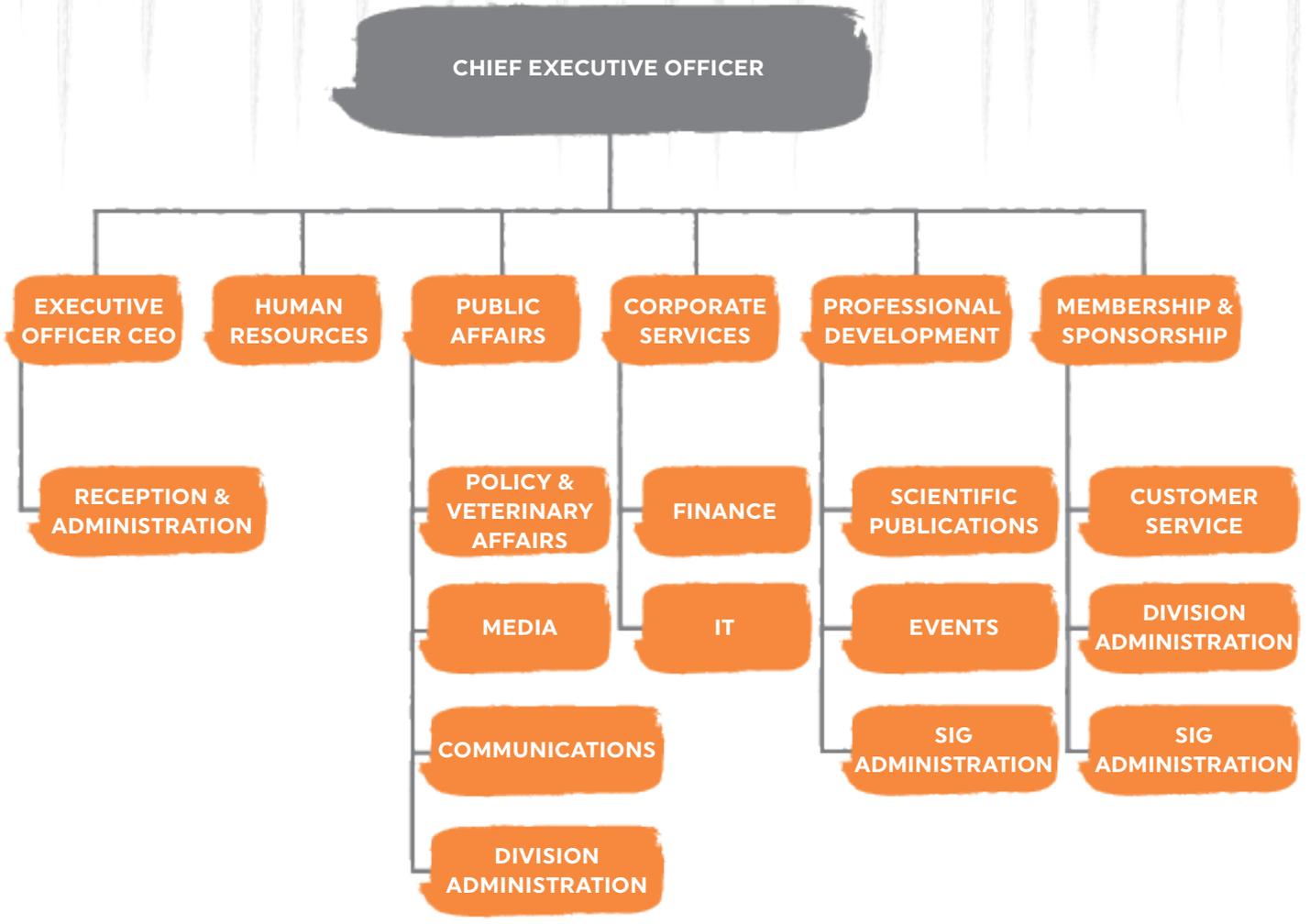
The sound financial result and underlying financial strength of the AVA could not have been achieved without the contributions from the executive officers, other staff and the many members who volunteer their time as Honorary Treasurers, conference and meeting organisers.

Dr Chris Reardon, Treasurer

Organisational Report



Staff Structure



Directors' Report

The Directors of The Australian Veterinary Association Limited ("The Company") present their report together with the financial statements of The Australian Veterinary Association Limited and Controlled Entities ("Economic Entity") for the financial year ended 31 December 2016.

DIRECTORS

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

- > Robert Johnson
- > Susan Beetson
- > Christopher Reardon
- > Malcolm McLennan
- > Robert Bonanno
- > James Gilkerson
- > Julia Crawford
- > Paula Parker
- > Robert Doneley (Appointed May 2016)
- > Julia Nicholls (Terminated May 2016)

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 2016 AVA National Conference in Adelaide;
- > conduct of the 43rd Annual ASAVA Conference "Dermatology, Anaesthesia and Surgery" on the Gold Coast;
- > conduct of the 38th Bain Fallon Memorial Lectures for EVA "Surgery, Ultrasonography and Regenerative Medicine" in Melbourne
- > conduct of the Australian Cattle Veterinarians Conference "Deja Moo" in Alice Springs
- > conduct of the Australian and Sheep Veterinarians Conference in Dubbo

- > conduct of the AVAPM conference "Bridging the Gap" in Sydney;
- > conduct of the Australian Reproductive Veterinarians Conference "Canine Reproduction and Microscopes"
- > conduct of the 2016 Combined Conference for Unusual Pet and Avian Veterinarians
- > the presentation of a large number of 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 and contributing to informed debate on issues within the areas of scientific and professional importance ; and
- > developing technical scientific 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 deficit from operations for the year was (\$265,493), (2015: consolidated surplus \$8,727).

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, 22 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).

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

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

STRATEGIES

To achieve these objectives and priorities in 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.

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

1. Significant Transformation of our online presence and supporting member systems
2. Development of a comprehensive veterinary professional development strategy
3. Implementation of the new AVA Brand
4. Review of print publications



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 (Deficit)/Surplus of Parent Company

2016		2015	
Actual	Benchmark	Actual	Benchmark
(\$279,757)	(\$300,000)	\$15,748	\$0

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 31 December 2016 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 2016.

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 2016, 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 Veterinarians SIG (UPAV) 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.

Susan Beetson

BSc (Hons), PhD

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

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.

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 2003-2017. Adjunct Senior Lecturer UQ from 2011 to present. Chief Clinical Examiner, National Veterinary Exam (NVE) for overseas veterinarians from 2010 to present and NVE Board member, 2008 to present. 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. Director Animal Health, Welfare and Biosecurity Fonterra IFV Beijing PRChina 2015-2016. Head Veterinarian and Herd Health Manager Coomboona Dairies Op Co #1, Coomboona. Victoria. Australia 2017.

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.

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.

Robert JT Doneley

BVSc FANZCVS

AVA member since 1978. AVA Board Director since 2016. Executive committee member Unusual Pets and Avian Veterinarians since 2014. Executive committee member

Unusual and Exotic Pets Veterinarians 2008-2014. Executive committee member Australian Avian Veterinary Medical Association 2005-2008. Board Director Association of Avian Veterinarian Australasian Committee since 2015. Secretary/ Treasurer Darling Down and South West Queensland Branch of the AVA 1989-1991, President 1991-19992. Member of the Australian Institute of Company Directors since 2016. Associate Professor, School of Veterinary Science, The University of Queensland.

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.

MEETINGS OF DIRECTORS

During the financial year, 8 meetings of Directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Dr Robert Johnson	8	8
Dr Susan Beetson	8	8
Dr Chris Reardon	8	7
Dr Malcolm McLennan	8	7
Dr Robert Bonanno	8	7
Dr James Gilkerson	8	6
Dr Julia Crawford	8	8
Dr Paula Parker	8	8
Dr Robert Doneley	5	4
Dr Julia Nicholls	3	3

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 2016, the total amount that members of the Company are liable to contribute if the Company is wound up is \$458,650 (2015: \$430,300).

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 2016.

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.



C Reardon, Director and Honorary Treasurer



R Johnson, Director and President

Dated at Sydney this 5th day of April 2017

Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016	Notes	2016 \$	2015 \$
Revenue from ordinary activities	3	11,923,748	11,967,213
Gain from non operating activities	3	66,347	26,588
Total revenue		11,990,095	11,993,801
Service expenses		(833,434)	(860,206)
Sponsorship, marketing and promotions expenses		(199,851)	(181,902)
Conferences and continuing education expenses		(3,994,661)	(4,106,862)
Communications and publications expenses		(1,649,822)	(1,634,280)
Occupancy expenses		(239,593)	(321,960)
Policy and advocacy expenses		(569,069)	(501,929)
Administration expenses		(4,111,026)	(3,661,632)
Other operating expenses		(658,132)	(716,303)
(Deficit)/Surplus from ordinary activities before income tax expense		(265,493)	8,727
Income tax expense relating to ordinary activities	1(b)	-	-
(Deficit)/Surplus from ordinary activities after income tax expense	12	(265,493)	8,727
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealised gain/(loss) on available-for-sale financial assets and property	13	87,350	(35,273)
Reversal of unrealised (loss) on available-for-sale financial assets in prior year which were realised this year	13	(68,243)	(9,756)
Total other comprehensive income/(loss)		19,107	(45,029)
Total comprehensive (loss) for the year		(246,386)	(36,302)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016	Notes	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	15	4,715,005	4,511,123
Financial assets	7	1,451,126	1,518,784
Trade and other receivables	5	727,702	500,025
Inventories		42,117	54,533
Other current assets	6	473,817	633,673
Total current assets		7,409,767	7,218,138
NON-CURRENT ASSETS			
Financial assets	7	3,055,192	2,964,925
Property and equipment	8	5,128,303	5,041,436
Total non-current assets		8,183,495	8,006,361
Total assets		15,593,262	15,224,499
CURRENT LIABILITIES			
Trade and other payables	9	1,135,924	825,566
Other liabilities	10	2,720,904	2,466,864
Provisions	11	366,056	339,515
Total current liabilities		4,222,884	3,631,945
NON-CURRENT LIABILITIES			
Provisions	11	298,116	273,906
Total non-current liabilities		298,116	273,906
Total liabilities		4,521,000	3,905,851
Net assets		11,072,262	11,318,648
EQUITY			
Retained earnings	12	6,714,374	6,974,267
Reserves	13	4,357,888	4,344,381
Total equity		11,072,262	11,318,648

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 31 DECEMBER 2016	Retained Earnings	Asset Revaluation Reserve	Capital Profits Reserve	Total
	\$	\$	\$	\$
BALANCE AT 1 JANUARY 2015	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				
Change in fair value of available-for-sale financial assets	-	(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
TOTAL COMPREHENSIVE INCOME/(LOSS):				
Deficit from operating activities	(265,493)	-	-	(265,493)
Other comprehensive income/(loss)				
Change in fair value of available-for-sale financial assets and property	-	19,107	-	19,107
Total comprehensive income/(loss)	(265,493)	19,107	-	(246,386)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	5,600	(5,600)	-	-
BALANCE AT 31 DECEMBER 2016	6,714,374	729,333	3,628,555	11,072,262

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016	Note	2016	2015
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members' subscriptions		4,261,693	4,024,454
Receipts from other ordinary activities		9,027,836	9,018,183
Payments to suppliers and employees		(12,524,717)	(12,968,508)
Net payments to Australian Taxation Office for GST		(550,440)	(476,164)
Investment income received		154,953	176,117
Interest received		110,213	146,436
Net cash provided by/(used in) operating activities		479,538	(79,482)
CASH FLOW USED IN INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale financial assets		601,513	226,523
Payments for purchases of available-for-sale financial assets		(592,527)	(369,795)
Net investments of short-term placements		67,658	658,251
Payments for purchases of property and equipment		(352,300)	(224,351)
Net cash (used in)/provided by investing activities		(275,656)	290,628
Net increase in cash held		203,882	211,146
Cash and cash equivalents at the beginning of the financial year		4,511,123	4,299,977
Cash and cash equivalents at end of the financial year	15	4,715,005	4,511,123

The accompanying notes form part of the financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2016

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 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 5 April 2017.

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 and 2017 which affirmed that there had been no substantial change in purpose of the Company since October 1981 and that the Company could continue as a tax exempt entity.

(C) INVENTORIES

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

(D) PROPERTY AND EQUIPMENT

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Company to have an independent valuation every three years, with annual appraisals being made by the Directors. Independent valuations of all properties as at 31 December 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 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 Australian corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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

(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 (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

(O) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Directors assess impairment at each reporting date by evaluating conditions specific to the Economic Entity that may lead to impairment of assets. Where an impairment trigger exists the recoverable amount of the assets is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. At 31 December 2016 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 2016 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 2016	2016	2015
	\$	\$
PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME OF THE PARENT ENTITY		
REVENUE		
Operating activities		
> Subscriptions	3,901,506	3,658,594
> Affinity commissions	993,337	1,010,101
> Interest	120,942	133,405
> Investment income	153,953	174,447
> Rental income	25,305	25,305
> Other revenue (incl. conferences and publications)	6,637,800	6,876,174
	11,832,843	11,878,026
Non operating activities		
> Gain on disposal of investments	66,347	26,588
Total revenue	11,899,190	11,904,614
EXPENSES		
Service expenses	833,434	860,206
Sponsorship, marketing and promotions expenses	199,851	181,902
Conferences and continuing education expenses	3,994,661	4,106,862
Communications and publications expenses	1,649,822	1,634,280
Occupancy expenses	239,592	321,960
Policy and advocacy expenses	569,069	501,929
Administration expenses	4,009,739	3,565,424
Other operating expenses	682,779	716,303
Total expenses	12,178,947	11,888,866
(Deficit)/Surplus for the year	(279,757)	15,748
OTHER COMPREHENSIVE (LOSS)/INCOME		
Unrealised gain/(loss) on available-for-sale financial assets and property	87,349	(35,273)
Reversal of unrealised (loss) on available-for-sale financial asset in prior year which were realised this year	(68,242)	(9,756)
Total other comprehensive income/(loss)	19,107	(45,029)
Total comprehensive (loss) for the year	(260,650)	(29,281)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2016	2016	2015
	\$	\$

NOTE 2. PARENT ENTITY DISCLOSURES

FINANCIAL POSITION OF THE PARENT ENTITY:

Current assets	5,815,263	5,653,726
Total assets	13,998,758	13,660,087
Current liabilities	4,467,916	3,892,805
Total liabilities	4,766,032	4,166,711
Net assets	9,232,726	9,493,376

TOTAL EQUITY OF THE PARENT ENTITY COMPRISING OF:

Issued capital	-	-
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	729,333	715,826
Retained earnings	4,874,838	5,148,995
Total equity	9,232,726	9,493,376

NOTE 3. REVENUE FROM ORDINARY ACTIVITIES

OPERATING ACTIVITIES

> Subscriptions	3,901,506	3,658,594
> Affinity commissions	993,337	1,010,101
> Interest	158,519	160,843
> Investment income	153,953	174,447
> Rental income	25,305	25,305
> Other revenue (incl. conferences and publications)	6,691,128	6,937,923
	11,923,748	11,967,213

NON OPERATING ACTIVITIES

> Gain on disposal of investments	66,347	26,588
Total revenue	11,990,095	11,993,801

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2016	2016	2015
	\$	\$
NOTE 4. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
EXPENSES		
Depreciation and amortisation	233,406	252,804
Provision for employee entitlements	74,725	26,802
NOTE 5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	586,278	393,142
Other receivables	141,424	106,883
	727,702	500,025
NOTE 6. OTHER CURRENT ASSETS		
CURRENT		
Prepayments	473,817	633,673
NOTE 7. FINANCIAL ASSETS		
CURRENT		
Short-term placements	1,451,126	1,518,784
NON-CURRENT		
Available-for-sale:		
Managed funds	1,020,559	1,015,043
Listed shares	2,034,633	1,949,882
	3,055,192	2,964,925
	4,506,318	4,483,709
NOTE 8. PROPERTY AND EQUIPMENT		
Land and buildings		
Freehold land at:		
> Independent valuation (2014)	751,189	751,189
Buildings at:		
> Independent valuation (2014)	4,038,811	4,038,811
Less accumulated depreciation	(205,601)	(107,211)
	4,584,399	4,682,789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2016	2016	2015
	\$	\$
NOTE 8. PROPERTY AND EQUIPMENT (CONTINUED)		
Office furniture and equipment at cost	2,209,846	1,889,573
Less accumulated depreciation	(1,665,942)	(1,530,926)
	543,904	358,647
Total property and equipment	5,128,303	5,041,436

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 2015	751,189	4,038,811	300,470	5,090,470
Additions	-	-	203,770	203,770
Revaluation decrements	-	-	-	-
Depreciation	-	(107,211)	(145,593)	(252,804)
Carrying amount at 31 December 2015	751,189	3,931,600	358,647	5,041,436
BALANCE AT 1 JANUARY 2016	751,189	3,931,600	358,647	5,041,436
Additions	-	-	320,273	320,273
Depreciation	-	(98,390)	(135,016)	(233,406)
Carrying amount at 31 December 2016	751,189	3,833,210	543,904	5,128,303

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 2016. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2016.

Included in the office furniture and equipment account is an amount of \$273,962 which relates to the year to date development costs of the new accounting system of the Company. At 31 December 2016, this new accounting system is not yet operational and is still in progress. The expected date of system implementation is 1 January 2017.

	2016	2015
	\$	\$
NOTE 9. TRADE AND OTHER PAYABLES		
CURRENT		
Sundry creditors	1,135,924	825,566
	1,135,924	825,566

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2016	2016	2015
	\$	\$
NOTE 10. OTHER LIABILITIES		
CURRENT		
Income received in advance:		
Membership subscriptions	1,729,473	1,702,234
Annual conference income	707,186	644,252
Other income in advance	284,245	120,378
	2,720,904	2,466,864

NOTE 11. PROVISIONS

CURRENT		
Employee benefits	366,056	339,515
NON CURRENT		
Employee benefits	298,116	273,906
Total	664,172	613,421
Number of employees at year end	57	55

MOVEMENTS OF PROVISIONS:	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Opening Balance at 1 January 2016	294,772	318,649	613,421
Additional provision raised during the year	281,492	58,431	339,923
Amounts used	(255,507)	(33,665)	(289,172)
Balance at 31 December 2016	320,757	343,415	664,172

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.

	2016	2015
	\$	\$
NOTE 12. RETAINED EARNINGS		
Balance at 1 January	6,974,267	6,959,940
Transfer of depreciation on appraisal of property to asset revaluation reserve	5,600	5,600
(Deficit)/Surplus from operating activities	(265,493)	8,727
Balance at 31 December 2016	6,714,374	6,974,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 2016	2016	2015
	\$	\$
NOTE 13. RESERVES		
ASSET REVALUATION RESERVE		
Balance at 1 January	715,826	766,455
Other comprehensive income/(loss):		
Change in fair value of available-for-sale financial assets and property:		
> Unrealised gain/(loss)	87,350	(35,273)
> Reversal of unrealised (loss) in prior year which were realised this year	(68,243)	(9,756)
	19,107	(45,029)
	734,933	721,426
Transfer of depreciation on appraisal of property from retained earnings	(5,600)	(5,600)
Balance at 31 December	729,333	715,826
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	4,357,888	4,344,381
NOTE 14. CAPITAL AND LEASING COMMITMENTS		
CAPITAL COMMITMENTS:		
As at 31 December 2016 the Economic Entity did not have any capital commitments.		
Payable – minimum lease payments:		
> Not later than 1 year	103,728	99,770
> Later than 1 year but not later than 5 years	71,219	44,924
	174,947	144,694
NOTE 15. CASH FLOW INFORMATION FOR CASH AND CASH EQUIVALENTS		
Cash on hand and cash in bank	1,491,017	1,458,672
Short term placements	3,223,988	3,052,451
	4,715,005	4,511,123

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 2016**

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 2016 the number of members was 9,173 (2015: 8,606).

	2016	2015
	\$	\$

NOTE 17. REMUNERATION OF THE AUDITOR

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

Audit of the financial statements	33,500	36,690
Other services	12,850	13,200
	46,350	49,890

NOTE 18. KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation	2,279,947	2,178,482
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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 12.

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 \$24,646 (2015: \$27,198) and loans between controlled entities amounted to \$252,966 (2015: \$268,795).

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 2016 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 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2016

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	2016 \$	2015 \$
RECURRING FAIR VALUE MEASUREMENTS			
FINANCIAL ASSETS			
Available-for-sale financial assets			
> Managed funds	7	1,020,559	1,015,043
> Listed shares	7	2,034,633	1,949,882
PROPERTY AND EQUIPMENT			
Freehold land	8	751,189	751,189
Buildings	8	3,833,210	3,931,600

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 years, 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 2016 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.



C Reardon, Director and Honorary Treasurer



R Johnson, Director and President

Dated at Sydney this 5th day of April 2017

Auditor's Independence Declaration



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

In relation to the independent audit for the year ended 31 December 2016, to the best of my knowledge and belief, there have been:

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

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

S M WHIDDETT
PARTNER

PITCHER PARTNERS
SYDNEY

5 April 2017

Independent Auditor's Report



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Veterinary Association Limited ("the Company") and its Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.



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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in cursive script, appearing to read 'S M Whiddett'.

S M WHIDDETT
PARTNER

A handwritten signature in cursive script, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS
SYDNEY

5 April 2017



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Edited and compiled by Emma Malcolm and John Robb

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