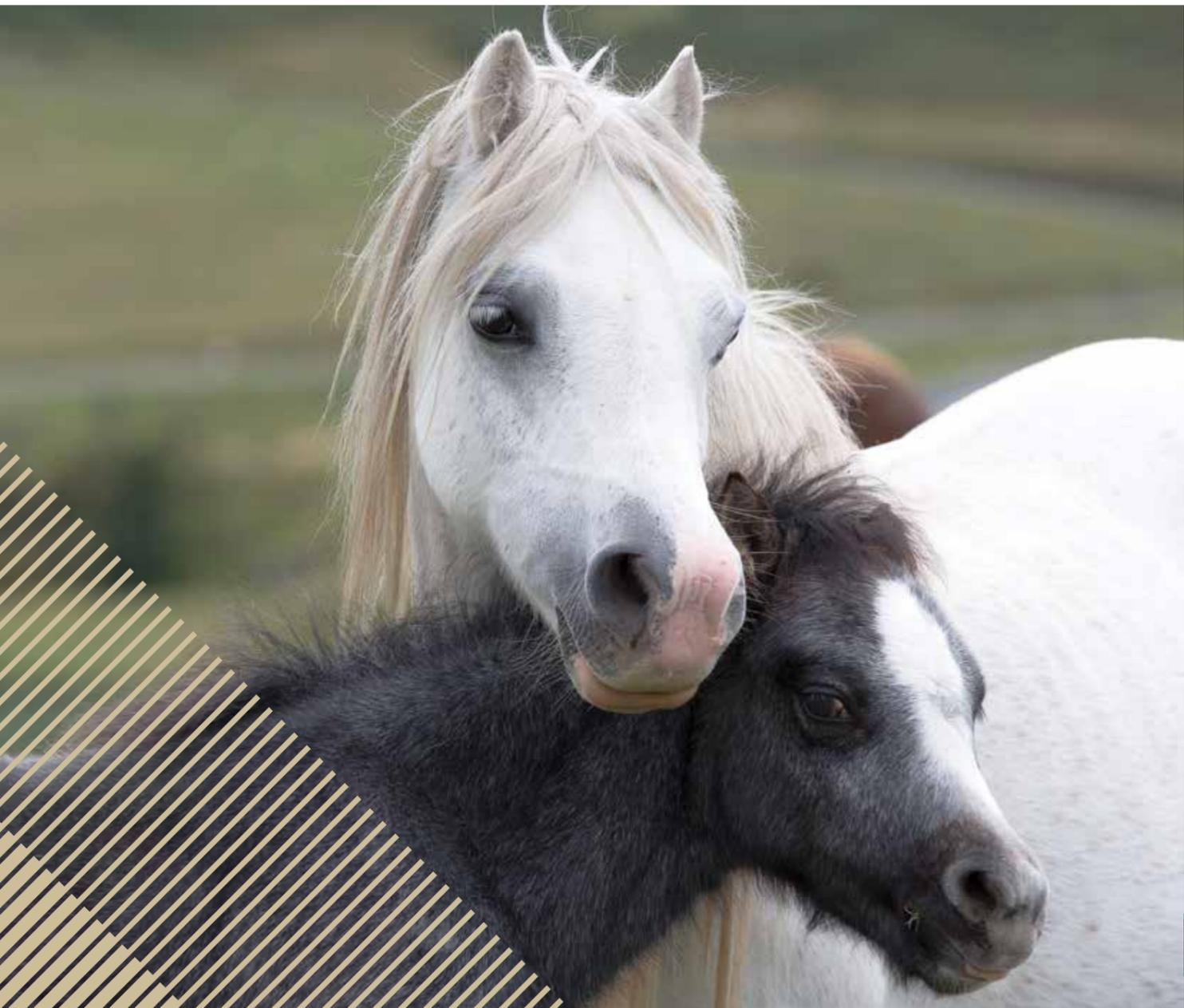


# 2017 Annual Report



# Contents

<b>3</b>	The AVA Board and Corporate Supporters	<b>19</b>	Statement of Financial Position
<b>4</b>	President's Report	<b>20</b>	Statement of Changes in Equity
<b>6</b>	CEO's Report	<b>21</b>	Statement of Cash Flows
<b>8</b>	Treasurer's Report	<b>22</b>	Notes to the Financial Statements
<b>10</b>	Organisational Chart	<b>36</b>	Director's Declaration
<b>11</b>	Staff Structure	<b>37</b>	Auditor's Independence Declaration
<b>12</b>	Director's Report	<b>38</b>	Independent Auditor's Report
<b>18</b>	Statement of Comprehensive Income		



# The AVA Board



**President**  
Dr Paula Parker



**Vice President**  
Dr Sue Beetson



**Treasurer, EVA Nominee**  
Dr Chris Reardon



**Director, ASAV Nominee**  
Dr Julia Crawford



**Director**  
Dr Robert Doneley



**Director**  
Dr Robert Johnson



**Director, ACV nominee**  
Dr Robert Bonanno



**Director**  
Dr Malcolm McLennan



**Director**  
Dr Ken Jacobs

## CORPORATE SUPPORTERS

Platinum Affinity Partner



Platinum Supporter



Gold Education Partner



Gold Finance Partner



Gold Supporters



Silver Supporter



# President's Report

**2017 HAS BEEN AN EXCITING AND EVENTFUL YEAR FOR THE AVA. NOT ONLY HAVE WE BEEN ACTIVELY SPEAKING ON BEHALF OF THE PROFESSION ON THE ISSUES THAT MATTER MOST, FROM ANIMAL WELFARE TO ANTIMICROBIAL RESISTANCE, WE HAVE ALSO BEEN WORKING TO IMPROVE THE WAY WE ENGAGE WITH OUR MEMBERS, NON-MEMBERS, INDUSTRY, GOVERNMENT AND THE PUBLIC THROUGH OUR DIGITAL TRANSFORMATION PROJECT.**

The digital transformation project is the epicentre of change for our organisation. The goal is to revolutionise the AVA's online presence to members and our wider stakeholder groups. The end of this process will be a two-website footprint – one facing our larger stakeholder groups and a member site. Both sites are content driven, personalised and user-driven. Achieving this goal has required a reassessment and rebuild of all of the AVA's digital platforms. Both sites will be launched in 2018.

We were also pleased to launch our new brand. Our brand is much more than a logo, it relates to every aspect of our visual identity and a lot of work went into creating a brand that is consistent with our values and vision as an organisation. We have had a lot of positive feedback on the new brand and will continue to work with our groups on their brands in 2018 to ensure alignment with the AVA brand – remembering, we are 'One AVA'.

## Education

Our Continuing Professional Development (CPD) program is developed and curated by a dedicated team of volunteer members and staff and has been tailored by special interest and region to assist the needs of our members.

With our profession's dedication to life-long learning, we are very grateful for the hardworking special interest and division committees that prepare the program each year. In 2017 we delivered 13 conferences, 11 workshops, 28 webinars and 149 other CPD events.

The social and wellbeing programs that we have built into our activities are as important as the CPD itself, and are designed to give members time to reflect, share experiences and learning in an informal setting.

By offering regular mental health first aid courses, our goal is to eventually have a mental health first aid officer in every veterinary workplace, increasing our capacity and capability to respond to staff and colleagues at potential

tipping points and times of imminent risk. In 2017 we held 12 mental health first aid courses across the country and in 2018 we will be trialling a blended learning model, combining an e-learning module with a one-day workshop.

## Mental Health

Supporting our members' wellbeing is a key priority for the AVA. In addition to running multiple mental health first aid courses, our mentoring program continues to expand. This year, 218 graduates participated in the program.

We ran a mental health campaign in October, which included an in-depth article in the AVJ on wellness in the veterinary workforce and useful tips on ways to deal with burnout. We also highlighted other ways we offer support including our telephone counselling service and the excellent resources available for members on our Vet Health page on the AVA website.

In addition to the AVA wellness stand, at the 2018 AVA annual conference, we will be launching our first wellness workshops and will include a resilience workshop as well as a veterinary health workshop.

## Animal welfare

Improving animal welfare continued to be high on the agenda in 2017. I'm pleased to report that our *Love is Blind* campaign has been covered in the media in print, on radio and online. SBS also aired a story on the health and welfare concerns associated with brachycephalic breeds and I had the opportunity to be interviewed at their studio as part of this story. On social media, one of our *Love is Blind* posts ranked as the most popular in 2017 with the most 'retweets' and 'likes'. We will continue to work closely with RSPCA to keep the campaign moving forward.

We have been actively advocating for the welfare of racing greyhounds in all jurisdictions, for example, providing feedback in NSW on the recommendations made by the Greyhound Industry Reform Panel to raise welfare standards of racing dogs. In the ACT, we are continuing to work with the government to assist in the formation of a transition plan that will guarantee the welfare of racing greyhounds and veterinarians involved in the industry.

In 2017, ACV launched a new program that is designed to improve on-farm biosecurity known as BIOCHECK®. In 2018, ACV will be launching another program called WELFARECHECK™, which is a tool that veterinarians can use with their producer clients to develop welfare plans. The Sheep, Camelid and Goat Veterinarians (SCGV) are currently developing species specific biosecurity templates to assist producers of those species to develop biosecurity plans for Livestock Production Assurance requirements.

## Planning an effective veterinary workforce

The AVA has expressed concern regarding veterinary careers becoming less sustainable, and veterinary incomes being significantly lower than similar professionals, while their university fees are the same. Rural practices are also finding it hard to attract and keep graduates.

At the end of 2017, through the AVA's 2018-19 pre-budget submission, we called on the government to introduce the veterinary student loading equivalent to a medical student loading under the Commonwealth Grants Scheme. We also recommended that the government work with the AVA to develop and introduce appropriate incentive programs to assist with attracting and keeping veterinary graduates in rural and remote areas equivalent to those for human health providers.

## Ensuring economic sustainability

Pets in housing is an area we have become increasingly active in promoting. We provided a submission to the Heading for Home Residential Tenancies Act Review in Victoria in February, highlighting the benefits and current barriers to pet ownership and made recommendations regarding how to make renting fair for people with pets.

On the topic of the role of veterinarians in food safety, disease surveillance and biosecurity, in our 2018-19 pre-budget submission we made key recommendations including that the government increase funding for the National Significant Disease Investigation Program to establish a sustainable means for private veterinary practitioners to support animal disease surveillance and investigation to protect animal industries and human health. We also called on the government to increase funds available for emergency response training for private veterinary practitioners and to fund an increase in employment levels in key animal health and biosecurity areas in line with the OIE audit of veterinary services.

## Better regulation

In 2017, the AVA again actively advocated for sensible and consistent regulation for the whole country that protects the welfare of animals and the rights of owners to a quality service, while also creating the environment for a sustainable and healthy veterinary profession in the long term. We made recommendations regarding the Veterinary Nurse Training Package Development, changes to the ACT Vet Practitioners Board and we provided feedback regarding the Proposed Amendments to the Veterinary Practice Act 1997.

## Fighting antimicrobial resistance

We are continuing to work with Animal Medicines Australia to develop best practice antibiotic prescribing guidelines for horses and the main livestock species.

Prior to its launch at the end of 2017, we provided extensive input into the development of the Australian Government's One Health Antimicrobial Resistance website ([www.amr.gov.au](http://www.amr.gov.au)), which was collaboratively developed for and by both the human and animal health sectors.

In November 2017 in conjunction with World Antibiotic Awareness Week (13-19 November), we ran our own AMR campaign, which included media releases and a major AVJ article providing tips for veterinarians and practice managers on how to help in the fight against AMR. We also developed videos, which were posted on Facebook and Twitter – three of our social media posts on the topic were in the top 10 most 'liked' and 'retweeted' in 2017.

In our 2018-19 pre-budget submission, we made key recommendations to the government on ways to help fight AMR including that funds be allocated to establish a national veterinary antimicrobial usage and resistance surveillance system and that the government fund \$5.9 million to support research on antimicrobial usage and resistance in animal health.

**Paula Parker**  
President

# CEO's Report

OUR 2021 STRATEGIC PLAN, AND OUR VISION TO BE THE HEALTH AND WELFARE LEADERS IN AUSTRALIA'S ANIMAL INDUSTRIES, SET AMBITIOUS OBJECTIVES FOR THE AVA. WHEN WE PAUSE AND LOOK BACK AT WHAT HAS BEEN ACHIEVED OVER THE PAST TWELVE MONTHS, IT IS CLEAR HOW MUCH PROGRESS HAS BEEN MADE.

We have chosen again to use a "by the numbers" approach to give a concise overview of our achievements in 2017.

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 the Special Interest Groups and committees.

During the year we farewelled Dr Robert Johnson and welcomed Dr Paula Parker as AVA President. To both Robert and Paula I offer my thanks for their support and significant contribution, and to Paula, I look forward to continuing our work together. I'd also like to thank the leadership team and the Association's national managers, all of whom have demonstrated their commitment and hard work this past 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**  
Chief Executive Officer

## 2017 Award Recipients

### CONGRATULATIONS TO THE AVA'S 2017 AWARD RECIPIENTS

#### President's Award

// Dr Anne Fawcett

#### Kesteven Medal

// Professor Rick Speare

#### Fellows

// Dr David Beggs

// Dr David Johnson

// Dr Ben Gardiner

#### Gilruth Prize

// Professor Peter Chenoweth

#### Honorary Membership

// Anthony Hatch

#### Meritorious Service Awards

// Dr Nathan Anthony

// Dr Ian Fulton

// Dr Tanya Stephens

// Dr Geoffrey Tomkins

#### Don Kerr Student Award

// Dr Nell Wharton

#### Kendall Oration

// Professor Charles Milne

## Overview of 2017

5% ↑ 9,706  
Total membership, including veterinarians, students and associate members



2,997

Student members as at 30 June 2017



6,501

Veterinarian members as at 30 June 2017



89%

Member retention rate for 2017



\$13,548,001

Total revenue for the year ending 31 December 2017



\$11,878,885

Net assets as at 31 December 2017



886

Paid delegates who attended the 2017 AVA Annual Conference in Melbourne



149

Conferences, seminars, workshops and webinars held during 2017



8,810

Veterinarians participated in AVA continuing education activities



88%

Board members, attendance at meetings in 2017



1,163

Veterinarians participated in FASAVA Congress



300

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



7,747

Veterinarians participated in AVA continuing education activities (excluding FASAVA)



55

Paid staff provided support and services. The equivalent of 44.06 full time staff



482

Mentors and mentees were engaged in the mentoring program as at 31 December 2017

# Treasurer's Report

## Operating result

In 2017, the consolidated result for the AVA was a deficit of \$43,057. Within this figure for the year, the AVA parent entity result was a deficit of \$271,582. This parent entity result provided a negative variance of \$321,582 to the 2017 budget target of a surplus of \$50,000.

These financial statements also disclose comprehensive income by making allowances for unrealised gains and losses on AVA freehold property and investments. The total comprehensive result for the consolidated AVA was a surplus of \$806,623. The comprehensive result for the AVA parent entity alone was a surplus of \$577,198. These results reflect significant net unrealised gains in the values of AVAs properties and investments. The increase in the value of AVAs real property (\$728,572) occurred in the course of the regular 3-year cycle of property revaluations.

Other features of the AVA financial year to the 31st December 2017 were: -

- // A total revenue increase of 12% to \$13.5m as a result of the larger scale of CPD occurring during the year
- // Total assets increased to \$16m reflecting a 2.6% increase from the 2016 year
- // Strong financial results in the major AVA conferences which included hosting of the FASAVA conference on the Gold Coast.
- // Expenditure on the core activities of veterinary conferencing and publications amounted to \$5.3m in direct costs (excluding other direct costs such as staff costs which relate to those core activities)
- // Growth in operating activity in member subscriptions to \$4.0m revenue, representing both organic growth and a slight rise in membership fees.
- // The value of the AVA investment portfolio with Macquarie Bank grew by 8%

This year was an extraordinary CPD year as the AVA conducted four flagship conferences - AVA National Conference, Bain Fallon and ACV conference as well as FASAVA which was held in conjunction with the ASAV Conference on the Gold Coast. Despite the crowded CPD schedule, the conference committees and management team produced a remarkable result based on strong revenue support and sound cost management.

For the first time in many years the AVA parent entity did not achieve its budget target in 2017. A negative variance of \$321,582 was reported in comparison with its budget target. This outcome is the combined result of 2 major factors. The first is the emergence of some weakness

in traditional forms of AVA income eg trade advertising provided in support of AVA publications and media channels. The second is the Digital Transformation currently being undertaken by the AVA. The AVA 2017 budget was prepared on the basis of project commencement in 2017 and provision was made for project costs to be capitalised on this basis in accordance with relevant accounting standards. The delayed start to this project has meant that costs have been expensed and recognised in the AVA Profit and Loss Statement (rather than being capitalised as an asset as expected in the budget).

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. As at 31st December 2017 AVA held total assets of \$16.008m and net assets of \$11.870m. The equity position has improved by approximately \$800,000.

## Investment performance

As at the end of 2017, AVA held financial investments on the form of managed funds (\$1.1m) and equities (\$2.2m). The managed funds and equities position increased (8%) which is pleasing in a relatively quiescent market. Most of these investments continue to be managed by Macquarie Bank.

The AVA reviews its reserves required to support operations and continues to hold reserves in excess of operational needs as a secure form of investment in term deposits. These deposits yielded an average weighted return of approximately 2.4% at 31 December 2017. The interest rates available for AVA funds have stabilised at historically low levels.

## Property and equipment

In 2017 the board began deliberations on fixed property and undertook an independent review of our properties in Sydney and Melbourne. The review is part of a Property Strategy which also considers the needs of the AVA staff and the functional requirements of the Association now and into the future. The value of the AVA land and building assets is currently at \$5.9 m.



## Digital Transformation

By far the largest investment by the AVA in recent times is the digital transformation project.

The new asset will include a new member website, a public facing website (Vet Voice™), a membership system (AMS), learning management system (CPD) and an e-marketing platform. The expectation is that it will allow the AVA to be scalable without increasing our expenses. It will offer new ways for revenue creation, engage a broader target audience, improve the end user experience and create savings in fixed costs within the AVA operations.

Discovery and design work is complete, and the AVA expects to shortly enter contracts with its preferred supplier for the implementation of a new membership system and construction of a new member website. The board has approved the budget for the project and while the cost is significant, the cost of inaction would be far greater in a rapidly changing and digitally connected world.

During January 2017 the AVA successfully completed its Go Live to SAP Business One as its financial management system. The system now provides AVA with a modern financial system able to provide new readily accessible information and insight in to the AVA's business

## The Finance Committee

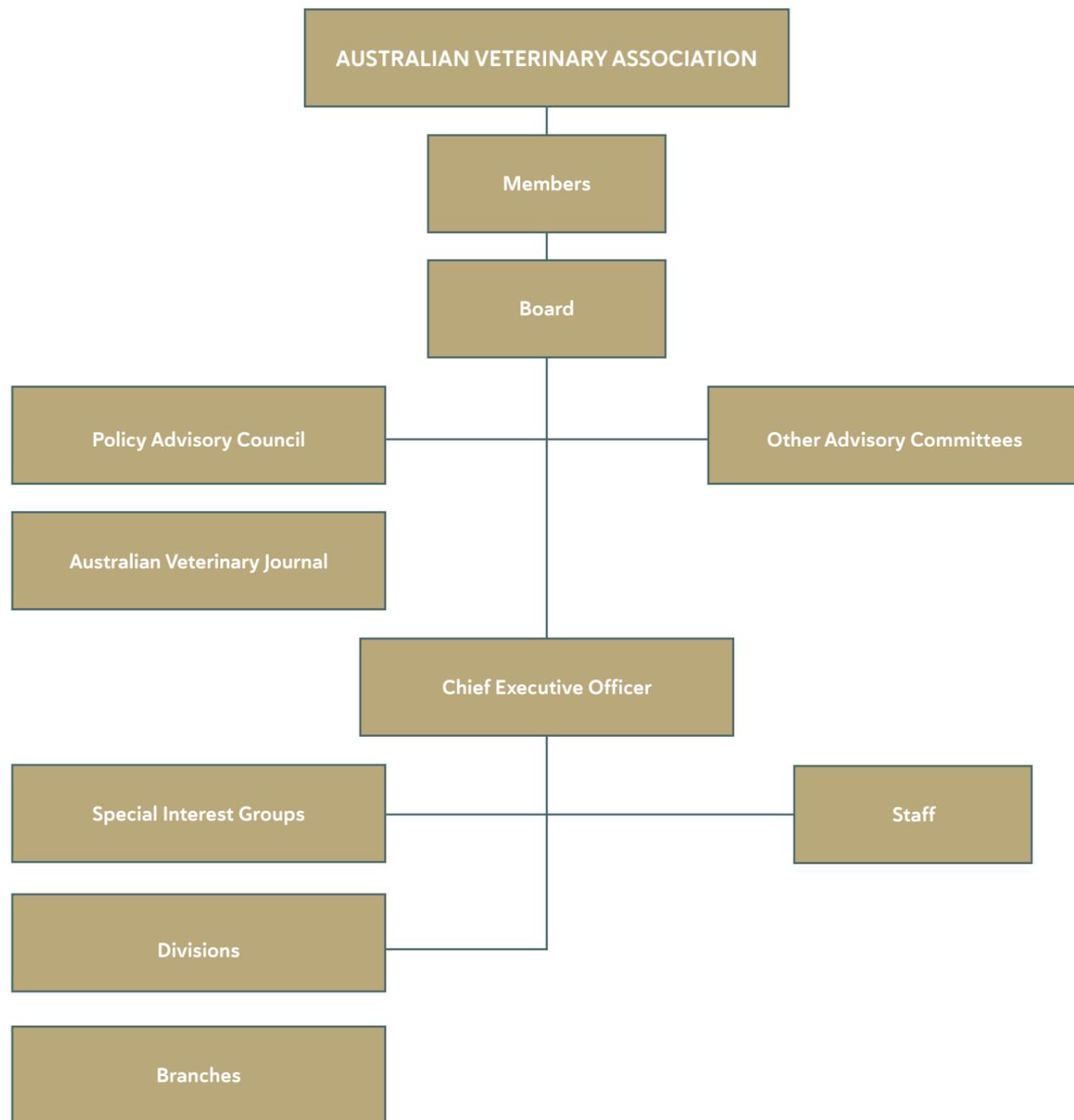
The Finance Committee is a subcommittee of the Board and meets either face to face (or through teleconference). In total the Committee met on 6 occasions during 2017. Members this year were Robert Johnson, Rob Bonanno, Ken Jacobs and Paula Parker. In the operations of the Committee the President is ex officio in fulfilling their individual role on the Committee and the CEO Graham Catt and Peta Bortfield attend all 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.

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

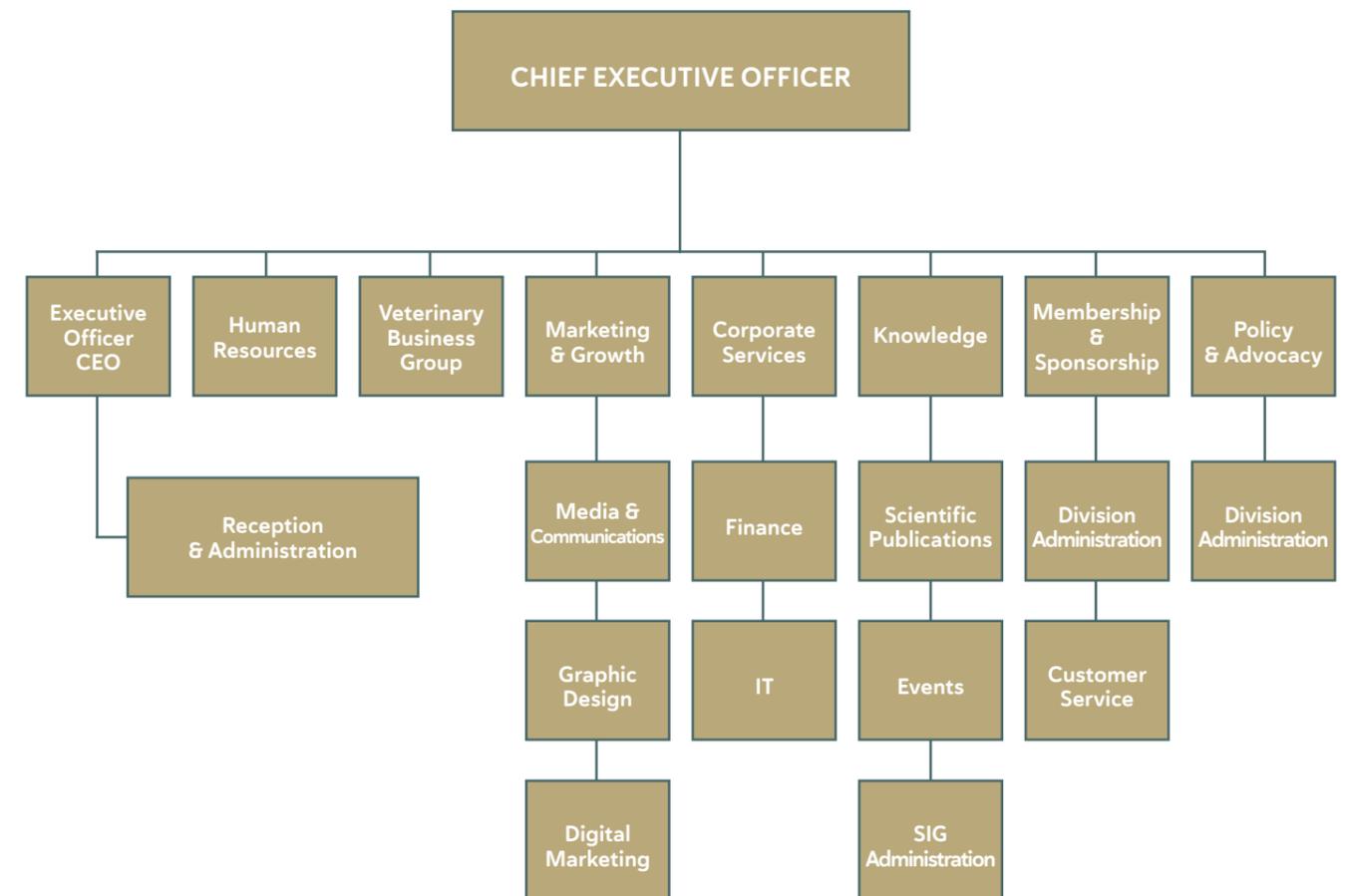
The financial result and underlying financial strength of the AVA could not have been achieved without the contributions from the executive officers, other staff and the many members who volunteer their time as Honorary Treasurers, conference and meeting organisers.

**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 2017.

### Directors

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

- // Dr Paula Parker
- // Dr Susan Beetson
- // Dr Christopher Reardon
- // Dr Robert Johnson
- // Dr Malcolm McLennan
- // Dr Robert Bonanno
- // Dr Julia Crawford
- // Dr Robert Doneley
- // Dr Kenneth Jacobs (Appointed June 2017)
- // Prof James Gilkerson (Terminated June 2017).

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 2017 AVA National Conference in Melbourne;
- // conduct of the FASAVA Congress "Advancing the Profession" on the Gold Coast;
- // conduct of the 39th Bain Fallon Memorial Lectures for EVA "Orthopaedics, Neurology and Muscle Disorders" on the Gold Coast
- // conduct of the Australian Cattle Reproduction Veterinarians Conference "Brilliance and Bull" in Sydney

- // conduct of the VBG inaugural summit in Melbourne;
- // conduct of the UPAV Exotics Congress and World Veterinary Dental Congress (as part of the FASAVA Congress).
- // 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 \$43,057 (2016: \$265,493).

### 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 AVA membership systems, public facing website (to be Vet Voice), member website and learning management systems.
2. Development of Antibiotic Prescribing Guidelines
3. Development of a pathway to transition away from print publications
4. Deliver inaugural Education Forum
5. Endorsement of a new Professional Code of Conduct
6. Review of graduate membership strategies.

### 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 had approved a budget surplus of \$50,000 for the year ended 31 December 2017 and a budget deficit of \$300,000 for the year ended 31 December 2016.

### Financial (Deficit)/Surplus of Parent Company

2017		2016	
Actual	Benchmark	Actual	Benchmark
(\$271,582)	\$50,000	(\$279,757)	(\$300,000)

### 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 2017 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 2017.

### 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 2017, 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

### Dr Paula Parker

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

AVA President since June 2017. AVA Director since May 2015. Chair, Veterinary Business Group Advisory Group June 2017 to current. Member, Veterinary Business Advisory Group 2017 to current. AVA Student Member 2004–2009. AVA Full member from 2009. Member Australian Institute of Company Directors since 2015, Graduate of the Australian Institute of Company Directors in 2017. Emergency and Critical Care Clinician, Animal Emergency Services Carrara 2015 to current.

### Dr Susan Beetson

*BSc (Hons), PhD*

AVA Director since May 2012. AVA Treasurer 2013–2015. AVA Vice President 2016-2017. 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 Associate Professor 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.

### Dr Christopher Reardon

*BVSc(Hons), BSc(Hons), MANZCVS(Equine Medicine), GAICD*

AVA Member since 1994. AVA Director since 2013. AVA Vice President (2015), AVA Treasurer (2016-present), 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.

### Dr Malcolm McLennan

*BVSc, MSc MVSc. MANZCVS (Medicine of Dairy Cattle), 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.

### Dr 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 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.

### Dr Kenneth Jacobs

*BVSc, MVSc, MANZCVS (Equine Surgery) GAICD*

AVA Director since May 2017, NSW SW Slopes Branch President and Executive 1985-1987. Director Canberra Veterinary Hospital and Canberra Equine Hospital 1987-2008. Executive, Treasurer, President, Treasurer, Policy Councillor and Committee Member EVA 1998-2004. Treasurer, Policy Councillor and Committee Member VERA 2012-2015, University Educator (part time) Charles Sturt University 2005- present. Equine practitioner at Wallendbeen 2006–present. Graduate of the Australian Institute of Company Directors 2017.

### Dr 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.

### Dr Robert Johnson

*BVSc MANZCVS (Feline) CertZooMed BA MAICD*

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- 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 2006-2016. 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. Director, Vets Beyond Borders 2017-present. AVA Member since 1977.

### Dr Robert JT Doneley

*BVSc FANZCVS (Avian Health)*

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 1991-1992. Member of the Australian Institute of Company Directors since 2016. Associate Professor, School of Veterinary Science, The University of Queensland.

### Prof James Gilkerson

*BVSc, BSc (Vet) Hons, PhD*

AVA Member since 1995. AVA Director 2014-2017. 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 2005-2006. President EVA 2007-2008. Currently Professor of Veterinary Microbiology at the University of Melbourne.

## Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Dr Paula Parker	11	11
Dr Susan Beetson	11	9
Dr Christopher Reardon	11	11
Dr Malcolm McLennan	11	8
Dr Robert Bonanno	11	10
Dr Kenneth Jacobs	7	7
Dr Julia Crawford	11	10
Dr Robert Johnson	11	10
Dr Robert Doneley	11	9
Prof James Gilkerson	4	2

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 2017, the total amount that members of the Company are liable to contribute if the Company is wound up is \$448,950 (2016: \$458,650).

## 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 Support 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 2017.

### Environmental issues

The Economic Entity's operations are not subject to significant environmental regulation under the law of the Commonwealth or any State or Territory.

### Proceedings on behalf of Company

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

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

### Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191*, the amount in the Directors' Report have been rounded to the nearest dollar, unless otherwise stated.

### Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 37.

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



**C Reardon**  
Director and Honorary Treasurer



**P Parker**  
Director and President

Dated at Sydney 27th day of March 2018



# Financial Statements

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017	Notes	2017	2016
		\$	\$
Revenue from ordinary activities	3	13,476,839	11,923,748
Revenue from other non-operating activities	3	71,162	66,347
<b>Total revenue</b>		<b>13,548,001</b>	<b>11,990,095</b>
Service expenses		(789,111)	(833,434)
Sponsorship, marketing and promotions expenses		(186,791)	(199,851)
Conferences and continuing education expenses		(5,227,387)	(3,994,661)
Communications and publications expenses		(2,013,547)	(1,649,822)
Occupancy expenses		(238,738)	(239,593)
Policy and advocacy		(419,312)	(569,069)
Administration expenses		(4,145,078)	(4,111,026)
Other operating expenses		(571,094)	(658,132)
<b>Total expenses</b>		<b>(13,591,058)</b>	<b>(12,255,588)</b>
<b>(Deficit) from ordinary activities before income tax expense</b>		<b>(43,057)</b>	<b>(265,493)</b>
Income tax expense relating to ordinary activities	1(b)	-	-
<b>(Deficit) from ordinary activities after income tax expense</b>	<b>13</b>	<b>(43,057)</b>	<b>(265,493)</b>
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified to profit and loss</b>			
Unrealised gain on available-for-sale financial assets and property	14	901,973	87,350
Reversal of unrealised (loss) on available-for-sale financial assets in prior year which were realised this year	14	(52,293)	(68,243)
Total other comprehensive income		849,680	19,107
<b>Total comprehensive income/(loss) for the year</b>		<b>806,623</b>	<b>(246,386)</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017	Notes	2017	2016
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	4,827,725	4,715,005
Financial assets	7	691,772	1,451,126
Trade and other receivables	5	668,515	727,702
Inventories		42,117	42,117
Other current assets	6	513,872	473,817
<b>Total current assets</b>		<b>6,744,001</b>	<b>7,409,767</b>
<b>Non-Current Assets</b>			
Financial assets	7	3,320,733	3,055,192
Property and equipment	8	5,943,604	5,128,303
<b>Total non-current assets</b>		<b>9,264,337</b>	<b>8,183,495</b>
<b>Total assets</b>		<b>16,008,338</b>	<b>15,593,262</b>
<b>Current Liabilities</b>			
Trade and other payables	10	745,749	1,135,924
Other liabilities	11	2,625,709	2,720,904
Provisions	12	481,500	366,056
<b>Total current liabilities</b>		<b>3,852,958</b>	<b>4,222,884</b>
<b>Non-Current Liabilities</b>			
Provisions	12	276,495	298,116
<b>Total non-current liabilities</b>		<b>276,495</b>	<b>298,116</b>
<b>Total liabilities</b>		<b>4,129,453</b>	<b>4,521,000</b>
<b>Net assets</b>		<b>11,878,885</b>	<b>11,072,262</b>
<b>EQUITY</b>			
Retained earnings	13	6,681,867	6,714,374
Reserves	14	5,197,018	4,357,888
<b>Total Equity</b>		<b>11,878,885</b>	<b>11,072,262</b>

The accompanying notes form part of these financial statements.

# Financial Statements

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 31 DECEMBER 2017	Retained Earnings	Asset Revaluation Reserve	Capital Profits Reserve	Total
	\$	\$	\$	\$
Balance at 01 January 2016	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	-	19,107	-	19,107
<b>Total comprehensive income/(loss)</b>	<b>(265,493)</b>	<b>19,107</b>	<b>-</b>	<b>(246,386)</b>
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	5,600	(5,600)	-	-
<b>Balance at 31 December 2016</b>	<b>6,714,374</b>	<b>729,333</b>	<b>3,628,555</b>	<b>11,072,262</b>
Total comprehensive income/(loss):				
Deficit from operating activities	(43,057)	-	-	(43,057)
Other comprehensive income/(loss)				
Change in fair value of available-for-sale financial assets	-	849,680	-	849,680
<b>Total comprehensive income/(loss)</b>	<b>(43,057)</b>	<b>849,680</b>	<b>-</b>	<b>806,623</b>
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	10,550	(10,550)	-	-
<b>Balance at 31 December 2017</b>	<b>6,681,867</b>	<b>1,568,463</b>	<b>3,628,555</b>	<b>11,878,885</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017	Note	2017	2016
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from members' subscriptions		4,370,507	4,261,693
Receipts from other ordinary activities		10,179,815	9,027,836
Payments to suppliers and employees		(14,502,498)	(12,524,717)
Net payments to Australian Taxation Office for GST		(522,153)	(550,440)
Investment income received		152,608	154,953
Interest received		106,736	110,213
<b>Net cash (used in)/provided by operating activities</b>		<b>(214,985)</b>	<b>479,538</b>
<b>Cash flow used in investing activities</b>			
Proceeds from sale of available-for-sale financial assets		634,583	601,513
Payments for purchases of available-for-sale financial assets		(707,852)	(592,527)
Net investments of short-term placements		759,354	67,658
Payments for purchases of property and equipment		(358,380)	(352,300)
<b>Net cash provided by/(used in) investing activities</b>		<b>327,705</b>	<b>(275,656)</b>
<b>Net increase in cash held</b>		<b>112,720</b>	<b>203,882</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>4,715,005</b>	<b>4,511,123</b>
<b>Cash and cash equivalents at end of the financial year</b>	16	<b>4,827,725</b>	<b>4,715,005</b>

The accompanying notes form part of these financial statements.

# Notes to Financial Statements

## FOR THE YEAR ENDED DECEMBER 2017

### 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.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

### New or amended Accounting Standards and Interpretations adopted

The Economic Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 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 are presented in Australian dollars, which is the Economic Entity's functional and presentation currency.

The financial statements were authorised for issue on 27th March 2018.

### Comparative figures

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### 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 2017 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.

At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking account of the most recent independent valuations.

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.

## Intangible assets

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

For intangible assets arising from development is recognised if, and only if, the following have been demonstrated:

- // The technical feasibility of completing the intangible asset so that it will be available for use;
- // The intention to complete the intangible assets and use it;
- // The ability to use the intangible asset;
- // How the intangible asset will generate probable future economic benefits;
- // The availability of adequate technical, financial and other resources to complete the development and to use the intangible assets; and
- // The ability to measure reliably the expenditure attributable to the intangible asset during its development.

## Systems and software

Systems and software costs are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

## (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 (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) Rounding of amounts to nearest dollar**

In accordance with *ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191*, the amount in the Financial Report have been rounded to the nearest dollar, unless otherwise stated.

**(p) Critical accounting estimates and judgements**

The Directors evaluate estimates and judgements 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 2017 there are no impairments.

**Estimation of useful lives of assets**

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Impairment of non-financial assets and other indefinite life intangible assets**

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**Employee benefits provision**

As discussed in Note 1 (f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**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 2017 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 Financial Statements

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 2. PARENT ENTITY DISCLOSURES

### Profit and loss and other comprehensive income of the parent entity

#### REVENUE

##### Operating activities:

Subscriptions	4,019,664	3,901,506
Affinity commissions	975,085	993,337
Interest	86,336	120,942
Investment income	166,609	153,953
Rental income	25,965	25,305
Other revenue (incl. conferences and publications)	7,879,805	6,637,800
	<b>13,153,464</b>	<b>11,832,843</b>
Non operating activities		
Gain on disposal of investments	71,162	66,347
<b>Total revenue</b>	<b>13,224,626</b>	<b>11,899,190</b>

#### EXPENSES

Service expenses	789,111	833,434
Sponsorship, marketing and promotions expenses	186,791	199,851
Conferences and continuing education expenses	5,227,387	3,994,661
Communications and publications expenses	2,013,547	1,649,822
Occupancy expenses	238,738	239,592
Policy and advocacy expenses	419,312	569,069
Administration expenses	4,022,664	4,009,739
Other operating expenses	598,658	682,779
<b>Total expenses</b>	<b>13,496,208</b>	<b>12,178,947</b>

<b>(Deficit) for the year</b>	<b>(271,582)</b>	<b>(279,757)</b>
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#### Other comprehensive (loss)/income

Unrealised gain on available-for-sale financial assets and property	901,073	87,349
Reversal of unrealised (loss) on available-for-sale financial assets in prior year which were realised this year	(52,293)	(68,242)
<b>Total other comprehensive income</b>	<b>848,780</b>	<b>19,107</b>

<b>Total comprehensive income/(loss) for the year</b>	<b>577,198</b>	<b>(260,650)</b>
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FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 2. PARENT ENTITY DISCLOSURES

### Financial position of the parent entity:

Current assets	4,950,620	5,815,263
Total assets	14,214,958	13,998,758
Current liabilities	4,127,637	4,467,916
Total liabilities	4,404,132	4,766,032
<b>Net assets</b>	<b>9,810,826</b>	<b>9,232,726</b>

### Total equity of the parent entity comprising of:

Issued capital	-	-
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	1,568,463	729,333
Retained earnings	4,613,808	4,874,838
<b>Total equity</b>	<b>9,810,826</b>	<b>9,232,726</b>

## NOTE 3. REVENUE FROM ORDINARY ACTIVITIES

### Operating activities

Subscriptions	4,019,664	3,901,505
Affinity commissions	975,085	993,337
Interest	123,965	158,519
Investment income	166,609	153,953
Rental income	25,965	25,305
Other revenue (incl. conferences and publications)	8,165,551	6,691,129
	<b>13,476,839</b>	<b>11,923,748</b>

### Non operating activities

Realised gain on investments	71,162	66,347
	71,162	66,347
<b>Total revenue</b>	<b>13,548,001</b>	<b>11,990,095</b>

# Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 4. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

### Expenses

Depreciation and amortisation	239,070	233,406
Provision for employee entitlements	93,823	74,725

## NOTE 5. TRADE AND OTHER RECEIVABLES

### Current

Trade receivables	499,990	586,278
Other receivables	168,525	141,424
	<b>668,515</b>	<b>727,702</b>

## NOTE 6. OTHER CURRENT ASSETS

### Current

Prepayments	513,872	473,817
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## NOTE 7. FINANCIAL ASSETS

### Current

Short-term placements	691,772	1,451,126
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### Non-Current

Available-for-sale financial assets:

Managed funds	1,117,347	1,020,559
Listed shares	2,203,386	2,034,633
	3,320,733	3,055,192
	<b>4,012,505</b>	<b>4,506,318</b>

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 8. PROPERTY AND EQUIPMENT

Land and buildings

### Freehold land at:

Independent valuation (2017)	1,244,789	751,189
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### Buildings at:

Independent valuation (2017)	3,967,211	4,038,811
Less accumulated depreciation	-	(205,601)
	<b>5,212,000</b>	<b>4,584,399</b>

Office furniture and equipment at cost	2,535,645	2,209,846
Less accumulated depreciation	(1,804,041)	(1,665,942)
	<b>731,604</b>	<b>543,904</b>

<b>Total property and equipment</b>	<b>5,943,604</b>	<b>5,128,303</b>
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### 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
	\$	\$	\$	\$
<b>Balance at 1 January 2016</b>	751,189	3,931,600	358,647	5,041,436
Additions	-	-	320,273	320,273
Depreciation	-	(98,390)	(135,016)	(233,406)
<b>Carrying amount at 31 December 2016</b>	<b>751,189</b>	<b>3,833,210</b>	<b>543,904</b>	<b>5,128,303</b>
<b>Balance at 1 January 2017</b>	751,189	3,833,210	543,904	5,128,303
Additions	-	-	325,800	325,800
Revaluation increments	493,600	234,972	-	728,572
Depreciation	-	(100,971)	(138,100)	(239,071)
<b>Carrying amount at 31 December 2017</b>	<b>1,244,789</b>	<b>3,967,211</b>	<b>731,604</b>	<b>5,943,604</b>

Independent valuations of all land and buildings were carried out in December 2017 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 2017 and do not believe there has been a significant change in the assumptions at 31 December 2017. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2017.

# Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2016	2017	2016
	\$	\$

## NOTE 9. INTANGIBLE ASSETS

### Non-current

Software at cost	672,490	379,808
Less accumulated depreciation	(374,169)	(305,718)
Total software	298,321	74,090
Development cost	275,792	273,962
<b>Total</b>	<b>574,113</b>	<b>348,052</b>

### a) Movements in carrying amounts

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

	Software	Development Cost	Total
	\$	\$	\$
<b>Balance at 01 January 2017</b>	74,090	273,962	348,052
Additions	3,200	291,312	294,512
Reclassification	289,482	(289,482)	-
Depreciation expense	(68,451)	-	(68,451)
<b>Carrying amount at 31 December 2017</b>	<b>298,321</b>	<b>275,792</b>	<b>574,113</b>

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 10. TRADE AND OTHER PAYABLES

### Current

Trade payables	288,030	233,570
Accruals	439,538	840,687
Net GST payable	18,181	61,667
	<b>745,749</b>	<b>1,135,924</b>

## NOTE 11. OTHER LIABILITIES

### Current

#### Income received in advance:

Membership subscriptions	1,762,948	1,729,473
Conference income	636,693	707,186
Other income in advance	226,068	284,245
	<b>2,625,709</b>	<b>2,720,904</b>

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 12. PROVISIONS

### Current

Employee benefits	481,500	366,056
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### Non-current

Employee benefits	276,495	298,116
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<b>Total</b>	<b>757,995</b>	<b>664,172</b>
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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 2017	320,757	343,415	664,172
Additional provision raised during the year	368,518	70,621	439,139
Amounts used	(310,402)	-	(310,402)
Unused amounts reversed during the year	-	(34,914)	(34,914)
<b>Balance at 31 December 2017</b>	<b>378,873</b>	<b>379,122</b>	<b>757,995</b>

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.

	2017	2016
	\$	\$

## NOTE 13. RETAINED EARNINGS

Balance at 1 January	6,714,374	6,974,267
Transfer of depreciation on appraisal of property to asset revaluation reserve	10,550	5,600
(Deficit) from operating activities	(43,057)	(265,493)
<b>Balance at 31 December</b>	<b>6,681,867</b>	<b>6,714,374</b>

# Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 14. RESERVES

### Asset Revaluation Reserve

Balance at 1 January	729,333	715,826
Other comprehensive income/(loss):		
Change in fair value of available-for-sale financial assets and property:		
Unrealised gain	901,973	87,350
Reversal of unrealised (loss) in prior year which were realised this year	(52,293)	(68,243)
	849,680	19,107
	<b>1,579,013</b>	<b>734,933</b>
Transfer of depreciation on appraisal of property from retained earnings	(10,550)	(5,600)
<b>Balance at 31 December</b>	<b>1,568,463</b>	<b>729,333</b>
<b>Capital Profits Reserve</b>	<b>3,628,555</b>	<b>3,628,555</b>
<b>Total Reserves Balance at 31 December</b>	<b>5,197,018</b>	<b>4,357,888</b>

### Asset Revaluation Reserve

This reserve records the Economic Entity's appraisal increase of its revalued property and unrealised gains on its available for sale financial assets.

### Capital Profits Reserve

This reserve records the Economic Entity's realised gains and losses on the disposals of its property.

FOR THE YEAR ENDED DECEMBER 2017	2017	2016
	\$	\$

## NOTE 15. CAPITAL AND LEASING COMMITMENTS

### Capital commitments:

As at 31 December 2017, the Economic Entity did not have any capital commitments.

Payable – minimum lease payments:

Not later than 1 year	97,828	103,728
Later than 1 year but not later than 5 years	120,871	71,219
	<b>218,699</b>	<b>174,947</b>

## NOTE 16. CASH FLOW INFORMATION FOR CASH AND CASH EQUIVALENTS

Cash on hand and cash in bank	1,055,668	1,491,017
Short term placements	3,772,057	3,223,988
	<b>4,827,725</b>	<b>4,715,005</b>

## NOTE 17: MEMBERS GUARANTEE

The company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. As at 31 December 2017, the number of members was 8,979 (2016: 9,173).

	2017	2016
	\$	\$

## NOTE 18. REMUNERATION OF THE AUDITOR

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

Audit of the financial statements	35,250	33,500
Other services	375	12,850
	<b>35,625</b>	<b>46,350</b>

## NOTE 19. KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation	2,199,975	2,279,947
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## NOTE 20: 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 19 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 \$27,563 (2016: \$24,646) and loans between controlled entities amounted to \$282,614 (2016: \$252,966). There were no other transactions with related parties and Directors.

## NOTE 21: COMPANY DETAILS

The registered office and principal place of business of the Company is: Unit 40, 6 Herbert Street, St Leonards, NSW 2065.

## NOTE 22: SUBSEQUENT EVENTS

No matters or circumstances have arisen since 31 December 2017 that significantly affected or may significantly affect:

- The operations of the Economic Entity;
- The results of those operation, or
- The state of affairs of the Economic Entity in the financial years subsequent to 31 December 2017.

## NOTE 23. 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	2017	2016
		\$	\$

## RECURRING FAIR VALUE MEASUREMENTS

### Financial assets

Available-for-sale financial assets			
Managed funds	7	1,117,347	1,020,559
Listed shares	7	2,203,386	2,034,633

### Property and equipment

Freehold land	8	1,244,789	751,189
Buildings	8	3,967,211	3,833,210

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 18-35, 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 2017 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

Dated at Sydney 27th day of March 2018



**P Parker**  
Director and President

# 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 2017, 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 WALLACE  
PARTNER

PITCHER PARTNERS  
SYDNEY

27 March 2018

# 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

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 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

#### Opinion

In our opinion, the accompanying financial report of the 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 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Directors are responsible for the other information. The other information comprises the information included in Director's Report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.



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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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.

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



- 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.
- 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.
- Obtain sufficient appropriate evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

S WALLACE  
PARTNER

PITCHER PARTNERS  
SYDNEY

27 March 2018





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Edited and compiled by Yunita Susanto, Gemma Nardone and John Robb  
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