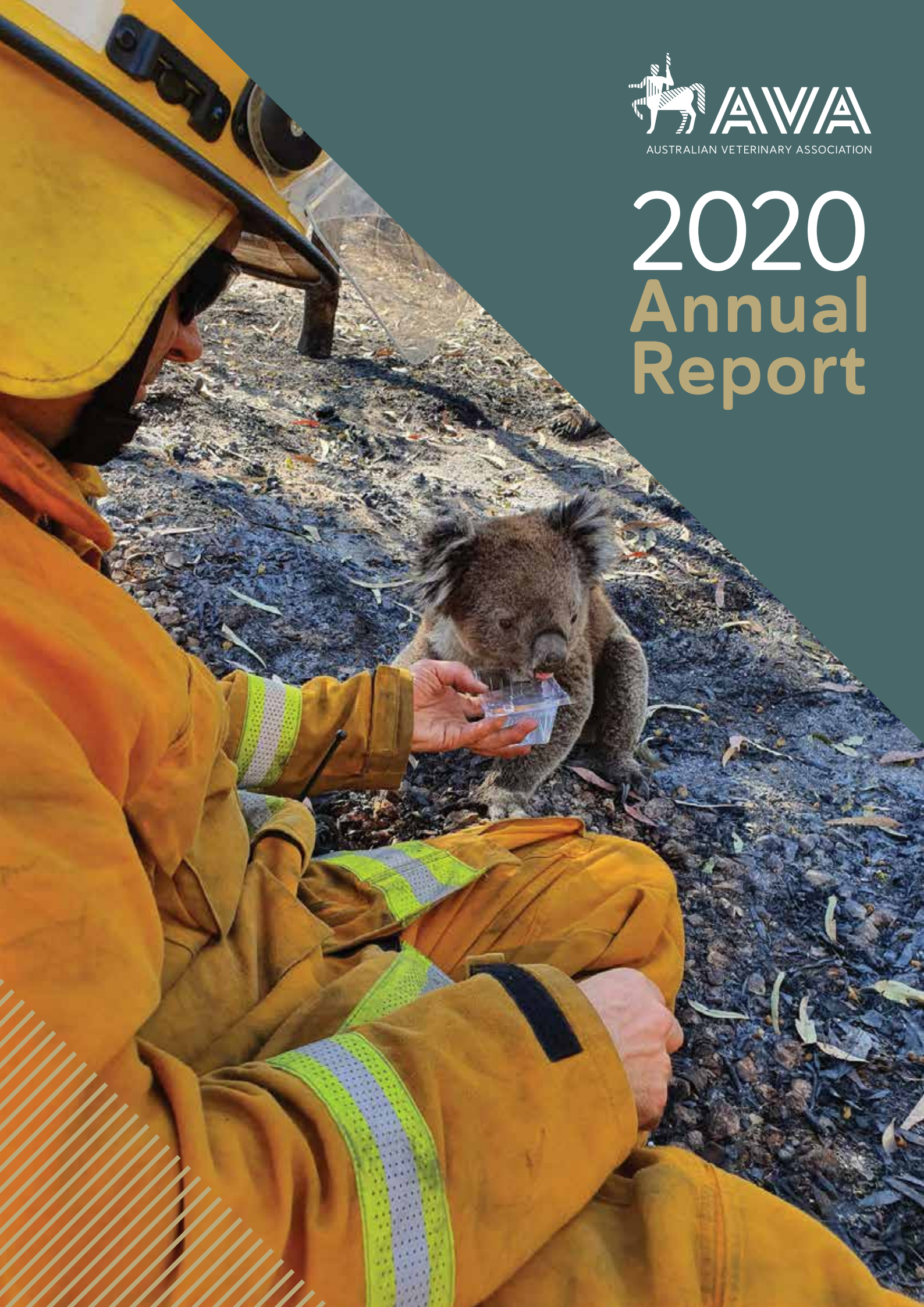


2020 Annual Report



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Dr Helen Fitzpatrick and Elisha Malpass
RVN, Vasse WA

The AVA Board



President, EVA Nominee
Dr Warwick Jonathon Vale



Treasurer
Dr Nicholas Sangster



Vice President
Dr Robert Doneley



Director
Dr Sally Colgan



Director
Dr Alan Guilfoyle



Director, ACV Nominee
Dr Matthew David Petersen



Director
Dr Meredith Flash



Director, ASAV Nominee
Dr Julia Crawford



Director
Dr Bronwyn Orr

CORPORATE SUPPORTERS

Platinum Affinity Partner



Platinum Supporter



Platinum Supporter



Platinum Supporter



Platinum Education Supporter



Gold Finance Partner



Gold Supporters



Silver Supporters



President's Report

2020 A YEAR OF CRISES

2020 was a year like no other for AVA, our members, the profession, the nation, and the world.

We adapted our lives and livelihoods to the emergence and threat of COVID-19. And it was a year of unprecedented, devastating bushfire.

AVA President Julia Crawford, having tirelessly led AVA's successful national bushfire response, immediately moved to lead AVA's COVID-19 response—the most serious public health threat facing contemporary society.

The impact of COVID-19 on AVA and its members is best described by one word—Lockdown!

Through stringent and evolving biosecurity measures, Australia avoided the most serious consequences and impacts of COVID-19. Human illness and death being held to levels significantly less than those experienced in other countries. Nevertheless, regional and city-based community lockdowns posed two challenges for AVA

// firstly, how do we conduct business and continue servicing members?

// and secondly, how does AVA ensure ongoing veterinary services to the community?

It was a glaring oversight in national and state government emergency and biosecurity management plans that veterinarians were not automatically deemed essential workers during lockdown.

But AVA's COVID-19 Taskforce, quickly and effectively made the case to government that corrected this situation.

The Taskforce brought together volunteer members from across the AVA. They worked collegially, with focus and initiative to create materials and to produce statements and advice that positioned and helped veterinarians to function as essential workers.

I recognise this achievement as among the most successful, important, impactful, and valuable actions ever taken by AVA. I cannot overstate the value of AVA's role in this policy area.

Simultaneously, AVA's Board, its Groups and AVA management faced a changed and novel operational environment, challenges to the business model, and risks to service delivery.

Remote meeting technologies and online platforms enabled AVA to continue operations and decision making. Staff successfully transitioned to working from home, and all meetings were conducted via Zoom.

Member events during 2020

On a yearly basis, AVA achieves two core objectives

// it gets staff and members together at meetings across the country, and

// its members attend CPD and social events.

In 2020 both objectives were threatened by cancellation.

Through the work and innovation of the AVA/Group Education teams, and by using Zoom, tangible outcomes of our efforts were VetFest 2020, and our first online AVA AGM and Member Forum.

Member engagement with online events proved excellent and demonstrated that AVA could deliver a world class CPD experience online.

I was delighted to see these new initiatives flourish.

The Australian Veterinary Student Group

During 2020 the Australian Veterinary Student Group (AVSG) rose above aspiration and concept to a fully functioning AVA group, being well received and eager to create opportunities for veterinary student members to engage with AVA.

Congratulations and thanks to those founding members and inaugural committee members who have taken so energetically to their roles.

Alliances formalised

AVA signed MOUs with Vets Beyond Borders and Veterinarians for Climate Action (VfCA).

Both organisations share common objectives with AVA and will bring value to our memberships.

The relationship with VfCA is viewed as especially important. AVA has established a standing cross membership/SIG's Working Group to collaborate with VfCA on how veterinarians and the AVA can address climate change.

Thank you to AVA staff, Group committees and volunteers

I thank AVA staff, management and our CEO, Mr Corey Snell for their contribution and the many sacrifices they made during a year of crises.

Despite onerous and restrictive working conditions, I was repeatedly amazed by their efforts and dedication to support AVA, its members, and volunteers.

All Group committees met the challenge of virtual meetings, online CPD and the loss of face-to-face events with great innovation, camaraderie, and collegiality. AVA cannot

function without the human capital, knowledge and commitment given by its many volunteer members who give back to the profession that they love and serve.

Major projects

Despite the year of turmoil, the Board and AVA Management drove and delivered on pre-Covid business plans and priorities. Two major projects being

- // the JWS Member Value Proposition Research (JWS), and
- // a new approach to Member Wellness via a Big Hair Audacious Goal (BHAG) that I called for at the mid-year members forum.

The JWS defined for AVA the “what and why” of our membership priorities and explored AVA’s strengths and weaknesses. Key learnings being

- // relevancy
- // value, and
- // reaffirming dedication to the welfare of AVA members.

As a profession we are approaching unacceptable levels of poor veterinarian (and nurse) health and mental wellness. The problems are complex and affected professionals are experiencing profound impacts at home and work.

Employee attrition and increasing service demands have created an unprecedented recruitment crisis in Australia. AVA has been examining its leadership role on this issue.

We have committed to progressing new initiatives, policies, and guidance into 2021 and beyond, with a singular focus on achieving the BHAG I have set for AVA.

AVA’s Employer of Choice Program/Accreditation is one such initiative launched in 2020 that will address workplace environment, culture, and practices.

AVA’s Board and President

I ask members to acknowledge and give credit to the fine work and efforts given by their board members this year.

The Board composition was the poorer for the resignation of Past President Dr Paula Parker, who served AVA for many years with distinction.

Dr Ken Jacobs and Past President, Dr Robert Johnson completed their directorship terms, both having given distinguished service in their conduct and roles as board members. They were succeeded by Dr Sally Colgan and Dr Alan Guilfoyle who were elected to the Board during 2020.

A direct appointment of Dr Meredith Flash completed the Board complement for 2020.

Our new directors hit the ground running and it was pleasing to see them bring their enthusiasm, wise counsel, and professional experience to the team.

Dr Julia Crawford joined the small club of members who can call themselves Past President. She handed over her Presidency to me, setting a high bar on emulating her

leadership of AVA, her role as Board Chair and her service to members.

I thank the Board Directors of 2020 for their efforts, support, and service to the AVA. It was an onerous year, with a record number of director meetings, workshops and crisis planning sessions.

Homage to deceased AVA members

AVA mourned the loss of many members during 2020, including Dr Helen Fairnie-Jones AM and Dr Lukas Orda.

I was very much affected by Dr Orda’s tragic death on board Gulf Export 1, the live-animal export ship which sunk in the East China Sea on September 2, 2020. The loss of twenty-five-year-old Dr Lukas Orda brought much grief and hardship to his family and many of his colleagues.

AVA’s future

By the end of 2020, it was obvious to all that AVA and its members now inhabit a changed world.

Significant challenges are before the profession and AVA. Challenges we must meet and resolve.

Toward the end of 2020, AVA began reviewing its last 100 years of “life”, a process from which I drew encouragement and optimism that AVA and the profession will flourish.

The profession and AVA are strong. We have thrived on challenge, dealt with adversity, and delivered prosperity for veterinarians and the community over a long historical timeline.

Our strength comes from our ability to cooperate, share, assist, teach, mentor and socialise with each other as equals.

Being a veterinarian is still the greatest vocation in the world and nothing beats working with your colleagues to help each other succeed.

Dr Warwick Vale

President

CEO's Report

AVA MET THE CHALLENGE OF 2020 WITH RESILIENCE, INNOVATION AND A RENEWED FOCUS ON CHAMPIONING THE PROFESSION. AN ASSOCIATION CAN ONLY BE AS STRONG AS ITS MEMBERS, AND THE ENGAGEMENT AND COMMITMENT OF OUR MEMBERS WAS PARAMOUNT THROUGHOUT A DIFFICULT YEAR.

The AVA's response to the 2019 bushfire disaster stretched into 2020 and began a year of providing information, support and resources like never before. With many of our members and some of our staff directly affected, this was a tough time. But with tough times comes strength and resolve for the task at hand, and, more than ever, we saw the membership come together, volunteering their services and offering to help to support each other. AVA provided leadership and support, working closely with organisations such as the Department of Primary Industries and Vets Beyond Borders, facilitating support for those members affected by the bushfires and through the AVA Benevolent Fund.

COVID-19

As the fires subsided and COVID-19 emerged, we were ready and able to turn our attention to providing continuity of services for our members throughout the pandemic. More than ever, our members needed up-to-date information, so that they could keep themselves, their staff and their clients safe during this time and we thank the COVID-19 Working Group, together with our staff, for all of their hard work. AVA's establishment of a taskforce in response to COVID-19 actively lobbied the Government to classify veterinary services as an essential service. AVA's strategic approach to focus the majority of our advocacy efforts for the year towards our members, enabled our members to continue to operate. This work supported the viability of veterinary practice and benefited all animal related industries in Australia. It also gave the AVA an opportunity to press forward and evolve our business practices through innovation.

Digital investment

In the prior years, AVA completed its Digital Transformation project. In 2020 we got to see just how important this investment was. We were able to seamlessly transition to remote working arrangements for our own team and we gave our committees the ability to quickly switch to an on-line platform that delivered extraordinary gains in organisational productivity and support services for our members.

Blended learning - "the new norm"

In 2020 and beyond, "blended learning" has become the new normal at AVA! Although for most of 2020 we were not able to deliver face-to-face events and education, our education committees and staff worked tirelessly and rose to the challenge to convert our programs into a digital format. The most prominent of these was VetFest 2020. "A celebration of veterinary science over six weeks in June and July". At the height of the pandemic, when our membership needed it most, we saw it as an opportunity for members to come together as a profession and support each, learn together, and take some time out during a difficult time. Excellent engagement and member attendance was achieved in a very short six week turnaround, and we thank the Education Committee for their extraordinary effort in putting together an outstanding program.

Veterinary workforce issues

In 2020 veterinary workforce issues including Veterinary Wellness was a top priority for AVA. We are focused on this issue through our advocacy, education and membership efforts. It is top of mind in everything we do. We have established a Workforce Working Group and together with the Veterinary Business Group and other key stakeholders, we will workshop how to better inform our plans to ensure they are future focused on assisting members with the stresses in this area.

Thank you

The relationship between Chairman and CEO is a critical one for any organisation, and I'd like to thank Dr(s) Crawford and Vale for their leadership and enormous contribution over the past 12 months. I'd also like to thank our staff and the valuable contribution from hundreds of committed volunteers and committee members for their extraordinary commitment and hard work throughout the year.

Corey Snell

Chief Executive Officer

Overview of 2020



8,535

Total membership, including veterinarian, students and associate members as at 31 December 2020



2,304

Student members as at 31 December 2020



5,802

Veterinarian members as at 31 December 2020



89%

Member retention rate for 2020



10,028,328

Total revenue for the year ending 31 December 2020



13,601,397

Net assets as at 31 December 2020



1,128

Paid delegates who attended VetFest 2020, AVA's virtual veterinary conference



104

Conferences, seminars, workshops and webinars held during 2020



4,810

Veterinarians participated in AVA continuing education activities during 2020



94%

Board members, attendance at meetings in 2020



425

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



42

Paid staff provided support and services. The equivalent of 38.21 full time staff



544

Mentors and mentees were engaged in the mentoring program as at 31 December 2020



*Dr Helen Fitzpatrick
in Vasse, WA*

2020 Award Recipients

CONGRATULATIONS TO THE AVA'S 2020 AWARD RECIPIENTS

President's Award

// Dr Michelle Cotton (Deceased)

Fellows

// Dr Robert Johnson

// Dr Ian Fulton

// The Hon Dr Sam McMahon

Gilruth Prize

// Dr Jane Axon

Kesteven Medal

// Dr Pat Boland

Meritorious Service Awards

// Dr Catherine Chicken

// Dr Cathy Secombe

// Dr Margaret Reilly

Don Kerr Veterinary Student Award

// Dr Mitchell Dodds



Treasurer's Report

2020 WAS A TOUGH YEAR FOR MANY INDUSTRIES AND AVA HAD ITS SHARE OF FINANCIAL AND OPERATIONAL CHALLENGES. THE MAJOR PREOCCUPATION WAS HANDLING THE IMPACT OF COVID-19 ON OUR BUSINESS, IN PARTICULAR THE IMPACT OF GOVERNMENT-IMPOSED RESTRICTIONS ON HOSTING CONFERENCES AND EDUCATION EVENTS.

While some projects and initiatives planned for 2020 were deferred given the uncertainty surrounding the pandemic, focus shifted to embedding initiatives launched in 2019;

- // the Digital Transformation project
- // Vets Choice pet insurance
- // AVA's Return to Work Program, and
- // the establishment of the Australian Veterinary Students Group

and investment in our future through a detailed member research project progressed. This work prepares AVA for a prosperous future and services better aligned to members' needs.

Board recasts 2020 budget

Having recognised early in 2020 that COVID would alter our business, the Board recast the budget. Changes included

- // the cancellation of all face-to-face events in 2020
- // reduced income from subscriptions and corporate support.

We incorporated some compensatory income from the government stimulus.

Expenditure was reduced with

- // a recruitment freeze
- // restrictions on committee and staff travel costs, and
- // the removal of any discretionary expenditure.

AVA successes

The ability of the AVA to pivot from its traditional face-to-face meetings to the online VetFest has paid dividends. It provided a platform for member engagement as well as rich content at a price point that was affordable.

In May 2020, AVA successfully ran one of the first online AGMs in Australia.

Underpinning and helping deliver these successes were the tools developed in the Digital Transformation.

- // Zoom and other electronic meeting capabilities

- // file sharing and intranet.

Notwithstanding the government stimulus, it is a great credit to the whole of the AVA that we emerged from 2020 with a profit exceeding \$500k.

Operating result

In 2020, the consolidated result including the trusts for the AVA was a surplus of \$1,499,113 compared with a deficit of \$273,226 in 2019. Within this figure, the AVA parent entity result was a surplus of \$562,453 which was \$857,971 better than budget and \$838,165 better than the 2019 reported deficit of \$275,712. The consolidated entity surplus of \$1,499,113 made up of a parent entity operating surplus of \$562,453 plus the surplus of \$936,660 reported by the AVA trusts.

These financial statements also disclose other comprehensive income by making allowances for unrealised gains and losses on freehold property and investments (financial assets). The increase in the AVA's real property (\$500,398) occurred in the regular 3-year cycle of property revaluations. These net unrealised gains bring the comprehensive result for the consolidated entity to a surplus of \$1,992,185.

The COVID pandemic adversely impacted our traditional revenue streams. With government mandated restrictions on face-to-face gatherings for most of 2020, CPD attendance and income (including corporate support) was significantly down against prior years (income for 2020 was \$1.3m, compared with \$5.0m in 2019).

Notwithstanding this, the organisation successfully ran the Australian Cattle Veterinarians conference in Adelaide, and the Top End conference in the Northern Territory (both pre-COVID). And we launched VetFest, AVA's first ever online conference.

The success of VetFest and the ability to run several smaller online and face-to-face events in the second half of 2020, continued AVA's ability to provide engagement and education opportunities for our members.

Subscription income results were better than the (revised) budget by \$185k, but \$63k worse than 2019 results. Membership retention remains a major challenge for the Board and management. Performance shows a fall in retention rate to 89% in 2020, from 92% in 2019.

Support through government stimulus packages of \$1,173,331 was important in allowing the AVA to pursue available operational activities and retain staff and committee structures.



Dr Leanne Wicker at right treating a koala in Mallacoota - image Zoos Victoria

In such a difficult year it was pleasing that the efficient management of Divisions, 20 Special Interest Groups and 36 Branches within the AVA, helped keep AVA on its financial targets.

Balance sheet

AVA remains in a sound financial position.

As at 31 December 2020, the AVA parent entity held a total of \$13,831,805 in total assets. (\$13,792,560: 2019). The surplus is reflected in the increase in free cash holdings from \$2.8M to \$3.3M over the year. The current ratio of cash over commitments was 1.93 indicating that the AVA remains solvent and can pay bills when they fall due.

Investment performance

AVA investments in our managed funds ran roughly even over the year. This is despite the heavy fall in March where the portfolio balance dipped to \$2.3M as the markets reacted to the COVID-19 pandemic. However, the portfolio recovered to a value of \$2.9M by year end.

Finance Committee combines with Risk and Audit

The new Audit and Risk Committee which includes financial

responsibility was established in August 2020. Members of the Committee are Nick Sangster, Warwick Vale, Julia Crawford, Robert Doneley, Bronwyn Orr, David Petersen and Alan Guilfoyle.

In the operations of the Committee, the President is ex-officio in fulfilling his individual role on the Committee and the CEO Corey Snell and Peta Bortfield attended all meetings.

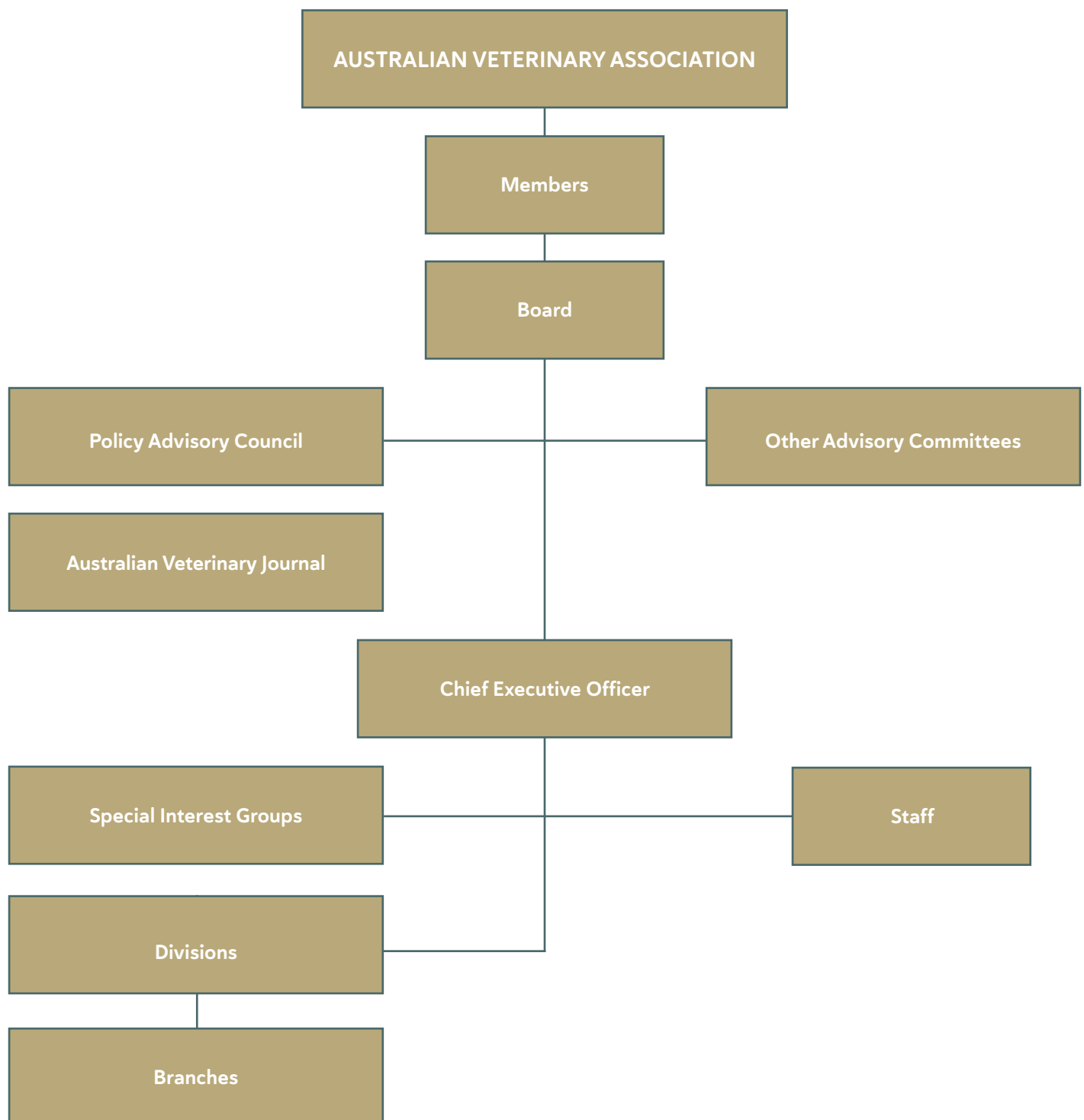
The Head of Corporate Services (Michael Ghattas) supported the subcommittee providing timely, relevant, accurate and invaluable reports and advice. Our auditors, Pitcher Partners continued to offer sound independent advice.

2021 will bring more challenges for the AVA. The 2020 surplus will allow flexibility to tackle these challenges and support initiatives that will improve the AVA's resilience as we plan for a bright future.

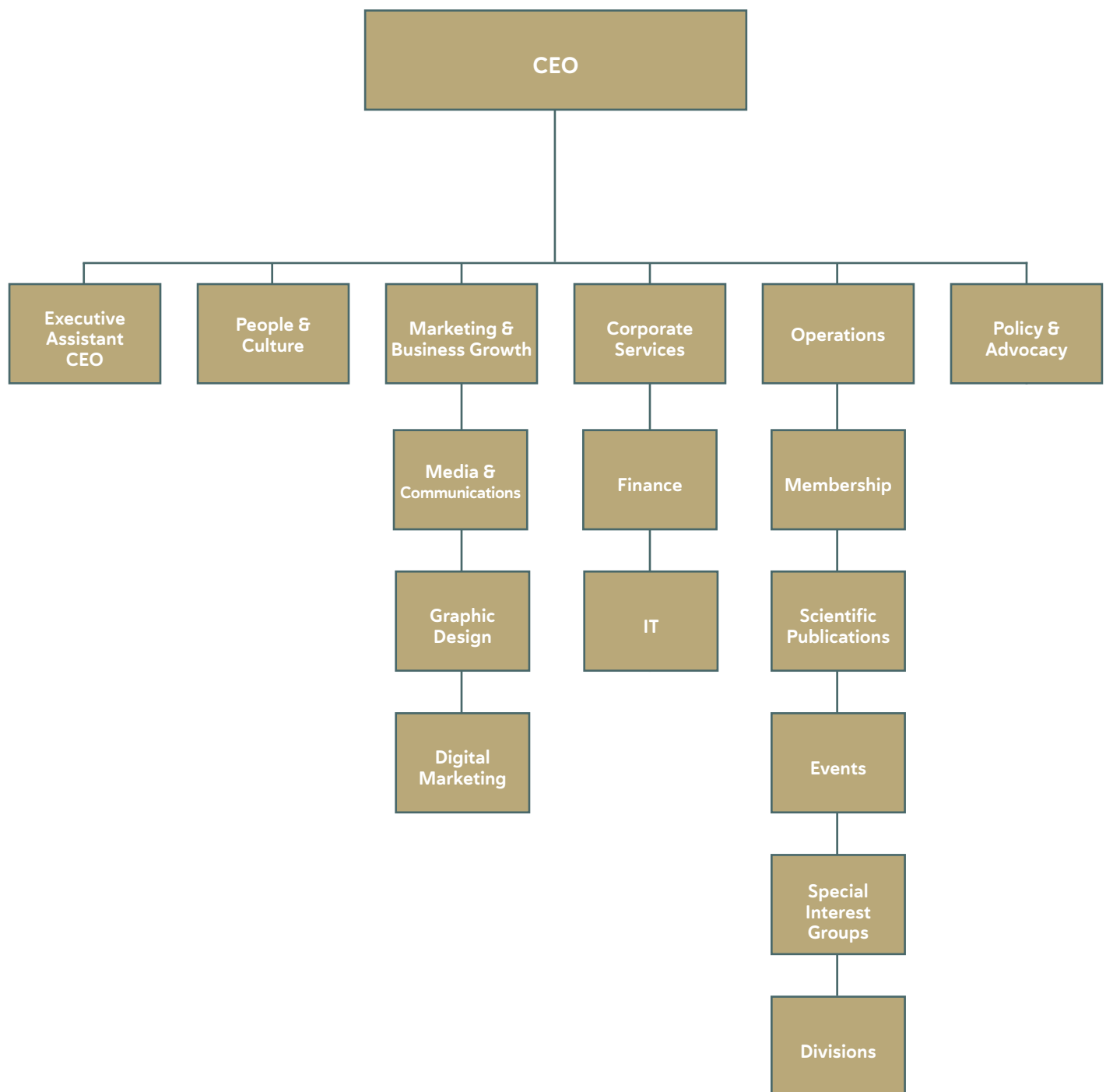
I offer a heartfelt thank you to my fellow board members, President Warwick Vale and the dedicated AVA staff who have been pivotal to managing AVA's business and financial achievement of these results, especially during a difficult year.

Dr Nick Sangster
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 2020.

Directors

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

- // Dr Warwick Jonathon Vale
- // Dr Nicholas Sangster
- // Dr Julia Crawford
- // Dr Sally Colgan (Appointed May 2020)
- // Dr Robert Doneley
- // Dr Meredith Flash (Appointed July 2020)
- // Dr Alan Guilfoyle (Appointed May 2020)
- // Dr Kenneth Jacobs (Ceased May 2020)
- // Dr Robert Johnson (Ceased May 2020)
- // Dr Bronwyn Orr
- // Dr Paula Parker (Ceased May 2020)
- // Dr Matthew David Petersen.

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

- // Michael Ghattas, BBus, CPA
Company Secretary since 21 December 2018;
- // Corey Snell, BSc, Grad Dip IT, Grad Cert Management
Company Secretary since 21 December 2018.

Principal activities

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

Advocacy

- // representing veterinary professionals in Australia;
- // promoting the value of the profession to the public, industry and government;
- // providing leadership and expert scientific advice on animal health, welfare and production to members, industry and government;

- // stimulating and contributing to informed debate on issues of scientific and professional importance;
- // developing technical evidence-based policy on animal health and welfare issues;
- // developing scientific guidelines for members on a range of topics, e.g. Antimicrobial Prescribing Guidelines;
- // making science-based submissions in response to developments in government policy and legislation which may affect the conduct of veterinary science within Australia;
- // providing scientific advice on issues of veterinary or public health significance, adverse events associated with pet food, major animal welfare incidents, emergency animal diseases, and natural disasters affecting animals or the profession;
- // representing the AVA as a member of key national and international committees dealing with veterinary scientific issues.

Education

- // providing high standards of continuing education and professional development, including the VetFest 2020 virtual conference, various Divisional and Special Interest Group conferences providing the latest scientific and professional updates to members;
- // webinars and online workshops;
- // publication of the Australian Veterinary Journal, Australian Veterinary Practitioner, Companion, Australian Equine Veterinarian, The Australian Cattle Veterinarian and Skirting the Issues;
- // publication of other scientific newsletters, journals, communications and materials and the maintenance of the Vet Ed library.

Community

- // providing a forum for members to exchange information and ideas, and access to AVA services;
- // meetings through Special Interest Groups, Divisions and Branch networks.

Support

- // programs to support members with their professional journey including early career mentoring, HR Advisory Service for employees and employers, and an Employee Assistance Program;
- // supporting members through natural disasters, e.g. bushfire and COVID-19 issues of 2020.

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

Operating results

The consolidated surplus from operations for the year was \$1,499,113 (2019: deficit \$273,226).

Review of operations

A review of the operations of the Economic Entity during the financial year is contained in the report of AVA's President.

The Economic Entity comprises The Australian Veterinary Association Limited, including 8 Divisions, 20 SIGs and 36 Branches in addition to the AVA National Group and 5 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 undertake activities with available 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).

2020 was a difficult year for many industries and AVA had many financial and operational challenges. The major preoccupation was handling the impact of COVID on our business, in particular government-imposed restrictions on hosting conferencing and education events. The Board recast the budget in early 2020. Changes included expectations of falls in income through the cancellation of face-to-face events in 2020, and reduced subscriptions and corporate support. Expenditure was decreased through a recruitment freeze, restrictions on committee and staff travel costs and the removal of discretionary expenditure. The effects of the pandemic on traditional revenue streams meant that the AVA qualified for federal and state government stimulus.

Further detail on the financial and operational impacts of the pandemic are included in both the President's and Treasurer's Reports.

Vision, purpose, objectives and AVA strategy

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.

The strategic priorities of the Company are:

1. our profession (which includes);

- // planning an effective veterinary workforce
- // ensuring economic sustainability, and
- // better regulation of the profession

2. improving animal welfare;

3. fighting antimicrobial resistance.

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

Among the projects already planned or underway are:

1. progress findings of the member value research project to embed a revised value proposition that ensures the AVA maintains its relevance to the profession and continues to evolve and meet members' needs;
2. refresh and renew AVA's veterinary wellness strategy to build upon AVA's existing resources and provide a structured support program tailored for the veterinary profession;
3. develop, update and maintain accreditation programs that provide better access and education resources for members so that they can build upon their knowledge and skills;
4. progress work that improves legislation impacting our members, ensures it is nationally harmonised and provides an optimal regulatory environment for the veterinary profession;
5. workforce initiatives including the 2021 Workforce Survey, Award Report and Rural Bonding Scheme;
6. establish a salary guide for the profession, with a realistic benchmarking tool for employees and employers, to assist workforce sustainability;
7. promote AVA's Employer of Choice and Return to Work programs to assist our members with workforce issues;
8. build on AVA's Digital Transformation to include website enhancements, AVA merchandise, flagship events registration, speaker and exhibitor portals, the digitisation of PregCheck testing and extended business intelligence capabilities for events;
9. implement AVA communications and social media strategy to improve engagement with members and stakeholders, awareness of AVA, and engagement with the public;
10. development of best-practice Antimicrobial Prescribing Guidelines for livestock species and horses;
11. AVA Culture and Leadership Development - designed to facilitate organisational sustainability and to progress an integrated program of activity that underpins culture expectations.

Key performance measures

The Company measures its performance in achieving its objectives through 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 the performance against the Company's approved annual budget. The AVA parent entity result was a surplus of \$562k (2019–deficit \$275k) representing a positive variance of \$857k to the budget target deficit of \$295k.

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 matter or circumstances have arisen since 31 December 2020 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 year subsequent to 31 December 2020.

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 2020, 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. Directors' interests were identified ahead of every meeting.

Information on Directors

Dr Warwick Jonathon Vale

BSc BVMS (Hons II) FAVA

AVA President since May 2020. AVA Treasurer from May 2019–May 2020. AVA Board Director since November 2018. Graduated from Murdoch University 1989. Past Partner of Midland/Bullsbrook Veterinary Hospitals, large mixed practices in WA. Now Partner Valley Equine Veterinary Services, actively working in clinical practice. Has extensive board/committee governance experience in not for profit organisations. Both AVA, SIG and Division experience. Member AVA for 29+ years. Previously Divisional Committee Member (WA). Past President EVA 2012, Treasurer EVA Executive Committee 2001–2007. Awarded AVA Meritorious Service Award 2010 and AVA Fellowship 2018. Professional interests are Equine Practice, Medication Control Horses, FEI Veterinarian, Practice Management, Student mentoring and training, Association Governance, Professional Collegiality.

Dr Nicholas Sangster

BSc(Hons), BVSc (Hons), PhD, DipEVPC, MAICD

AVA Board Director since 2019. Current AVA Treasurer and Chair of the Audit and Risk Committee. Associate Editor for the Australian Veterinary Journal. Past member of the Cattle and Sheep SIGs of the AVA. Other awards include Fellow of the Australian Society for Parasitology and Diplomate of the European Veterinary Parasitology College. University Academic and researcher including roles as Professor in Veterinary Parasitology (Sydney) and Professor in Veterinary Pathobiology and Head of School of Animal and Veterinary Sciences (Charles Sturt). Registered Specialist in Veterinary Parasitology and a private consultant in antiparasitic agents. Previous engagements with Australian Pesticides and Veterinary Medicines Authority (APVMA), Animal Health Australia, Veterinary Surgeons Board of NSW, Editor-in-Chief International Journal for Parasitology, the World Organisation for Animal Health (OIE) and Council of Veterinary Deans of Australia and New Zealand.

Dr Julia Crawford

BVSc

AVA President since May 2019. AVA Board 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. Deputy Chair Animal Care and Management IRC. Director Bondi Junction Veterinary Hospital. AVA Member since 1996. Chair of Policy Advisory Committee 2018, 2019.

Dr Sally Colgan

BVSc, DipVetClinStud, Diplomate ACVS, MAICD

AVA Board Director since May 2020. AVA Member since

1990. Current AVI President, also in 2012 and 2018. Member of the Australian Institute of Company Directors since 2018. AVI Committee member (2006–2010), EVA committee member since 2002. Diploma Veterinary Clinical Studies. Diplomate American College Veterinary Surgeons since 2001. Founder, owner and Managing Director SCEC/ Eurofins SCEC 2002–2016. Managing Director Eurofins Animal Health 2016–2018. Director Vets Beyond Borders 2019. Chief Executive Officer Vets Beyond Borders since March 2020. Category A member Schools Animal Care and Ethics Committee since 2019.

Dr Robert JT Doneley

BVSc FANZCVS (Avian Health)

AVA Board Director since 2016. AVA Vice President since 2018. AVA Member since 1978. 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 2015–2018. 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 2016–2019. Professor, School of Veterinary Science, The University of Queensland. Chair of Nomination and Remuneration Subcommittee 2018–19.

Dr Meredith Flash

BVSc, Cert IVAS

AVA Board Director since July 2020. Member of the AVA scientific committee 2018–2020. President EVA 2016–2017. EVA Vice-President 2015–2016. EVA Stakeholder Committee chair 2014–2015. Executive Committee member of EVA 2007–2017. EVA Education Committee Member 2016–2020. Mentor with the AVA Mentoring Program 2017–2019. University of Melbourne Student Mentor 2018–2020. AVA Meritorious Service Award 2018. Member, AVAWE 2016–2020. PhD candidate at University of Melbourne 2016–2020. Lead researcher for the Australian Thoroughbred Wellbeing Project (2018–present). Owner of Flash Veterinary Services 2013–present. EVA Young Member Group President 2007–2008. Board member of the Australian Horse Industry Council since June 2020. Accredited Fédération Equestre Internationale (FEI) accredited veterinarian since 2012.

Dr Alan Guilfoyle

BVSc

AVA Board Director since May 2020. Member Australian Institute of Company Directors since 2020. AVA member since 1969. Graduated University Queensland 1971. Founder (1976)/Director Clermont Veterinary Surgery. ACV

Bovine Practitioner of the Year 2014. AVA Meritorious Service Award (ACV) 2016. Member ACV Executive Committee since 2016. Member ACV Bull Subcommittee. ACV PREgCHECK and BULLCHECK examiner. Adjunct Senior Lecturer James Cook University.

Dr Kenneth Jacobs

BVSc, MVSc, MANZCVS (Equine Surgery) GAICD

AVA Board Director May 2017–May 2020, Chair of Risk and Audit Committee 2018–2020, 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 Robert Johnson

BVSc MANZCVS CertZooMed BA FAVA

AVA Board Director 2014–2020, AVA President 2015–2017; 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 (TCSA) 2005–2012. Locum veterinarian, TCSA 2019–present. Principal/Partner, Springwood Veterinary Clinic 1983–2003; South Penrith Veterinary Clinic 2003–2018. Director, Vets Beyond Borders 2017–present. Chair, Vets Beyond Borders, 2021. Member, Wildlife Health Australia Committee 2019–2020. Chair, Veterinary Science Alumni Association, The University of Sydney, 2018–2020. Member, Veterinary Schools Accreditation Advisory Committee. Chair, Stock Welfare Panel, NSW Department of Primary Industries, Biosecurity and Food Safety. Member, Animal Welfare Advisory Committee (NSW Government). AVA Member since 1977, AVA Fellow.

Dr Bronwyn Orr

BVSc, MSc (IAWEL), MANZCVS (Animal Welfare)

AVA Board Director since May 2019. AVAWE Policy Councillor 2016–2019. AVA Member since 2014. Graduated from James Cook University (JCU) 2013. Member of the Australian Institute of Company Directors since 2019. UQ

AEC Category C member 2016. Pets in the Park Executive Committee member 2016 (QLD) and 2017–2019 (ACT). TGA AEC Category C member since 2019. JCU Outstanding Early Career Alumni Award 2018. Casual RSPCA ACT shelter veterinarian since 2017. RSPCA Australia Scientific Officer for Companion Animals 2017–2019. Casual academic at The University of Sydney since 2018. Current PhD candidate at The University of Sydney. Game Management Authority (GMA) Director since June 2020. Senior Veterinary Officer at the Commonwealth Department of Agriculture, Water and the Environment since May 2020.

Dr Paula Parker

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

AVA President 2017–2019. AVA Board Director 2015–2020. Chair Nominations and Remunerations Committee 2019–2020. Chair, Veterinary Business Advisory Group 2017–2019. Member, Veterinary Business Advisory Group 2017–2020. Convevor, Veterinary Business Group Summit 2017–2020. 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. Assistant Director, Education and Research, American Veterinary Medical Association since 2020.

Dr Matthew David Petersen

BSc, BVMS

AVA Board Director since November 2018. Chair Nominations and Remuneration Committee since May 2020. ACV Treasurer 2012–2016. AVA Meritorious Service Award 2016. Member ACV World Buiatrics 2014 Cairns organising committee. ACV President 2007–2008. ACV President Elect 2006–2007. ACV Vice President 2008–2009. ACV NSW State Representative 2004–2007. ACV conference organiser 2006 Port Macquarie. Accredited Pregnancy Testing examiner for Australian Cattle Veterinarians (manual & ultrasound). Member Veterinary Programming Committee Charles Sturt University 2006–2009. AVA and ACV member since 1990. Shareholder and director Southern Riverina Vets and prior entities 1986–2015. Director and shareholder Cowbank Pty Ltd. Own and operate an irrigated beef farm.

Meetings of Directors

During the financial year, 14 meetings of Directors were held. Attendances were:

| | Number Eligible to Attend | Number Attended |
|------------------------|---------------------------|-----------------|
| Warwick Jonathon Vale | 14 | 13 |
| Nicholas Sangster | 14 | 14 |
| Julia Crawford | 14 | 13 |
| Sally Colgan | 7 | 7 |
| Robert Doneley | 14 | 13 |
| Meredith Flash | 2 | 2 |
| Alan Guilfoyle | 7 | 7 |
| Kenneth Jacobs | 7 | 7 |
| Robert Johnson | 7 | 7 |
| Bronwyn Orr | 14 | 13 |
| Paula Parker | 8 | 6 |
| Matthew David Petersen | 14 | 13 |

Members Limited Liability

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 2020, the total amount that members of the Company are liable to contribute if the Company is wound up is \$426,750 (2019: \$424,500).

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 five trusts: Australian Veterinary Association Benevolent Fund (AVABF), Australian Companion Animal Health Foundation (ACAHF), Australian Veterinary Association Animal Welfare Trust (AVAAWT), AVA Animal Welfare Institute Trust and The Stephen Rose Foundation.

The insurance contracts prohibit disclosure of the nature of the liabilities insured by the contracts and the amount of the premiums.

Indemnity and insurance of Directors and Officers

The Company has, to the extent permitted by law, entered into agreements to indemnify its Directors and officers for all losses or liabilities incurred as an Officer of the Company or a related company. This includes losses or liabilities

incurred as an Officer of a Company where such office is held for the benefit of the Company.

No claim has been made against or by the Company in relation to any such indemnities or insurance policies during the financial year ended 31 December 2020.

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 42.

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



Nicholas Sangster

Director and Honorary Treasurer

Dated at Sydney 23 March 2021



Warwick Vale

Director and President



Photo credit - Jo-Anne McArthur,
We Animals Media

Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| FOR THE YEAR ENDED 31 DECEMBER 2020 | Notes | 2020 \$ | 2019 \$ |
|--|-----------|--------------------|---------------------|
| Revenue from ordinary activities | | | |
| Membership and subscriptions | | 4,070,175 | 4,133,800 |
| Sponsorship | | 426,815 | 538,626 |
| Affinity commissions | | 1,097,632 | 1,003,603 |
| Communications and publications | | 323,659 | 310,091 |
| Conferences and education | | 1,326,651 | 5,002,911 |
| Rental income | | - | 17,907 |
| Other revenue | | | |
| Interest | | 37,781 | 66,095 |
| Investment income | | 141,705 | 182,514 |
| Donations and bequests | | 1,220,941 | 35,105 |
| Government subsidies | | 1,173,331 | - |
| Other revenue | | 209,638 | 267,472 |
| Total revenue | | 10,028,328 | 11,558,124 |
| Expenses | | | |
| Service expenses | | (897,599) | (703,430) |
| Sponsorship, marketing and promotions expenses | | (86,962) | (191,201) |
| Conferences and continuing education expenses | | (1,644,465) | (3,871,994) |
| Communications and publications expenses | | (1,454,109) | (1,637,608) |
| Occupancy expenses | | (109,269) | (237,689) |
| Finance costs | | (24,711) | (3,297) |
| Policy and advocacy | | (429,624) | (478,277) |
| Administration expenses | | (3,581,370) | (4,133,206) |
| Other operating expenses | | (301,106) | (574,648) |
| Total expenses | | (8,529,215) | (11,831,350) |
| Surplus/ (Deficit) from ordinary activities before income tax expense | | 1,499,113 | (273,226) |
| Income tax expense relating to ordinary activities | 1(b) | - | - |
| Surplus/ (Deficit) from ordinary activities after income tax expense | 14 | 1,499,113 | (273,226) |
| Other comprehensive income | | | |
| Items that may be reclassified to profit and loss | | | |
| Realised/unrealised gain/(loss) on property | 15 | 500,398 | (139,574) |
| Items that may not be reclassified to profit or loss | | | |
| Realised/unrealised (loss)/gain on financial assets at fair value through other comprehensive income | 15 | (7,326) | 584,127 |
| Total comprehensive income for the year | | 1,992,185 | 171,327 |

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

| AS AT 31 DECEMBER 2020 | Notes | 2020 \$ | 2019 \$ |
|--------------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 16 | 4,757,389 | 3,505,789 |
| Financial assets | 6 | 93,055 | 336,000 |
| Trade and other receivables | 4 | 761,414 | 1,236,684 |
| Inventories | | 26,139 | 23,830 |
| Other current assets | 5 | 462,224 | 729,485 |
| Total current assets | | 6,100,221 | 5,831,788 |
| Non-current assets | | | |
| Financial assets | 6 | 5,364,054 | 4,895,799 |
| Property and equipment | 7 | 4,048,917 | 3,654,812 |
| Right of use assets | 8 | 331,129 | 375,932 |
| Intangible assets | 9 | 1,647,967 | 1,719,702 |
| Total non-current assets | | 11,392,067 | 10,646,245 |
| Total assets | | 17,492,288 | 16,478,033 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 551,632 | 789,229 |
| Contract liabilities | 11 | 2,439,482 | 3,144,036 |
| Lease liabilities | 12 | 27,186 | 23,431 |
| Provisions | 13 | 415,287 | 471,497 |
| Total current liabilities | | 3,433,587 | 4,428,193 |
| Non-current liabilities | | | |
| Lease liabilities | 12 | 268,737 | 295,923 |
| Provisions | 13 | 188,567 | 144,705 |
| Total non-current liabilities | | 457,304 | 440,628 |
| Total liabilities | | 3,890,891 | 4,868,821 |
| Net assets | | 13,601,397 | 11,609,212 |
| EQUITY | | | |
| Retained earnings | 14 | 7,744,991 | 6,238,303 |
| Reserves | 15 | 5,856,406 | 5,370,909 |
| Total Equity | | 13,601,397 | 11,609,212 |

The accompanying notes form part of these financial statements.

Financial Statements

STATEMENT OF CHANGES IN EQUITY

| FOR THE YEAR TO 31 DECEMBER 2020 | Retained Earnings | Asset Revaluation Reserve | FVOCI Reserve | Capital Profits Reserve | Total |
|--|-------------------|---------------------------|----------------|-------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 01 January 2019 | 6,501,979 | 1,003,139 | 304,212 | 3,628,555 | 11,437,885 |
| Total comprehensive income/(loss) | | | | | |
| Deficit from operating activities | (273,226) | - | - | - | (273,226) |
| Transfer of realised gain on sale of property to capital profit reserve | - | (411,303) | - | 411,303 | - |
| Other comprehensive income/(loss) | | | | | |
| Realised/unrealised loss on property | - | (139,574) | - | - | (139,574) |
| Change in fair value of property and financial assets at fair value through other comprehensive income | - | - | 584,127 | - | 584,127 |
| Total comprehensive income/(loss) | (273,226) | (550,877) | 584,127 | 411,303 | 171,327 |
| Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve | 9,550 | (9,550) | - | - | - |
| Balance at 31 December 2019 | 6,238,303 | 442,712 | 888,339 | 4,039,858 | 11,609,212 |
| Total comprehensive income/(loss) | | | | | |
| Surplus from operating activities | 1,499,113 | - | - | - | 1,499,113 |
| Other comprehensive income/(loss) | | | | | |
| Realised/unrealised gain on property | - | 500,398 | - | - | 500,398 |
| Change in fair value of property and financial assets at fair value through other comprehensive income | - | - | (7,326) | - | (7,326) |
| Total comprehensive income/(loss) | 1,499,113 | 500,398 | (7,326) | - | 1,992,185 |
| Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve | 7,575 | (7,575) | - | - | - |
| Balance at 31 December 2020 | 7,744,991 | 935,535 | 881,013 | 4,039,858 | 13,601,397 |

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

| FOR THE YEAR ENDED 31 DECEMBER 2020 | Note | 2020 \$ | 2019 \$ |
|---|-----------|------------------|------------------|
| Cash flow from operating activities | | | |
| Receipts from members' subscriptions | | 4,448,716 | 4,493,117 |
| Receipts from other ordinary activities | | 6,132,799 | 7,650,046 |
| Payments to suppliers and employees | | (8,657,712) | (12,146,074) |
| Net payments to Australian Taxation Office for GST | | (376,474) | (591,818) |
| Investment income received | | 141,705 | 182,514 |
| Interest received | | 37,781 | 66,095 |
| Net cash provided by/(used in) operating activities | | 1,726,815 | (346,120) |
| Cash flow from investing activities | | | |
| Proceeds from sale of financial assets at fair value through other comprehensive income | | 748,970 | 674,376 |
| Payments for purchases of financial assets at fair value through other comprehensive income | | (1,224,552) | (1,388,734) |
| Net investments of term deposits | | 242,945 | (10,230) |
| Payments for purchases of intangible assets | | (215,413) | (666,527) |
| Proceeds from sale of property and equipment | | - | 1,060,000 |
| Proceeds from sale of asset held for sale | | - | 306,500 |
| Payments for purchases of property and equipment | | (27,165) | (170,665) |
| Net cash used in investing activities | | (475,215) | (195,280) |
| Net increase/(decrease) in cash held | | 1,251,600 | (541,400) |
| Cash and cash equivalents at the beginning of the financial year | | 3,505,789 | 4,047,189 |
| Cash and cash equivalents at end of the financial year | 16 | 4,757,389 | 3,505,789 |

The accompanying notes form part of these financial statements.

Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 2020

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 ("the Group" or "Economic Entity"). The Australian Veterinary Association Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

Basis of preparation

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.

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 23 March 2021.

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);
- // AVA Animal Welfare Institute Trust;
- // The Stephen Rose Foundation.

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

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

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

(b) Income tax

No income tax is payable by the Company as it has been advised on 30 October 1981 by the Deputy Commissioner of Taxation that it is exempt from income tax under the terms of section 50(5) of the *Income Tax Assessment Act*. As part of the self-assessment regime the Company sought professional advice during 2013, 2017 and 2019 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) 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 2020 have been obtained and provide the basis of property valuations in the financial statements. Newly acquired properties are valued at fair value.

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. In the event the carrying amount of these assets is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised.

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. 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. Amounts included in the asset revaluation reserve relating to the asset sold are reversed to the 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.

(d) 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.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are reflected at fair value. Unrealised and realised gains and losses arising from changes in fair value, or on disposal of the financial assets, are taken directly to asset revaluation reserve in equity.

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, less any allowance for expected credit losses.

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 of financial assets

The Economic Entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition (this has replaced the incurred loss model). All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the

Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 31 December 2020, there are no expected credit losses recognised (31 December 2019: nil).

(e) 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 and salaries. 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 and salaries 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.

(f) 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.

(g) 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.

(h) Revenue

Revenue recognition policy for Revenue from Contracts with Customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the member or third party recipient.

Revenue is recognised by applying a five-step model as follows:

1. identify the contract with the customer;
2. identify the performance obligations;
3. determine the transaction price;
4. allocate the transaction price;
5. recognise revenue.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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 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;

// grant income is recognised on completion of grant performance obligation.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but may be property which has been donated or sold to the company at significantly below its fair value.

Once the asset has been recognised, the Company recognises any related liability amounts (e.g. provisions, financial liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

(i) Contract liabilities

Contract liabilities generally represent the unspent grants or other revenues received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / revenues.

Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

(j) Leases

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- // the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset;
- // the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- // the Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The Company has elected not to separate non-lease components from lease components and have accounted for all leases as a single component.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate of 8% is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Significant estimates and judgements

Lease term – As a result of a significant event or significant change in circumstances the Directors have reviewed the extension option available for the commercial buildings. The lease payments that would arise during the optional extension periods have been included in the lease liability only if it is reasonably certain that the Company will choose to exercise the option.

Incremental borrowing rate - Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(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) Rounding of amounts to nearest dollar

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

(p) Critical accounting estimates and judgments

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

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

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 (e), 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.

(q) 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.

No new or amended Accounting Standards and Interpretations were applicable for the current reporting period and therefore there is no impact on the current reporting period.



Photo credit - Jo-Anne McArthur,
We Animals Media

Notes to Financial Statements

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 2020 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.

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|--|------------------|-------------------|
| | \$ | \$ |
| Profit and loss and other comprehensive income of the parent entity | | |
| REVENUE | | |
| Operating activities | | |
| Membership and subscriptions | 4,070,175 | 4,133,800 |
| Sponsorship | 426,100 | 538,626 |
| Affinity commissions | 1,097,632 | 1,003,603 |
| Communications and publications | 323,659 | 310,091 |
| Conferences and education | 1,326,651 | 5,002,911 |
| Interest | 23,540 | 49,800 |
| Investment income | 90,468 | 118,354 |
| Rental income | - | 17,907 |
| Government subsidies | 1,173,331 | - |
| Other revenue | 202,578 | 264,490 |
| Total revenue | 8,734,134 | 11,439,582 |
| EXPENSES | | |
| Service expenses | 562,535 | 703,430 |
| Sponsorship, marketing and promotions expenses | 86,962 | 191,201 |
| Conferences and continuing education expenses | 1,644,465 | 3,871,994 |
| Communications and publications expenses | 1,454,109 | 1,637,608 |
| Occupancy expenses | 109,269 | 237,689 |
| Policy and advocacy expenses | 429,624 | 478,277 |
| Administration expenses | 3,527,549 | 3,985,905 |
| Finance cost | 56,063 | 35,924 |
| Other operating expenses | 301,105 | 573,266 |
| Total expenses | 8,171,681 | 11,715,294 |
| Surplus / (Deficit) for the year | 562,453 | (275,712) |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Items that may be classified to profit or loss | | |
| Realised/unrealised gain/(loss) on property | 500,398 | (139,574) |
| Items that may not be classified to profit or loss | | |
| Realised loss on financial assets at fair value through other comprehensive income | (21,973) | (7,809) |
| Unrealised (loss)/gain on financial assets at fair value through other comprehensive income | (31,205) | 309,673 |
| Total other comprehensive income | 447,220 | 162,290 |
| Total comprehensive income/(loss) for the year | 1,009,673 | (113,422) |
| Financial position of the parent entity | | |
| Current assets | 4,933,392 | 5,188,123 |
| Total assets | 13,831,805 | 13,792,560 |
| Current liabilities | 3,755,425 | 4,742,529 |
| Total liabilities | 4,212,730 | 5,183,158 |
| Net assets | 9,619,075 | 8,609,402 |
| Total equity of the parent entity comprising | | |
| Capital profits reserve | 4,039,858 | 4,039,858 |
| Asset revaluation reserve | 935,535 | 442,711 |
| FVOCI reserve | 638,701 | 691,880 |
| Retained earnings | 4,004,981 | 3,434,953 |
| Total equity | 9,619,075 | 8,609,402 |

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

| | | |
|-------------------------------------|----------|---------|
| Depreciation and amortisation | 465,410 | 341,237 |
| Provision for employee entitlements | (12,348) | 102,432 |

Notes to Financial Statements

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 4. TRADE AND OTHER RECEIVABLES

Current

| | | |
|-------------------|----------------|------------------|
| Trade receivables | 446,902 | 1,087,127 |
| Other receivables | 314,512 | 149,558 |
| | 761,414 | 1,236,684 |

NOTE 5. OTHER ASSETS

Current

| | | |
|-------------|---------|---------|
| Prepayments | 462,224 | 729,485 |
|-------------|---------|---------|

NOTE 6. FINANCIAL ASSETS

Current

| | | |
|---------------|--------|---------|
| Term deposits | 93,055 | 336,000 |
|---------------|--------|---------|

Non-current

| | | |
|---|------------------|------------------|
| Financial assets at fair value through other comprehensive income | | |
| Managed funds | 767,647 | 373,748 |
| Listed shares | 4,596,407 | 4,522,051 |
| | 5,364,054 | 4,895,799 |
| Total | 5,457,109 | 5,231,799 |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 7. PROPERTY AND EQUIPMENT

| | | |
|--|------------------|------------------|
| Freehold land at valuation | 915,023 | 915,023 |
| Buildings at valuation | 2,934,977 | 2,631,977 |
| Less accumulated depreciation | - | (131,599) |
| | 2,934,977 | 2,500,378 |
| Office furniture and equipment at cost | 1,793,816 | 1,766,651 |
| Less accumulated depreciation | (1,594,899) | (1,527,240) |
| | 198,917 | 239,411 |
| Total property and equipment | 4,048,917 | 3,654,812 |

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.

| FOR THE YEAR ENDED DECEMBER 2020 | Freehold land | Buildings | Office furniture and equipment | Total |
|--|----------------|------------------|--------------------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 January 2020 | 915,023 | 2,500,378 | 239,411 | 3,654,812 |
| Additions | - | - | 27,165 | 27,165 |
| Disposals | - | - | - | - |
| Revaluation increments | - | 500,398 | - | 500,398 |
| Depreciation | - | (65,799) | (67,659) | (133,458) |
| Carrying amount at 31 December 2020 | 915,023 | 2,934,977 | 198,917 | 4,048,917 |

Independent valuations of all land and buildings were carried out in September and October 2020 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 2020 and do not believe there has been a significant change in the assumptions at 31 December 2020. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2020.

Notes to Financial Statements

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 8. RIGHT OF USE ASSETS

| | | |
|--------------------------|----------------|----------------|
| Buildings | 384,288 | 384,288 |
| Accumulated depreciation | (53,159) | (8,356) |
| Total | 331,129 | 375,932 |

Movements in carrying amounts

| | | |
|---------------------------------------|----------------|----------------|
| Balance at 1 January | 375,932 | - |
| Additions | - | 384,288 |
| Depreciation | (44,803) | (8,356) |
| Carrying amount at 31 December | 331,129 | 375,932 |

NOTE 9. INTANGIBLE ASSETS

| | | |
|-------------------------------|------------------|------------------|
| Software at cost | 2,421,376 | 2,288,993 |
| Less accumulated amortisation | (937,957) | (650,809) |
| Total software | 1,483,419 | 1,638,184 |

| | | |
|-------------------------------------|------------------|------------------|
| Work in progress - development cost | 164,548 | 81,518 |
| Total | 1,647,967 | 1,719,702 |

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 |
|--|------------------|------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 January 2020 | 1,638,184 | 81,518 | 1,719,702 |
| Additions | 75,865 | 139,548 | 215,413 |
| Reclassification | 56,518 | (56,518) | - |
| Amortisation expense | (287,148) | - | (287,148) |
| Carrying amount at 31 December 2020 | 1,483,419 | 164,548 | 1,647,967 |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 10. TRADE AND OTHER PAYABLES

Current

| | | |
|-----------------|----------------|----------------|
| Trade payables | 180,199 | 288,827 |
| Accruals | 334,352 | 442,003 |
| Net GST payable | 37,081 | 58,399 |
| | 551,632 | 789,229 |

NOTE 11. CONTRACT LIABILITIES

Current

Income received in advance:

| | | |
|--------------------------|------------------|------------------|
| Membership subscriptions | 1,944,163 | 1,978,890 |
| Conference income | 109,688 | 883,514 |
| Other income in advance | 385,631 | 281,632 |
| | 2,439,482 | 3,144,036 |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 12. LEASE LIABILITIES

Current

| | | |
|-----------------|--------|--------|
| Building leases | 27,186 | 23,431 |
|-----------------|--------|--------|

Non-current

| | | |
|-----------------|---------|---------|
| Building leases | 268,737 | 295,923 |
|-----------------|---------|---------|

| | | |
|--------------|----------------|----------------|
| Total | 295,923 | 319,354 |
|--------------|----------------|----------------|

The Company has leases over buildings and office equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

TERMS AND CONDITIONS OF LEASES

1. BUILDINGS

Commercial lease

The Company leases corporate office buildings in various States for the corporate offices, the leases are for 3 years and include renewal options to allow the company to review for up to twice the non-cancellable lease term at the Company's discretion.

The Company includes options in the leases to provide flexibility and certainty to its operations and reduce costs of moving premises.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

The corporate office leases contain annual fixed 3% increases where the lease payments are adjusted at each anniversary date and undergo a market rent review on renewal of an option.

2. OFFICE EQUIPMENT

Leases for office equipment such as photocopier and printers are generally for a 3-year term and are treated as leases of low value assets.

Lease impact in the Statement of Profit and Loss and Other Comprehensive Income

The amounts recognised in the statement of profit and loss and other comprehensive income relating to leases where the Company is a lessee are shown below.

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|---|---------------|---------------|
| | \$ | \$ |
| Interest on lease | 24,711 | 3,294 |
| Expenses relating to leases of low-value assets | 23,105 | 22,248 |
| | 47,816 | 25,542 |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 13. PROVISIONS

Current

| | | |
|-------------------|---------|---------|
| Employee benefits | 415,287 | 471,497 |
|-------------------|---------|---------|

Non-current

| | | |
|-------------------|---------|---------|
| Employee benefits | 188,567 | 144,705 |
|-------------------|---------|---------|

| | | |
|--------------|----------------|----------------|
| Total | 603,854 | 616,202 |
|--------------|----------------|----------------|

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

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 14. RETAINED EARNINGS

| | | |
|--|------------------|------------------|
| Balance at 1 January | 6,238,303 | 6,501,979 |
| Transfer of depreciation on appraisal of property to asset revaluation reserve | 7,575 | 9,550 |
| Surplus/ (Deficit) from operating activities | 1,499,113 | (273,226) |
| Balance at 31 December | 7,744,991 | 6,238,303 |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 15. RESERVES

Asset revaluation reserve

| | | |
|--|----------------|----------------|
| Balance at 1 January | 442,712 | 1,003,139 |
| Change in fair value of the assets | | |
| Realised/unrealised gain/(loss) on property | 500,398 | (139,574) |
| Transfer of realised gain on sale of property | - | (411,303) |
| Transfer of depreciation on appraisal of property from retained earnings | (7,575) | (9,550) |
| Balance at 31 December | 935,535 | 442,712 |

Other comprehensive income/(loss):

FVOCI Reserve

| | | |
|---|----------------|----------------|
| Balance at 1 January | 888,339 | 304,211 |
| Change in fair value of financial assets at fair value through other comprehensive income | | |
| Realised loss | (43,031) | (3,942) |
| Unrealised gain | 35,705 | 588,069 |
| Balance at 31 December | 881,013 | 888,339 |

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 15. RESERVES (CONTINUED)

Capital Profits Reserve

| | | |
|--|------------------|------------------|
| Balance at 1 January | 4,039,858 | 3,628,555 |
| Transfer of realised gain on property | - | 411,303 |
| Balance at 31 December | 4,039,858 | 4,039,858 |
| Total Reserves Balance at 31 December | 5,856,406 | 5,370,909 |

Asset Revaluation Reserve

This reserve records the Economic Entity's appraisal increase of its revalued property at fair value through other comprehensive income.

FVOCI Reserve

This reserve reflects the realised and unrealised gains/losses on its financial assets at fair value through other comprehensive income.

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 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 16. CASH FLOW INFORMATION FOR CASH AND CASH EQUIVALENTS

| | | |
|-------------------------------|------------------|------------------|
| Cash on hand and cash in bank | 1,709,883 | 1,145,288 |
| Short term placements | 3,047,505 | 2,360,501 |
| | 4,757,389 | 3,505,789 |

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 2020, the number of members was 8,535 (2019: 8,490).

| FOR THE YEAR ENDED DECEMBER 2020 | 2020 | 2019 |
|----------------------------------|------|------|
| | \$ | \$ |

NOTE 18. KEY MANAGEMENT PERSONNEL COMPENSATION

| | | |
|--------------------|-----------|-----------|
| Total compensation | 2,283,504 | 2,131,979 |
|--------------------|-----------|-----------|

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 14.

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 \$31,352 (2019: \$32,630) and loans between controlled entities amounted to \$340,649 (2019: \$329,736).

Apart from the above, there were no other transactions with related parties.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Notes to Financial Statements

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 matter or circumstances have arisen since 31 December 2020 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 year subsequent to 31 December 2020.

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.

| FOR THE YEAR ENDED DECEMBER 2020 | Notes | 2020 \$ | 2019 \$ |
|---|-------|------------|------------|
| RECURRING FAIR VALUE MEASUREMENTS | | | |
| Financial assets | | | |
| Financial assets at fair value through other comprehensive income | | | |
| Managed funds | 6 | 767,647 | 373,748 |
| Listed shares | 6 | 4,596,407 | 4,522,051 |
| Property and equipment | | | |
| Freehold land | 7 | 915,023 | 915,023 |
| Buildings | 7 | 2,934,977 | 2,500,378 |

Managed funds are stated at the redemption price quoted by the investment managers at the reporting date. The redemption price is based on the market value of the underlying investments on the same date net of the costs of realisation.

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 2020 year.

Directors' Declaration

The Directors of The Australian Veterinary Association Limited (“the Company”) declare that:

1. the financial statements and notes as set out on pages 20-38, 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 2020 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.



Nicholas Sangster
Director and Honorary Treasurer

Dated at Sydney 23 March 2021



Warwick Vale
Director and President

Auditor's Independence Declaration



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201 Sussex Street
Sydney NSW 2000

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Sydney NSW 2001

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e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of Australian Veterinary Association Limited
ABN 63 008 522 852**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- a. the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b. APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

A handwritten signature in black ink that reads 'S Wallace'.

S Wallace
Partner

Pitcher Partners
Sydney

23 March 2021

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE 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 2020, 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 2020 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 (including Independence Standards)* (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 in the 2020 annual report for the year ended 31 December 2020 but does not include the financial report and our auditors report thereon.

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.

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



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.
- 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN VETERINARY ASSOCIATION LIMITED
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- Obtain sufficient appropriate evidence regarding the financial information of the Consolidated Entity or business activities within the Consolidated Entity 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.

A handwritten signature in dark ink that reads 'S Wallace'.

S Wallace
Partner

A handwritten signature in dark ink that reads 'Pitcher Partners'.

Pitcher Partners
Sydney

23 March 2021



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