



2014

ANNUAL REPORT

THE AUSTRALIAN VETERINARY ASSOCIATION LTD

CONTENTS



03	The AVA Board	18	Statement of financial position
04	President's report	19	Statement of changes in equity
06	CEO's report	20	Statement of cash flows
08	Treasurer's report	21	Notes to the financial statements
10	Organisational chart	33	Directors' declaration
11	Staff structure	34	Auditor's independence declaration
12	Directors' report	35	Independent auditor's report
17	Statement of comprehensive income		

THE AVA BOARD



PRESIDENT
Dr Julia Nicholls



TREASURER
Dr Sue Beetson



VICE PRESIDENT
Dr David Neck



DIRECTOR
Dr Malcolm McLennan



DIRECTOR EVA NOMINEE
Dr Christopher Reardon



DIRECTOR ACV NOMINEE
Dr Robert Bonanno



DIRECTOR
Dr Robert Johnson



DIRECTOR
Professor James Gilkerson



DIRECTOR
Dr Ben Gardiner

CORPORATE SUPPORTERS

Platinum Affinity partner



Platinum supporter



Gold education supporter



Gold supporter



Gold supporter



Gold supporter



Gold supporter



Silver supporter



Silver supporter



Silver supporter



PRESIDENT'S REPORT



Taking on the role of the AVA national president in May 2014 was the highlight for me of what has been a lifelong passion for our profession. I still feel proud and honoured to serve in this demanding but incredibly satisfying role.

As president, I am involved in most of the big national issues that are important to our profession, and the achievements I'm most proud of from 2014 relate to our

policy and advocacy work. When we decided in 2013 to invest greater efforts and resources into becoming a more effective voice for the veterinary profession, we envisaged many of the achievements that we can now claim.

We have signs of members becoming more aware of our work and achievements as well. Our annual advocacy survey revealed improvements across the board in how our members rate and understand our

advocacy work. The mean ratings for identical or similar questions all improved compared to the 2013 survey. Member ratings on the effectiveness of our media program significantly improved over the previous year with a mean score of 3.8 (on a 5-point scale) compared to 3.2 in 2013.

Our advocacy program to speak on behalf of the profession is centred on five strategic priorities and we made significant progress on each of these during 2014.

PLANNING AN EFFECTIVE VETERINARY WORKFORCE

We undertook a major campaign against the higher education reforms announced in the May 2014 Federal Budget because the proposed changes were likely to result in future veterinarians being burdened with unsustainable debt levels for much or all of their working life. By December 2014, amended legislation which reversed the proposed increase in interest rates for higher education loans had been rejected by the Senate.

This campaign is critical to our efforts in relation to both the workforce and economic sustainability strategic priorities. It was an important opportunity for significant engagement with every vet school dean, establishing one-on-one relationships that will be important for future work in these areas.

Other work on this priority area included the annual veterinary workforce survey, preparation for the nation's first ever comprehensive veterinary workforce forecasting report, and efforts to have veterinarians removed from the Skilled Occupations List which is instrumental to allowing skilled migration into Australia.

ENSURING ECONOMIC SUSTAINABILITY

Significant preparatory work was undertaken in 2014 on the upcoming review of the Animal Care and Veterinary Services Award, including gathering feedback from employer and employee members, seeking detailed legal advice, gaining an understanding of the review process in order to engage with it effectively, and making a preliminary issues submission.

Research was conducted on community perceptions of the veterinary profession in relation to those treating pets. There was a particular focus on perceptions about veterinary fees. Additional research was also undertaken focussing on the livestock sector. In particular, the research sought insights on the economic and other drivers for livestock producers to use veterinary services.

We released the Pet Insurance Guidelines which are being promoted broadly across the AVA. A member survey was conducted to feed into the development of the guidelines and the taskforce's work agenda. We also met with the two main insurers to work together on improving insurance for both vets and pet owners.

FILLING THE GAP IN GOVERNMENT VETERINARY SERVICES

Work in 2014 related largely to exploring options for more effective disease surveillance through industry and private veterinarians. We also identified the need to articulate and quantify the level of government-employed veterinarians needed to support our agricultural industries effectively.

BETTER REGULATION

A key milestone was achieved in 2014 with the release of the model principles for veterinary practice acts. It has come at a time when major reviews are underway in both Queensland and WA, and the AVA is investing significant time and energy to participating in these review processes.

National recognition of veterinary registration was enacted in South Australia and came into effect on 1 January 2015. This is the fifth jurisdiction to include this provision in legislation.

The Supreme Court decision in favour of Racing NSW was a disappointment. After the case, Racing NSW deferred their licence rule and a year later no veterinarian has been licenced in either NSW or Qld. We expect this issue to be present on the horizon for the foreseeable future.

FIGHTING ANTIMICROBIAL RESISTANCE

This strategic priority has helped us participate in the One Health efforts happening at federal level on this important issue. We commented on the discussion paper *'Developing a national antimicrobial resistance strategy for Australia'* and attended stakeholder consultation meetings in relation to establishing ongoing monitoring and surveillance in animals on antimicrobial

resistance and antibiotic usage. Our continued participation on the national organising committee for Antibiotic Awareness Week remains an important contact point with human health organisations working on the antimicrobial resistance challenge.

OTHER HIGHLIGHTS

In the early months of the year we communicated our concerns with The Hon. Barnaby Joyce about the abolition of the Standing Committee on Primary Industries and the Australian Animal Welfare Strategy. Since then, we have developed more structured and persuasive arguments about the productivity benefits for producers in high animal welfare standards, and these points were outlined in our submission to the Agricultural Competitiveness Green Paper. At the same time, there have been efforts to provide leadership in continuing the work of AAWS in a non-government environment. AVA paid to update and host the continuation of the AAWS website while these discussions are ongoing.

Hendra vaccine issues continued to be part of our agenda, and in 2014 we made representations to APVMA in relation to full registration of the vaccine (particularly the important role of veterinary practitioners), and to the trade minister seeking resolution of issues with exporting vaccinated horses to particular countries.

This is just a sample of the breadth and depth of our advocacy program on behalf of Australia's veterinarians. It is a great privilege both to contribute to these achievements, and to speak on behalf of the profession that means so much to me.

Julia Nicholls
PRESIDENT

CEO'S REPORT



In 2014, we continued to build on our efforts and investment in being a more effective advocate for the veterinary profession. Those efforts are now starting to bear fruit, and you can read about some of our achievements in policy and advocacy in the president's report.

MEMBERSHIP

Continuing the growth in membership we have been able to achieve over the past few years remains a focus for the AVA, and the key indicator of our success in delivering both advocacy and tangible member benefits.

With over 400 new members joining, and our student membership program continuing strongly, we achieved a total of 8377 members at 30 June 2014,

comprised of 5575 veterinarian members and 2776 student members. We also set out to ensure that 90% of our members renewed for the 2014-15 financial year, and I'm pleased to report that we achieved a 93% retention rate.

We focussed our attention in 2013 on developing and marketing a new membership offering for recent graduates, and these efforts continued in 2014. It is pleasing to report that 72% of first year graduates who remained in Australia became AVA graduate members in 2014. Our longer term goal is to ensure that at least 90% of our AVA student members continue to be part of the AVA after graduation, so there is much more to do to ensure AVA membership is a genuine necessity for vets to join for their professional life.

The board recognises that we need to be flexible and innovative if we are to achieve

our membership aspirations, and this is reflected in some of our initiatives. We've conducted extensive research and development to support a trial program for practice-based subscriptions in 2015. This trial will test a new offering for practice owners where they can receive special benefits for paying for all their employed veterinarians to be AVA members.

We have also established agreements with large veterinary employers to support the AVA membership of all their employed veterinarians

STRUCTURE AND SUPPORT

As the AVA evolves, the support needs of our special interest groups (SIGs) and divisions are also developing. Our group executive officers have taken on additional responsibilities to provide support and advice to the smaller SIGs. This in turn has

increased demand for some of our corporate services in event management, communications and sponsorship, and we are working to improve our systems and processes in these functions to help deliver expanded services to all AVA groups.

2014 also saw some significant and major upgrades to our IT infrastructure. These included work done on our database, website software, and a range of associated systems.

CONTINUING PROFESSIONAL DEVELOPMENT

Advancing and promoting veterinary science is central to our mission and we had another great year of work in this area. In 2014 a total of 102 AVA continuing professional development events were promoted on our Vet Ed calendar; 87 conferences or workshops and 25 webinars.

A highlight was the World Buiatrics Congress held in Cairns. Almost 1000 paying delegates attended, and the event was the culmination of several years' hard work by the conference organising committee and the Australian Cattle Vets SIG.

The Annual Conference in Perth attracted 720 paying delegates and exceeded our expectations. Industry support was also strong with stands and breakfast and lunch session sponsorship selling out.

Our corporate supporters and medallion sponsors continue to invest in the AVA and its Annual Conference, and we continue to work hard to ensure our events are a valuable investment.

Finally, it was very gratifying to launch our expanded Vet Ed library. It includes not only AVA conference proceedings and journals, but also a range of international journals across related subject areas. We look forward to this becoming an invaluable resource over the coming years for all members at any stage in their careers.

CORPORATE SUPPORT

We were very pleased to sign Elanco, Jurox and Zoetis, as new corporate supporters in 2014. They join a group of highly committed corporate supporters, who make a significant investment in

the veterinary profession through AVA activities.

Guild Insurance is our platinum affinity partner, providing invaluable insurance and other benefits to AVA members. As a platinum corporate supporter, Hill's Pet Nutrition supports a vast range of activities large and small to demonstrate a commitment to the veterinary profession.

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

Royal Canin, BOQ Specialist, Troy Laboratories Australia and Zoetis are all gold supporters involved across a range of groups and activities. Our silver supporters Idexx Laboratories and Jurox have also demonstrated their commitment to the profession.

Many thanks to our other affinity partners Diners Club and Bupa for their support throughout 2014.

OUR PEOPLE

One of the AVA's critical success factors is having the right people, with the right skills and the right resources. We have 50 paid employees and almost 300 volunteers, who all work together to achieve our goals and ambitions.

I would like to acknowledge and thank all of our people: employees, our dedicated board, staff, and all those who contribute to their AVA through roles with groups and committees.

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

Finally, I want to thank all our members. At the end of the day an association can only be as strong as its members, and the engagement and commitment of members remains our greatest asset.

Graham Catt
CEO

2014 AWARD RECIPIENTS

Congratulations to the AVA's 2014 award recipients.

President's Award

■ Dr Helen Fairnie Jones

Kesteven Medal

■ Dr Mary Young

Gilruth Prize

■ Dr Michael Rickards

Excellence in Teaching

■ Dr Tony Mogg

Fellows

■ Dr Andrew Easton

■ Dr Julia Nicholls

Meritorious Service Awards

■ Dr David Hucker

■ Dr Susan Beetson

■ Dr William Harkin

■ Dr George Downing

■ Dr Brian McErlean

■ Dr Christine Johnson

■ Dr Samantha McMahon

Don Kerr Veterinary Student Award

■ Lachlan Strohfeldt

Honorary Member

■ Professor Paul Hemsworth

Honorary Member

■ Springfield District Veterinary Clinic
– small animals

■ Pacific Vetcare
– large animals

TREASURER'S REPORT

FINANCIAL OPERATING RESULT

The 2014 consolidated operating result for AVA was a surplus of \$768,827 of which the parent entity operating result was a surplus of \$52,295. This was a solid and pleasing result.

This difference between the consolidated result and that of the AVA as the parent entity alone highlights the consolidated status of the AVA Financial Statements. The Financial Statements are the combination of the statements of the legal entity which is "The Australian Veterinary Association Limited" itself and the AVA trusts. The AVA is required by relevant accounting standards to produce consolidated accounts on this basis. In 2014 the reason for the higher consolidated surplus is the receipt of a significant donation of \$700,000 by the Australian Companion Animal Health Foundation.

This AVA parent entity result provided a positive variance (of over \$300,000) to the forecast AVA annual budget result of a deficit of \$250,000.

These financial statements also disclose comprehensive income by making allowance for significant unrealised gains

on AVA freehold property and investments. The total comprehensive result for the consolidated AVA for the year was a surplus of \$785,930. The comprehensive result for the AVA parent entity alone was a surplus of \$69,398.

The main highlights of the AVA financial year from January 2014 to December 2014 were:

- finalisation of the Racing NSW legal case (refer below)
- total revenue reached \$13.0m, an increase of 19% over 2013 (with the presence of the ACAHF donation and a higher scale of conference activity being important contributors). Moreover the achievement of the positive variance to the 2015 budget was founded on above budget income performance
- continued strong financial management and budget adherence of the 80 groups within the AVA with some very strong conference results
- significant growth in subscription income to over \$3.6m, an increase of 15% over 2013
- the surplus achieved on the 2015 AVA National Conference in Perth was one of

the highest of recent years (based on significantly lower costs per delegate)

- the successful conduct of 2 major international conferences by AVA SIGs (ACV and UPAV), both in Cairns – these being the World Buiatrics Conference and "Topical and Tropical" Combined Exotics and Avian Conference
- expenditure on the core activities of veterinary conferencing and publications amounted to over \$5.1m in direct costs (excluding other shared costs such as salaries which contribute to these core activities)
- the value of the AVA investment portfolio with Macquarie Bank grew by 6.5% (\$190,000) during the course of 2014
- higher levels of valued commercial support
- the support of an important range of new projects (referred to in the President Report)

In 2013, the AVA resolved to fight the constant attempts by Racing NSW to license veterinarians treating thoroughbred horses in training. The AVA therefore supported a legal challenge to the proposed licensing rules. Members may refer to the 2013 Financial Statements for

further information in relation to that matter. Included in those 2013 accounts were accruals for estimated legal expenses related to this. Those accruals eventually exceeded the amounts the AVA paid for those expenses with the result that an amount (\$190,000) was recorded as a credit (income) in these 2014 accounts and contributed to the 2014 surplus.

As noted above, the statutory accounts to which my report is attached, unless otherwise indicated are 'consolidated', representing the combined activities of all Special Interest Groups, branches, divisions and national office as well as the AVA trusts. The trusts are controlled entities in that the Board has the power to approve and remove trustees, but has no direct input into operations of the trusts. Financial results over which we have direct control are described as 'parent' and the trusts are excluded. The comprehensive income (or loss) allows for the recognition of changes in fair value of property and available-for-sale assets.

BALANCE SHEET

AVA remains in a sound position and at December 2014 held total assets of \$15.656m and net assets of \$11.354m, with the parent holding net assets of \$9.512m and a secure current ratio of 1:30.

INVESTMENT PERFORMANCE

As at the end of 2014, AVA held financial investments in the form of managed funds (\$1.041m), equities (\$1.771m) and term deposits (\$5.796m). The managed funds and equities balances rose by \$190,000 reflecting a year of continuing improvement in world equity markets. These funds continue to be managed by Macquarie Bank and the Finance Committee meets periodically with Macquarie Bank to review this performance. We also review our minimum cash balances required for operations and continue to hold funds in excess of this need as a secure form of investment in term deposits. These deposits yielded an average weighted return of approximately 3.4% at 31 December 2014. The interest rates available for AVA funds have continued to fall in accordance with market conditions in the past year. The impact of this fall was such that interest income derived by the AVA parent entity was

\$36,000 below the expected budget level for the full year. The AVA engages an external rate adviser (Secure Investments) to advise on the range of best rate outcomes available in financial markets for the terms required.

PROPERTY AND EQUIPMENT

During 2014 there were no major property or asset acquisitions. The AVA holds five offices as freehold and these assets, when combined with relevant plant and equipment, hold a book valuation of \$5.090m as at 31 December 2014. In the course of preparing these 2014 accounts the AVA obtained updated valuations of each of these 5 sites. The value of the Sydney site fell but this movement was largely offset by rises in the values of the Melbourne and Brisbane sites. The values of Adelaide and Perth properties remained unchanged since last valuations in 2012. In total, the movements in these property values required a \$20,000 reduction in revaluation reserves attributable to these properties. There are no current Board resolutions committing to any new property acquisitions. Similarly, there have also been no other capital investments or expenses of any material amount in 2014. The AVA does however intend to commit in 2015 to the acquisition of a new financial accounting software package which is due to be completed in 2015.

FUNDS AND TRUSTS

The AVA had seven trusts at the conclusion of the 2014 year: being the Australian Companion Animal Health Foundation (ACAHF), Australian Veterinary Association Benevolent Fund (AVABF), Australian Veterinary Association Animal Welfare Trust (AVAAWT), Veterinary Emergency Support Trust (VEST), AVA Animal Welfare Institute Trust (AVAAWIT), Stephen Rose Foundation and the AVA Fighting Fund which have a total equity of \$1.842m. This equity rose significantly in 2014 with the receipt of the ACAHF donation noted above.

THE BOARD FINANCE COMMITTEE

Finance is a subcommittee of the Board and meets face to face over the two days of the seven Board meetings each year.

The Finance Committee also holds a number of teleconferences for out of session work. In total the Committee met on 12 occasions during 2014. Members this year were Julia Nicholls, James Gilkerson, Rob Bonanno and Ben Gardiner. Alastair Henderson was a valued member of this Committee for some years until his untimely passing in May 2014. Alastair brought to the Committee (and to the Board) many years of senior veterinary, management and financial experience. His insight and presentation of balanced views will be missed. His contribution is recognised with the formation of the Alastair Henderson Memorial Fund to provide support for nominated AVA members to represent members' interests to production animal industry bodies at strategic meetings or events. This Fund was established by the Board in response to a business case submitted by the Australian Cattle Veterinarians SIG.

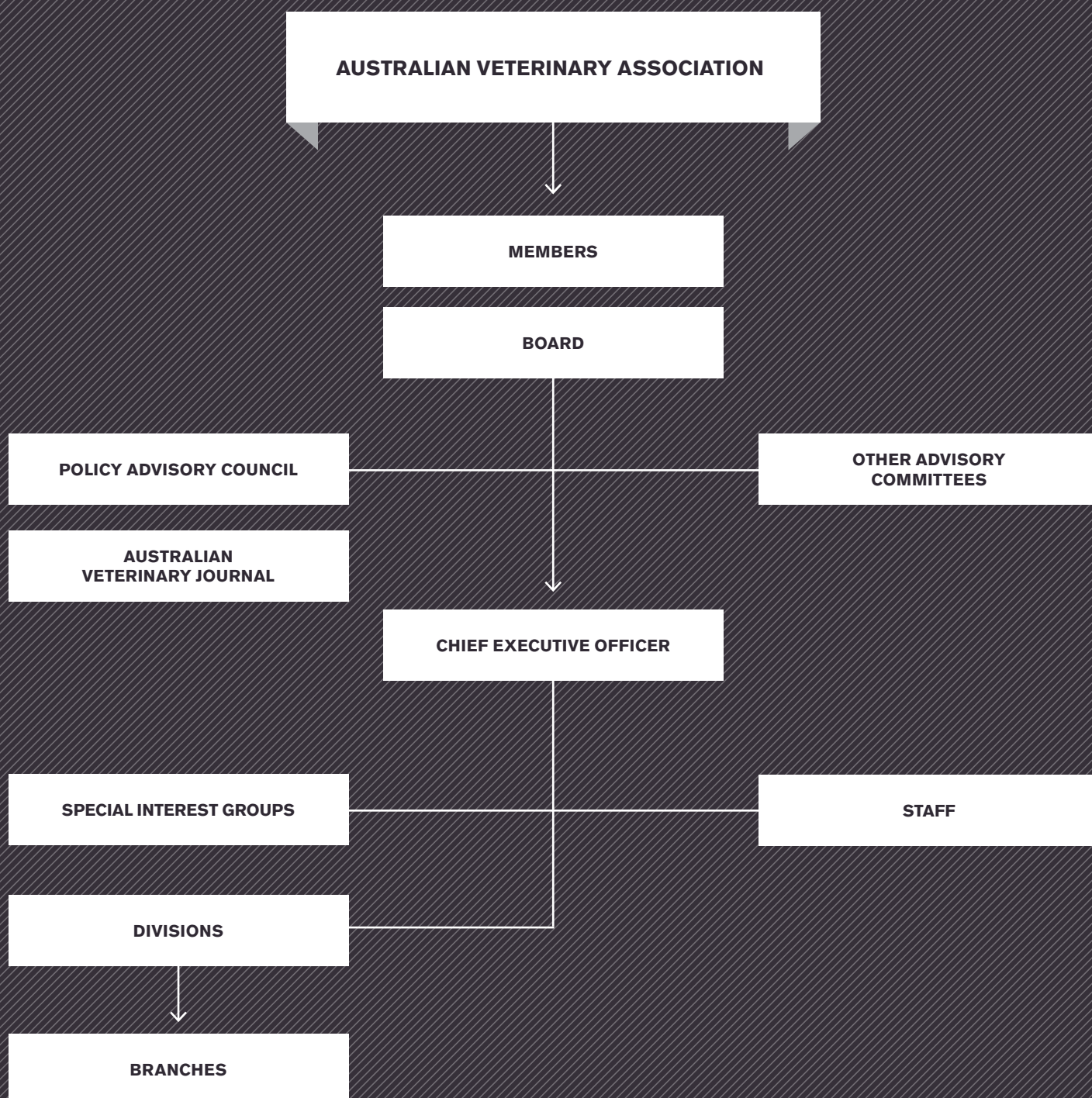
In the operations of the Committee the President is ex officio in fulfilling their individual role on the Committee and the CEO Graham Catt and Sue McGrath attend most meetings. The National Corporate Services Manager (John Robb) and Finance Officer (Anna Gregori) support the subcommittee providing timely, relevant, accurate and invaluable reports and advice. Thanks to all for your commitment and hard work.

The approved 2015 budget provides for a break-even budget. Within this budget provision has been made for a series of additional important projects. Your Board believes that this budget target result is appropriate and achievable and provides further focus on new projects to serve the Strategic Plan of the AVA.

The 2014 result is quite a strong outcome. Equally, the financial position of the AVA at the end of the 2014 year remains solid (and has remained that way for some years despite the presence of some economic uncertainty). The sound financial result and underlying financial strength could not have been achieved without the contributions from the executive officers, other staff and the many members who volunteer their time as Honorary Treasurers, conference and meeting organisers.

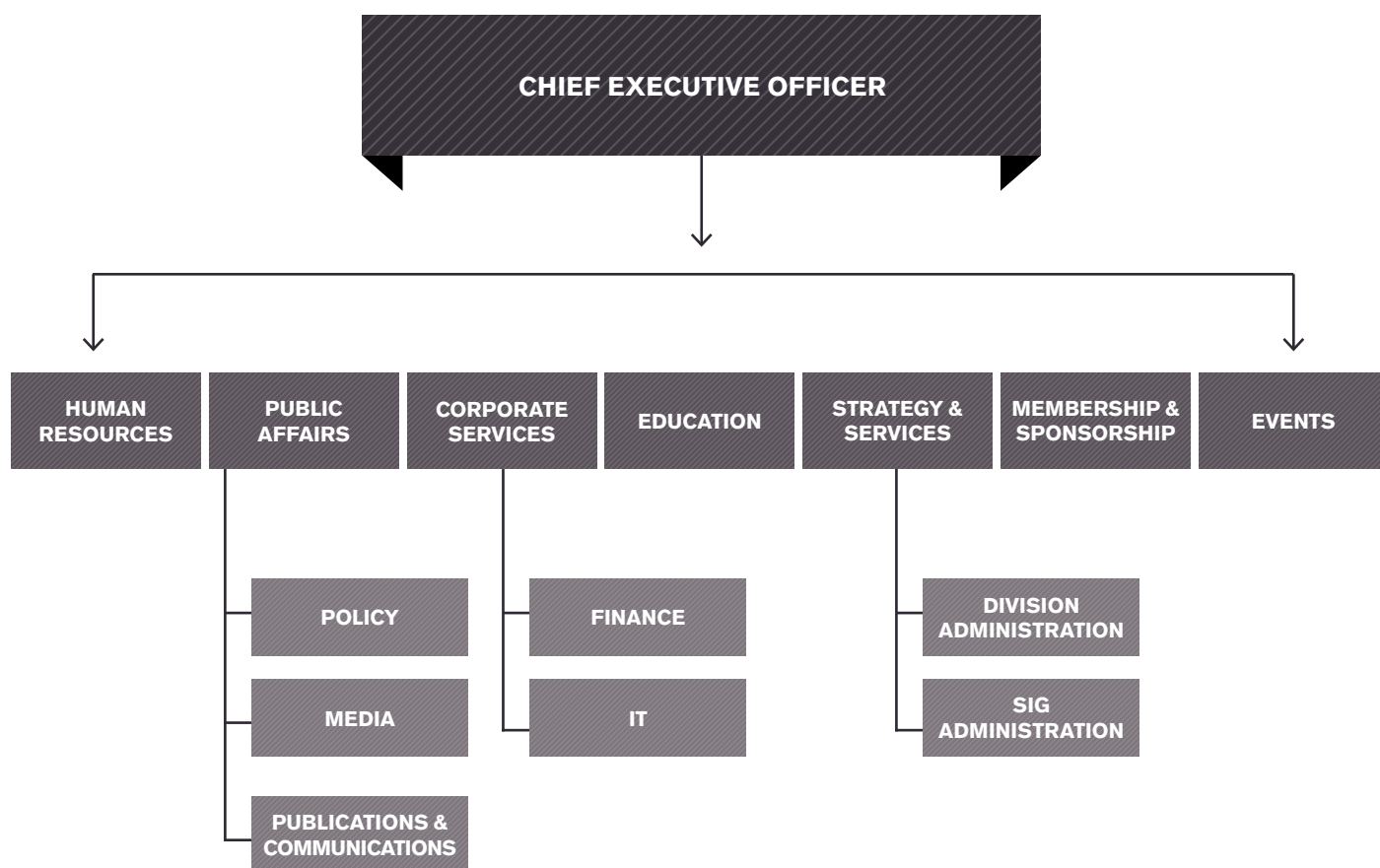
Susan Beetson
TREASURER

ORGANISATIONAL CHART



STAFF

STRUCTURE



DIRECTORS' REPORT



The Directors of The Australian Veterinary Association Limited (“the Company”) present their report together with the financial statements of The Australian Veterinary Association Limited and Controlled Entities (“Economic Entity”) for the financial year ended 31 December 2014.

DIRECTORS

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

- Julia Nicholls

- David Neck
- Sue Beetson
- Malcolm McLennan
- Christopher Reardon
- Ben Gardiner
 - Terminated May 2014
 - Appointed July 2014
- Robert Bonanno
 - Appointed May 2014
- James Gilkerson
 - Appointed May 2014
- Robert Johnson
 - Appointed May 2014

- Alastair Henderson
 - Passed Away May 2014
- Peter Gibbs
 - Terminated May 2014
- Peter Chenoweth
 - Terminated May 2014

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

INFORMATION ON COMPANY SECRETARY

- G Catt, MA, MBA, Grad Dip Business
 - Company Secretary since 16 April 2008

- J Robb, BEc(Hons), LLB,
- Company Secretary since 10 March 2009

PRINCIPAL ACTIVITIES

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

- operation as an association representing veterinary professionals in Australia
- conduct of the 2014 AVA National Conference "What's Best Practice" in Perth
- conduct of the 41st Annual ASAVA Conference "Endocrinology, Ophthalmology and Clinical Pathology" on the Gold Coast
- conduct of the 36th Bain Fallon Memorial Lectures for EVA "The Year of the Horse" on the Gold Coast, the ACV World Buiatrics Conference in Cairns and the AVAPM conference "Maintaining the Lead" in Sydney
- the presentation of numerous other conferences, seminars, workshops and meetings throughout Special Interest Groups, Divisions and Branches
- publication of the Australian Veterinary Journal
- publication of the Australian Veterinary Practitioner, the Companion, the Australian Equine Veterinarian and The Australian Cattle Veterinarian
- publication of other scientific newsletters, journals, communications and materials
- maintenance of the Vet Ed library
- promotion of the value of the profession to the community, industry and government
- providing a forum for veterinarians to exchange ideas and access member services
- assisting members to strive for professional excellence
- providing high standards of continuing education and professional development
- providing leadership and expert advice in animal science, health, welfare and production

- stimulating informed debate on issues within the areas of scientific and professional importance
- developing technical policy on animal health and welfare issues.

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

OPERATING RESULTS

The consolidated surplus from operations for the year was \$768,827 (2013: consolidated deficit (\$369,122)).

REVIEW OF OPERATIONS

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

The Economic Entity comprises The Australian Veterinary Association Limited, including 8 Divisions, 21 SIGs and 40 Branches in addition to the AVA National Group and 7 Trusts. All groups operate within their own budgetary control but within financial operating guidelines promulgated by the Board of Directors. Being a not-for-profit entity, the Company does not seek to maximise profits but to provide member services compatible with possible income. On the foregoing basis, it is expected that the Economic Entity will generate surpluses in some years (to be carried forward for future use) and deficits in some years (representing the expenditure of past or future surpluses).

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

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

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

In service of the objects and Mission the Company's current objectives are set out in the Strategic Plan. These exist in addition to the conduct of the Company's continuing core activities as summarised below:

1. Effective advocacy
2. Community awareness of the Profession
3. Knowledge and continuing professional development
4. Building a membership culture
5. Engaged members
6. Effective organisational structure
7. Right people, roles and resources
8. Good governance

STRATEGIES

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

1. Effective advocacy – Develop a veterinary workforce stock and flow model, represent members in the scheduled veterinary industry award review, develop new pet insurance policy and oppose government higher education reforms.
2. Community awareness of the profession – Promote production animal veterinary services and improve the effectiveness of communications supporting veterinary fees.
3. Knowledge and continuing professional development – Increase engagement with journal authors and reviewers, develop policy for consistent event income pricing and revise competing products and services policy.
4. Building a membership culture – Develop national graduate support scheme, increase e-Line distribution, advance student support scheme and undertake marketing campaign for recent graduates.
5. Engaged members – Implement program of practice visits and relationship development, and develop AVA customer service team.
6. Effective organisational structure – Implement new induction process for committee members, upgrade AVA accounting software and review processes of support offered to groups.

7. Right people, roles and resources
 - Develop induction process for staff, outsource payroll and expand use of profiling and other tools to ensure greater organisational fit for staff.
8. Good governance – Revision of risk management framework and processes, and review group governance policies and procedures.

KEY PERFORMANCE MEASURES

The Company measures its own performance in achieving the objectives through the use of both quantitative and qualitative benchmarks set out in the 2014 Strategic Plan. The benchmarks are used by the Director to assess the financial sustainability of the company and whether the company's short term and long term objectives are being achieved.

A key benchmark in assessing the financial stability of the parent company has been attainment of the Company's approved annual budget in the following manner. The Board has approved a break-even budget for the year ended 31 December 2015 and a (\$250,000) deficit for 2014 (refer also to Treasurer's report).

Financial Surplus/(Deficit) of Parent Company

2014

Actual: \$52,295

Benchmark: (\$250,000)

2013

Actual: (\$423,142)

Benchmark: \$0

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 31 December 2014 that significantly affected or may significantly affect:

- (a) the operations of the Economic Entity;
- (b) the results of those operations; or

- (c) the state of affairs of the Economic Entity in the financial years subsequent to 31 December 2014.

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 2014 no Director has received or become entitled to receive any benefit by reason of a contract made by the Economic Entity or a related corporation with the Director or with a firm of which he/she is a member, or with a Company in which he/she has a substantial financial interest. However, the President and Directors who serve in an honorary capacity are entitled to receive a reimbursement for actual expenses incurred as well as an honorarium for their services as Directors of the Company.

INFORMATION ON DIRECTORS

JULIA NICHOLLS

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

AVA member since 1980. AVA Director since October 2009. Meritorious Service Award 1992. South Australian Division President 1986-7. South Australian Division committee 15 years. Veterinary Surgeons Board South Australia 1987-1993 and 2002-2005. Representative on Australian Veterinary Boards Council 2002-2008. ASAVA Accredited Hospitals

Convenor 5 years. Member South Australian Controlled Substances Advisory Council. Trustee Feline Health Research Fund Member various Animal Ethics Committees.

DAVID NECK

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

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

SUE BEETSON

BSc (Hons), PhD BVMS

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

MALCOLM MCLENNAN

BVSc, MSc, MVSc, MANZCVSc, GCEd, FAVA

AVA member since 1964. AVA Director 2002-2004 and re-elected Director in May 2013. Queensland Division President 2001-2002 and South-east Queensland Branch President 1999-2001 and 2011-2013. Coordinator, AVA Education Day at annual Conference from 2003-2009 and 2011-2015. Adjunct Senior Lecturer UQ from 2011 to present. Chief

Clinical Examiner, National Veterinary Exam (NVE) for overseas veterinarians from 2010 present, NVE Board member, 2008-2015.

Honorary Historian, Queensland Division, AVA, 2006-2015.

CHRISTOPHER REARDON

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

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

BEN GARDINER

BVSc

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

ROBERT A BONANNO

BVSc (Hons)

AVA Member since 2001. AVA Director since 2014. ACV Committee member (2007 -2010), ACV President 2010-2011, 2011-2012, ACV state representative (VIC) 2005-2006. ACV nominee to EU-FMD (Nepal 2013). Director Sheppvets P/L since 2001 (Shepparton Veterinary Clinic).

JAMES GILKERSON

BVSc, BSc (Vet) Hons, PhD

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

ROBERT JOHNSON

BVSc MANZCVS (Feline) CertZooMed BA

AVA Director since 2014. President Unusual Pet and Avian Veterinarians SIG (UPAV) 2009-present. Policy Councillor UEP/UPAV 2005-2014. Chair, Policy Advisory Council 2015. Treasurer Feline Chapter ANZCVS 2010 - present. Australian/New Zealand representative to the International Committee of the Association of Reptile and Amphibian Veterinarians (ARAV) 2012 – present. Lecturer, James Cook University, School of Veterinary and Biomedical Sciences 2006-present. Member of two animal ethics committees 1998-2005. Clinical Veterinarian Taronga Conservation Society Australia 2005-2012. Principal/partner Springwood Veterinary Clinic 1983-2003; South Penrith Veterinary Clinic 2003-present. AVA member since 1977.

ALASTAIR HENDERSON

BVSc., MVSc, Dip.BusMan

AVA Director since May 2012–May 2014, AVA Member since 1968, previous Treasurer ACV, awarded MSA, Fellow AVA, life member ACV.

PETER GIBBS

BVSc, MANZCVS (Anaes & IC), MAICD

AVA Director since May 2008–May 2014, AVA Vice President 2010–2013, NSW Division committee member 2002–2008. President NSW Division 2006, Policy Councillor 2007–2008. AVA member since 1970.

PETER CHENOWETH

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

AVA Director June 2011–May 2014. QLD Div President 1980. Federal Council, Meritorious Service Award 1987 and member of Policy Advisory Council for 4 years, Current Executive Member ACV and ARV (newsletter editor), President Society for Theriogenology 2005-2006, President Association for Applied Animal Andrology 2010. University - Director UQ Pastoral Veterinary Centre 1980-1984, Deputy Dean UQ 1985-1988, Endowed Chair, Kansas State University 1997-2005, Presiding Officer ACEC, CSU 2006-2010. AVA member since 1966.

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of Directors were held. Attendances were:

	No. eligible to attend	No. attended
Dr Julia Nicholls	10	10
Dr David Neck	10	10
Dr Sue Beetson	10	10
Dr Malcolm McLennan	10	10
Dr Christopher Reardon	10	9
Dr Ben Gardiner	8	8
Dr Robert Bonanno	6	6
Dr James Gilkerson	6	6
Dr Robert Johnson	6	6
Dr Alastair Henderson	3	3
Dr Peter Gibbs	4	4
Dr Peter Chenoweth	4	4

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 31 December 2014, the total amount that members of the Company are liable to contribute if the Company is wound up is \$401,000 (2013: \$372,450).

INSURANCE FOR COMPANY OFFICERS

During and since the financial year the Company has paid, or agreed to pay, premiums in respect of contracts insuring persons who are or have been a Company Officer, against certain liabilities incurred in that capacity. Company Officer for this purpose means any Director or Secretary of the Company and includes any other

person who is concerned, or takes part, in the management of the Company, including Trustees of the seven (7) trusts:

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

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

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

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

No claim has been made against or by the Company in relation to any such indemnities or insurance policies during the financial year ended 31 December 2014.

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 THE BEHALF OF COMPANY


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

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

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 27.

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



Susan Beetson

DIRECTOR AND HONORARY TREASURER

Dated at Sydney 10th day of April 2015



Julia Nicholls

DIRECTOR AND PRESIDENT

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

NOTES

2014

2013

\$

\$

Revenue from ordinary activities	3	12,979,361	10,847,922
Gain/(Loss) from non-operating activities	3	30,314	(9,514)
Total revenue		13,009,675	10,838,408
Service expenses		(913,007)	(810,941)
Sponsorship, marketing and promotions expenses		(175,936)	(202,509)
Conferences and continuing education expenses		(4,614,177)	(3,657,075)
Communications and publications expenses		(1,600,307)	(1,344,938)
Occupancy expenses		(267,367)	(252,111)
Policy and advocacy expenses		(457,394)	(593,307)
Administration expenses		(3,568,804)	(3,813,300)
Other operating expenses		(643,856)	(533,349)
Surplus/(Deficit) from ordinary activities before income tax expense		768,827	(369,122)
Income tax expense relating to ordinary activities	1(b)	-	-
Surplus/ (Deficit) from ordinary activities after income tax expense	12	768,827	(369,122)
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealised gain on available-for-sale financial assets and property		8,075	320,119
Reversal of unrealised gain on available-for-sale financial assets in prior year which were realised this year		9,028	8,830
Total other comprehensive income		17,103	328,949
Total comprehensive income/(loss) for the year		785,930	(40,173)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014	NOTES	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	15	4,299,977	1,300,253
Financial assets	7	2,177,035	4,281,484
Trade and other receivables	5	775,683	400,206
Inventories		27,580	25,826
Other current assets	6	472,947	427,088
Total current assets		7,753,222	6,434,857
NON-CURRENT ASSETS			
Financial assets	7	2,812,467	2,667,398
Property and equipment	8	5,090,470	5,192,042
Total non-current assets		7,902,937	7,859,440
Total Assets		15,656,159	14,294,297
CURRENT LIABILITIES			
Trade and other payables	9	1,177,828	660,939
Other liabilities	10	2,531,235	2,189,827
Provisions	11	356,924	725,153
Total current liabilities		4,065,987	3,575,919
NON-CURRENT LIABILITIES			
Provisions	11	235,222	149,358
Total non-current liabilities		235,222	149,358
Total Liabilities		4,301,209	3,725,277
Net Assets		11,354,950	10,569,020
EQUITY			
Retained earnings	12	6,959,940	6,185,513
Reserves	13	4,395,010	4,383,507
Total Equity		11,354,950	10,569,020

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 31 DECEMBER 2014	Retained earnings	Asset revaluation reserve	Capital profits reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2013	6,542,318	438,320	3,628,555	10,609,193
TOTAL COMPREHENSIVE INCOME:				
Deficit from operating activities	(369,122)	-	-	(369,122)
Other comprehensive income				
Change in fair value of available-for-sale financial assets	-	328,949	-	328,949
Total comprehensive income	(369,122)	328,949	-	(40,173)
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	12,317	(12,317)	-	-
Balance at 31 December 2013	6,185,513	754,952	3,628,555	10,569,020
TOTAL COMPREHENSIVE INCOME:				
Surplus from operating activities	768,827	-	-	768,827
Other comprehensive income				
Change in fair value of available-for-sale financial assets and property	-	17,103	-	17,103
Total comprehensive income	768,827	17,103	-	785,930
Transfer of depreciation on appraisal of property from retained earnings to asset revaluation reserve	5,600	(5,600)	-	-
Balance at 31 December 2014	6,959,940	766,455	3,628,555	11,354,950

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE

2014

2013

\$

\$

CASH FLOW FROM OPERATING ACTIVITIES

Receipts from members' subscriptions	3,982,351	3,671,829
Receipts from other ordinary activities	9,817,626	8,365,393
Payments to suppliers and employees	(12,542,808)	(11,291,146)
Net payments to Australian Taxation Office for GST	(455,324)	(567,085)
Investment income received	158,254	123,797
Interest received	192,560	211,178
Net cash provided by operating activities	1,152,659	513,966

CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from sale of available-for-sale financial assets	203,226	322,624
Payments for purchases of available-for-sale financial assets	(274,107)	(319,404)
Net investments of short-term placements	2,104,449	(973,723)
Payments for purchases of property and equipment	(186,503)	(86,704)
Net cash used in investing activities	1,847,065	(1,057,207)

Net increase (decrease) in cash held	2,999,724	(543,251)
Cash and cash equivalents at the beginning of the financial year	1,300,253	1,843,494
Cash and cash equivalents at end of the financial year	15	4,299,977
		1,300,253

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2014**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements cover the consolidated group of The Australian Veterinary Association Limited as an individual parent entity ("the Company") and The Australian Veterinary Association Limited and the controlled entities as a consolidated group ("Economic Entity"). The Australian Veterinary Association Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The Australian Veterinary Association Limited has adopted AASB 1053 - Application of Tiers of Australian Accounting Standards and AASB 2010-2 - Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

In accordance with the Corporations Amendment (Corporate Reporting Reform) Act 2010, parent entity columns are no longer required to be presented in the consolidated financial statements with summarised parent entity financial information to be provided in a note as disclosed in Note 2.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Australian Accounting Standards, Reduced Disclosure Requirements of the Australian Accounting

Standards Board (AASB) and the *Corporations Act 2001*.

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

The financial statements except for the cash flow information, have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements were authorised for issue on 10 April 2015.

ACCOUNTING POLICIES

(A) PRINCIPLES OF CONSOLIDATION

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

The controlled entities are:

- Australian Companion Animal Health Foundation (ACAHF);
- Australian Veterinary Association Benevolent Fund (AVABF);
- Australian Veterinary Association Animal Welfare Trust (AVAAWT);

- Veterinary Emergency Support Trust (VEST);
- AVA Animal Welfare Institute Trust;
- The Stephen Rose Foundation; and
- The AVA Fighting Fund

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

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

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

(B) INCOME TAX

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

(C) INVENTORIES

Inventories comprise primarily of forms, publications, clothing and membership insignia which have been included in the

accounts at cost on a first in first out basis. All inventories are stated at the lower of cost and net realisable value.

(D) PROPERTY AND EQUIPMENT

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Company to have an independent valuation every three years, with annual appraisals being made by the Directors. In this year however new independent valuations of all properties as at 31 December 2014 have been obtained and provide the basis of property valuations in the financial statements. Newly acquired properties are valued at cost, in the period preceding the next round of external valuations.

Increases in carrying amount arising on revaluation of buildings are credited to asset revaluation reserve in the statement of changes in equity. Decreases that offset previous increases of the same asset are charged against the asset revaluation reserves directly in the statement of changes in equity. All other decreases are charged to comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the comprehensive income and depreciation based on the asset's original cost is transferred from the retained earnings to asset revaluation reserve.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The buildings, which are a component of the total valuation of each property, are isolated from the land component and depreciated over expected life of 40 years, consistent with AASB 116 – Property, Plant and Equipment.

Office Furniture, Fittings and Equipment

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

The carrying amounts of office furniture, fittings and equipment are reviewed annually by Directors to ensure they are not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

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

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

Class of Depreciable Asset	Depreciation Rate
Buildings	2.5%
Office furniture and fittings	5-10%
Equipment	25-33%
Leasehold improvements	10%

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

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

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

reserve relating to the asset sold are transferred to capital profits reserve.

Impairment of Assets

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

(E) FINANCIAL INSTRUMENTS

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Economic Entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Economic Entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Available-for-sale financial assets

Available-for-sale financial assets include financial assets not included in the following categories:

- financial assets at fair value through profit and loss
- loans and receivables
- held to maturity investments.

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to asset revaluation

reserve in equity unless the assets are impaired.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Economic Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(F) EMPLOYEE BENEFITS

Short-term Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages 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 government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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

(G) PROVISIONS

Provisions are recognised when the Economic Entity has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(H) CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdrafts.

(I) REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Economic Entity and the amount of the revenue can be reliably measured. The following specific recognition criteria should also be met before revenue is recognised:

- membership subscriptions are brought to account as income at the time these are received except that where members' subscriptions are received in respect of a future financial period, the income is deferred and subsequently recognised in that future period
- interest revenue is recognised on a proportional basis using the effective interest method applicable to the financial assets
- affinity commission is recognised when the right to receive the income has been established
- conferences and events revenue which includes sponsorships and delegates fees are recognised upon commencement of the said conferences and events
- advertising revenue for the publishing activity of the Company is recognised when the particular article is due to be published
- dividend and distribution revenue are recognised when the right to receive the income has been established.

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

(J) LEASES

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(K) TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Economic Entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(L) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and

payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis except that the GST component of investing and financing activities, which are disclosed as operating cash flows.

(M) COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(N) FAIR VALUE OF ASSETS AND LIABILITIES

The Company 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 (ie the market that maximises the receipts from the sale of the asset, after taking into account transaction costs and transport costs).

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

(O) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The Directors assess impairment at each reporting date by evaluating conditions specific to the Economic Entity that may lead to impairment of assets. Where an impairment trigger exists the recoverable amount of the assets is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates. At 31 December 2014 there are no impairments.

Note 2. Parent Entity Disclosures

In accordance with the Corporations Amendment (Corporate Reporting Reform) Act 2010 and the Corporations Act 2001 the following summarised parent entity information is set out below. As at, and throughout, the financial year ended 31 December 2014 the parent company was The Australian Veterinary Association Limited.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2014
\$

2013
\$

NOTE 2. Parent Entity Disclosures

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

REVENUE

Operating activities

- Subscriptions	3,620,319	3,142,787
- Affinity commissions	1,073,611	1,121,069
- Interest	184,566	191,134
- Investment income	157,255	125,994
- Rental income	25,305	21,754
- Other revenue (incl. conferences and publications)	7,128,566	6,112,733
	12,189,622	10,715,471

Non-operating activities

- Gain/(Loss) on disposal of investments	30,314	(9,514)
Total Revenue	12,219,936	10,705,957

Expenses

Service expenses	923,007	810,941
Sponsorship, marketing and promotions expenses	175,936	202,509
Conferences and continuing education expenses	4,614,177	3,657,075
Communications and publications expenses	1,600,307	1,344,938
Occupancy expenses	267,367	252,111
Policy and advocacy expenses	457,394	593,307
Administration expenses	3,485,598	3,734,864
Other operating expenses	643,855	533,354
Total Expenses	12,167,641	11,129,099

Surplus/(Deficit) for the year	52,295	(423,142)
---------------------------------------	---------------	------------------

Other comprehensive income

Unrealised gain on available-for-sale financial assets and property	8,075	320,119
Reversal of unrealised gain on available-for-sale financial assets in prior year which were realised this year	9,028	8,830
Total Other comprehensive income	17,103	328,949

Total comprehensive income/(loss) for the year	69,398	(94,193)
---	---------------	-----------------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2014

\$

2013

\$

NOTE 2. Parent Entity Disclosures (continued)

Financial Position Of The Parent Entity:

Current assets	6,298,846	5,889,685
Total assets	14,201,783	13,749,124
Current liabilities	4,454,299	4,156,505
Total liabilities	4,689,125	4,305,862
Net assets	9,512,658	9,443,262

Total equity of the parent entity comprising of:

Issued Capital		
Capital profits reserves	3,628,555	3,628,555
Asset revaluation reserve	766,455	754,952
Retained earnings	5,117,648	5,059,755
Total equity	9,512,658	9,443,262

NOTE 3. Revenue from Ordinary Activities

Operating activities

- Subscriptions	3,620,319	3,142,787
- Affinity commissions	1,073,611	1,121,069
- Interest	184,566	191,134
- Investment income	157,255	125,994
- Rental income	25,305	21,754
- Other revenue (incl. conferences and Publications)	7,918,305	6,245,184
	12,979,361	10,847,922

Non-operating activities

- Gain/(Loss) on disposal of investments	30,314	(9,514)
--	--------	---------

Total Revenue	13,009,675	10,838,408
----------------------	-------------------	-------------------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2014

\$

2013

\$

NOTE 4. Profit from Ordinary Activities

Profit from ordinary activities has been determined after:

Expenses

Depreciation and amortisation	251,134	238,874
Provision for employee entitlements	42,476	97,013

NOTE 5. Trade and Other Receivables

Current

Trade receivables	570,966	187,666
Other receivables	204,717	212,540
	775,683	400,206

NOTE 6. Other Assets

Current

Prepayments	472,947	427,088
-------------	---------	---------

NOTE 7. Financial Assets

Current

Short-term placements	2,177,035	4,281,484
-----------------------	-----------	-----------

Non-Current

Available-for-sale		
Managed funds	1,041,956	1,014,637
Listed shares	1,770,511	1,652,761
	2,812,467	2,667,398
	4,989,502	6,948,882

NOTE 8. Property and Equipment

Land and buildings

Freehold land at:

- Independent valuation (2014)	751,189	751,189
--------------------------------	---------	---------

Buildings at:

- Independent valuation (2014)	4,038,811	4,168,811
Less accumulated depreciation	—	(100,956)

	4,790,000	4,819,044
--	------------------	------------------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2014

\$

2013

\$

NOTE 8. Property and Equipment (continued)

Office furniture and equipment at cost	1,685,617	1,610,060
Less accumulated depreciation	(1,385,147)	(1,237,062)
	300,470	372,998
Total property and equipment	5,090,470	5,192,042

a) Movements in Carrying Amounts

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

	Freehold Land	Buildings	Office furniture and equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2013	751,189	4,168,811	432,094	5,352,094
Additions	–	–	78,822	78,822
Depreciation	–	(100,956)	(137,918)	(238,874)
Carrying amount at 31 December 2013	751,189	4,067,855	372,998	5,192,042
Balance at 1 January 2014	751,189	4,067,855	372,998	5,192,042
Additions	–	93,991	75,743	169,734
Revaluation decrements	–	(20,172)	–	(20,172)
Depreciation	–	(102,863)	(148,271)	(251,134)
Carrying amount at 31 December 2014	751,189	4,038,811	300,470	5,090,470

Independent valuations of all land and buildings were carried out in December 2014 by registered valuers in each State or Territory of the fair market value of land and buildings based on existing use and the values advised have been included in these financial statements.

The Directors have reviewed the key assumptions adopted by the valuers in 2014 and do not believe there has been a significant change in the assumptions at 31 December 2014. The Directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs to sell at 31 December 2014.

2014

\$

2013

\$

NOTE 9. Trade and Other Payables

Current

Sundry creditors	1,177,828	660,939
------------------	-----------	---------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 10. Other Liabilities		
Current		
Income received in advance		
Membership subscriptions	1,580,112	1,600,484
Annual conference income	767,861	367,787
Other income in advance	183,262	221,556
	2,531,235	2,189,827
NOTE 11. Provisions		
Current		
Employee benefits	356,924	400,312
Legal Costs	–	324,841
	356,924	725,153
Non Current		
Employee benefits	235,222	149,358
Total	592,146	874,511
Number of employees at year end	57	57

	Annual Leave	Long Service Leave	Legal Costs	Total
Movements of Provisions:	\$	\$	\$	\$
Opening Balance at 1 January 2014	322,278	227,392	324,841	874,511
Additional provision raised during the year	232,824	53,866	–	286,690
Amounts used	(244,214)	–	(126,521)	(569,055)
Reversal of provision	–	–	(198,320)	(198,320)
Balance at 31 December 2014	310,888	281,258	–	592,146

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 12. Retained Earnings		
Balance at 1 January	6,185,513	6,542,318
Transfer of depreciation on appraisal of property to asset revaluation reserve	5,600	12,317
Surplus/ (Deficit) from operating activities	768,827	(369,122)
Balance at 31 December	6,959,940	6,185,513
NOTE 13. Reserves		
Asset Revaluation Reserve		
Balance at 1 January	754,952	438,320
Other comprehensive income		
Change in fair value of available-for-sale financial assets and property:		
Unrealised gain	8,075	320,119
Reversal of unrealised loss in prior year which were realised this year	9,028	8,830
	17,103	328,949
	772,055	767,269
Transfer of depreciation on appraisal of property from retained earnings	(5,600)	(12,317)
Balance at 31 December	766,455	754,952
Capital Profits Reserve		
Balance at 1 January	3,628,555	3,628,555
Transfer from retained earnings	—	—
Transfer from asset revaluation reserve	—	—
Balance at 31 December	3,628,555	3,628,555
Total Reserves Balance at 31 December	4,395,010	4,383,507

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2014

\$

2013

\$

NOTE 14. Capital and Leasing Commitments

Capital Commitments:

As at 31 December 2014 the Group did not have any capital commitments.

Payable – minimum lease payments:

- not later than 1 year	101,721	97,248
- later than 1 year but not later than 5 years	53,275	143,221
	154,996	240,469

NOTE 15. Cash Flow Information for Cash and Cash Equivalents

Cash on hand and cash in bank	886,668	772,521
Short term placements	3,413,309	527,732
	4,299,977	1,300,253

NOTE 16: Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the Company. At 31 December 2014 the number of members was 8,020 (2013: 7,449).

NOTE 17. Remuneration of the Auditor

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

Audit of the financial statements	32,850	31,000
Other services	2,400	–
	35,250	31,000

NOTE 18. Key Management Personnel Compensation

Total compensation	1,923,180	1,892,680
---------------------------	------------------	------------------

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19: Related Parties

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

Information relating to the remuneration of Directors is included in Note 17 as part of remuneration provided to key management personnel. There were no other transactions between Directors and the Company during the year.

During the year, interest paid to controlled entities amounted to \$31,515 (2013: \$39,707) and loans between controlled entities amounted to \$385,851 (2013: \$578,521).

There were no other transactions with related parties and Directors.

NOTE 20: Financial Instruments

The Economic Entity's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, and available-for-sale financial assets.

Listed investments have been valued at the last sale prices at the reporting date. Other assets and other liabilities approximate their carrying values.

NOTE 21: Company details

The registered office of the Company is:

Unit 40 , 6 Herbert Street St Leonards NSW 2065

NOTE 22: Events Subsequent to Reporting Date

No matters or circumstances have arisen since 31 December 2014 that significantly affected or may significantly affect:

- (a) The operations of the Economic Entity;
- (b) The results of those operation; or
- (c) The state of affairs of the Economic Entity in the financial years subsequent to 31 December 2014.

NOTE 23: Fair Value Measurements

The Company 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 Company 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 31 DECEMBER 2014	NOTES	2014 \$	2013 \$
Recurring fair value measurements			
Financial assets			
Available-for-sale financial assets			
Managed funds	7	1,041,956	1,014,637
Listed shares	7	1,770,511	1,652,761
Property and equipment			
Freehold land	8	751,189	751,189
Buildings	8	4,038,811	4,168,811

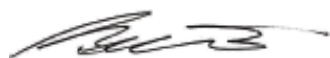
For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period. For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed in the previous year, which had used comparable market data for similar properties.

DIRECTORS' DECLARATION

THE DIRECTORS OF THE COMPANY DECLARE THAT:

1. the financial statements and notes as set out on pages 8 - 25, 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 2014 and of the performance for the year ended on that date of the Economic Entity; and
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



S Beetson
DIRECTOR AND HONORARY TREASURER



J Nicholls
DIRECTOR AND PRESIDENT

Dated at Sydney this 10th day of April 2015

AUDITOR'S INDEPENDENCE DECLARATION

MOORE STEPHENS

Level 15, 135 King Street
Sydney NSW 2000

GPO Box 473
Sydney, NSW 2001

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

www.moorestephens.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE AUSTRALIAN VETERINARY ASSOCIATION LIMITED

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of The Australian Veterinary Association Limited and its controlled Entities for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney this 10th day of April 2015.

Page 27 of 29

Moore Stephens Sydney ABN 90 773 984 843. An independent member of Moore Stephens International Limited – members in principal cities throughout the world. The Sydney Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

INDEPENDENT AUDITORS REPORT

MOORE STEPHENS

Level 15, 135 King Street
Sydney NSW 2000

GPO Box 473
Sydney, NSW 2001

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

www.moorestephens.com.au

Independent Auditor's Report To the members of Australian Veterinary Association Limited

Report on the Financial Report

We have audited the accompanying financial report of Australian Veterinary Association Limited ("the Company") and its Controlled Entities ("the Consolidated Entity"), which comprises the statements of financial position as at 31 December 2014, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the Consolidated Entity comprising The Australian Veterinary Association Limited and its Controlled Entities at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Page 28 of 29

Moore Stephens Sydney ABN 90 773 984 843, An independent member of Moore Stephens International Limited – members in principal cities throughout the world. The Sydney Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

INDEPENDENT AUDITORS REPORT

MOORE STEPHENS

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

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

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of The Australian Veterinary Association Limited and its Controlled Entities for the year ended 31 December 2014 included on The Australian Veterinary Association Limited's website. The Company's directors are responsible for the integrity of The Australian Veterinary Association Limited's website. We have not been engaged to report on the integrity of The Australian Veterinary Association Limited's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, this 10th day of April 2015.





© The Australian Veterinary Association Ltd 2014
Annual Report 2014

For general enquiries concerning the
Australian Veterinary Association:

Telephone: 1300 137 309

Facsimile: 02 9437 9068

Website: www.ava.com.au

Edited and compiled by Marcia Balzer and Emma Malcom

Designed by Southern Design www.southerndesign.com.au

Photography © Cover – Debbie Neutze

2, 4, 6, 8, 12, 37 – Anne Jackson