



**ANZCA**  
FPM

# **AUSTRALIAN & NEW ZEALAND COLLEGE OF ANAESTHETISTS**

(ABN 82 055 042 852)

## **ANNUAL REPORT**

**For the year ended 31 December 2022**

## Table of Contents

Directors Report.....	3
Auditor’s Independent Declaration .....	14
Independent Auditor’s Report .....	15
Directors’ declaration .....	18
Statement of Profit or Loss and Other Comprehensive Income.....	19
Statement of Financial Position .....	20
Statement of Changes in Equity.....	21
Statement of Cash Flows .....	22
Notes to the financial statements .....	23
1.    General Information .....	23
2.    Significant accounting policies .....	23
3.    Critical accounting judgments and key sources of estimation uncertainty.....	31
4.    Expenses.....	33
5.    Investment Income .....	33
6.    Current assets – Trade and other receivables .....	33
7.    Other financial assets.....	34
8.    Non-current assets – Property, office equipment and cultural assets .....	35
9.    Non-current assets - Intangible Assets .....	35
10.   Current liabilities - Trade and other payables .....	36
11.   Contract liability.....	36
12.   Provisions .....	36
13.   Leases.....	36
14.   Bank Guarantees.....	37
15.   Financial instruments.....	37
16.   Remuneration of auditors.....	37
17.   Key management personnel compensation .....	37
18.   Related party transactions.....	38
19.   Members’ Guarantee.....	38
20.   Subsequent events.....	38
21.   Contingencies.....	38

## Directors Report

The Council of the Australian and New Zealand College of Anaesthetists submit herewith the financial report for the financial year ended 31 December 2022. The College maintained its primary objectives for the period under review.

The Directors submit their report for the year ended 31 December 2022 as follows:

The names and particulars of the Directors during or since the end of the financial year are:

<b>President</b> Dr C J Cokis	FANZCA 1997; Fiona Stanley Hospital, WA
<b>Vice-President</b> Professor D Story	FANZCA 1997; Austin Health, VIC
<b>Honorary Treasurer</b> Associate Professor D Wilson	FANZCA 1998; North West Regional Hospital, TAS

## Directors of the College

Dr V S Beavis	FANZCA 1999; Auckland City Hospital, NZ
Dr Kieran Davis	FFPMANZCA 2004, Auckland City Hospital, NZ (Appointed 2 May 2022)
Dr D Devonshire	FANZCA 1998; Monash Medical Centre, VIC
Dr Bridget Effeney	FANZCA 2011, Princess Alexandra Hospital, QLD (Appointed 2 May 2022)
Dr Katherine Gough	FANZCA 2021, Royal Prince Alfred Hospital, NSW (Appointed 2 May 2022)
Dr M R R Jones	FANZCA 1992; Royal Prince Alfred Hospital, NSW
Dr S C Y Ma	FANZCA 2013; Women's and Children's Hospital, Adelaide, SA
Dr M S McManus	FANZCA 2003; Mater Misericordiae, Brisbane, QLD (Resigned 2 May 2022)
Dr S D Marshall	FANZCA 2006; Peninsula Health, VIC
Dr N N Robertson	FANZCA 1992; Auckland City Hospital, NZ (Resigned 2 May 2022)
Dr T Selak	FANZCA 2009; Wollongong Hospital, NSW
Dr M Turner	FANZCA 2018; Paediatric Anaesthetist, Royal Children's Hospital, Melbourne
Dr Sally Ure	FANZCA 2007, Wellington Hospital, NZ (Appointed 2 May 2022)
Associate Professor M Vagg	FFPMANZCA 2007; Pain Matrix, VIC (Resigned 2 May 2022)
Associate Professor L Watterson	FANZCA 1997; Royal North Shore Hospital NSW

**Information on Directors**

<b>Name</b>	<b>Dr V S Beavis</b>
<b>Qualifications</b>	FANZCA 1999; FFA (SA) 1992; MB BCh 1982, FAICD.
<b>Experience</b>	Member of Council since May 2012; fellow of ANZCA for 23 years
<b>Special Responsibilities</b>	Immediate past President and Council member; Co-chair Perioperative Medicine Steering Committee

<b>Name</b>	<b>Dr C J Cokis</b>
<b>Qualifications</b>	FANZCA 1997; MBBS, GAICD.
<b>Experience</b>	Member of Council since May 2016; fellow of ANZCA for 25 years
<b>Special Responsibilities</b>	President and Council member

<b>Name</b>	<b>Dr K Davis (Appointed 2 May 2022)</b>
<b>Qualifications</b>	FRCA 1998 (UK); FFPMANZCA 2004; FANZCA 2019
<b>Experience</b>	Member of Council since May 2022; fellow of ANZCA for 18 years
<b>Special Responsibilities</b>	FPM Dean and Council member

<b>Name</b>	<b>Dr D Devonshire</b>
<b>Qualifications</b>	FANZCA 1998; National Board of Echocardiography (USA) Perioperative TEE 2001; Medical University of South Carolina (MUSC); Fellowship in Clinical Anaesthesiology 1998
<b>Experience</b>	Victorian Regional Committee: 2008 – 2014; CME Officer 2008 – 2010; Deputy Chair 2010 – 2012; Chair 2012 – 2014; ASM Committee Chair 2010 – 2013; Convenor ASM 2013; CPD Committee 2018 – ongoing; Chair 2019 – ongoing; CDP Review Project Group Chair 2021 – ongoing; Professional Affairs Executive Committee Member 2018 – ongoing; Member of Council since May 2020; fellow of ANZCA for 24 years
<b>Special Responsibilities</b>	Council member; Chair Continuing professional Development (CPD) Committee; Chair CPD Review Project Group; Training Accreditation Visitor; Professional Affairs Executive Committee Member; Victorian Regional Committee Councillor Member.

## Annual Report 2022

<b>Name</b>	<b>Dr B K Effeney</b> (Appointed 2 May 2022)
<b>Qualifications</b>	FANZCA 2011, BSc 1996, MBBS 2002
<b>Experience</b>	Member of Council since May 2020; fellow of ANZCA for 11 years
<b>Special Responsibilities</b>	Council member, Examiner; Member of the ASM and EPC.

<b>Name</b>	<b>Dr K Gough</b> (Appointed 2 May 2022)
<b>Qualifications</b>	FANZCA 2021, B. Medical Science 2009, MBBS 2012
<b>Experience</b>	Member of Council since May 2020; fellow of ANZCA for 1 years
<b>Special Responsibilities</b>	Council member

<b>Name</b>	<b>Dr M R R Jones</b>
<b>Qualifications</b>	FANZCA 1992; FFARACS 1991
<b>Experience</b>	Member of Council since November 2014; fellow of ANZCA/FFARACS for 31 years
<b>Special Responsibilities</b>	Chair of Examinations; Deputy Chair of EEMC; Deputy Chair ASM and Events; Council member

<b>Name</b>	<b>Dr S C Y Ma</b>
<b>Qualifications</b>	FANZCA 2013; AFRACMA 2016; BMBS 2005; BMedSc 2002; FAICD 2022
<b>Experience</b>	Member of Council since March 2015 to May 2018 and May 2019 onwards; fellow of ANZCA 9 years
<b>Special Responsibilities</b>	Chair of SIMG Committee, member of TAC and Council member

<b>Name</b>	<b>Dr M S McManus</b> (Resigned 2 May 2022)
<b>Qualifications</b>	FANZCA 2003; FCICM 2015; GAICD
<b>Experience</b>	Member of Council since May 2014; fellow of ANZCA for 19 years
<b>Special Responsibilities</b>	Council member

**Annual Report 2022**

<b>Name</b>	<b>Dr S D Marshall</b>
<b>Qualifications</b>	FANZCA 2006; MB.ChB 1995; MRCA 2002; MHumanFact 2008; PhD 2015; GAICD 2020; CHIA 2021.
<b>Experience</b>	Member of Council since May 2020; fellow of ANZCA for 16 years
<b>Special Responsibilities</b>	Chair of ICT Governance Committee and Council member

<b>Name</b>	<b>Dr N N Robertson</b> (Resigned 2 May 2022)
<b>Qualifications</b>	FANZCA 1992 (FFARACS 1990)
<b>Experience</b>	Member of Council since May 2016; fellow of ANZCA for 32 years
<b>Special Responsibilities</b>	Council member

<b>Name</b>	<b>Dr T Selak</b>
<b>Qualifications</b>	FANZCA 2009; BHB 1998; MBChB 2001, GAICD 2020, Master of Health Administration 2020.
<b>Experience</b>	Member of Council since May 2020; fellow of ANZCA for 13 years
<b>Special Responsibilities</b>	Council member

**Annual Report 2022**

<b>Name</b>	<b>Professor D Story</b>
<b>Qualifications</b>	FANZCA 1997; MBBS (Hons) (Monash) 1989; BMedSci (Hons) (Monash) 1986; MD (Melb) 2004, MAICD 2021
<b>Experience</b>	Member of Council since 2020; fellow of ANZCA for 25 years
<b>Special Responsibilities</b>	Vice President and Council member

<b>Name</b>	<b>Dr M Turner</b>
<b>Qualifications</b>	FANZCA 2018; MBBS (QLD) 2010; GC Clinical Ultrasound (Melb) 2017; MHlth & MedLaw (Melb) 2014; GDLP (QLD) 2006; LLB (Hons) 2004, GAICD 2021
<b>Experience</b>	Member of Council since 2020; fellow of ANZCA for 4 years
<b>Special Responsibilities</b>	Council member

<b>Name</b>	<b>Dr S Ure (Appointed 2 May 2022)</b>
<b>Qualifications</b>	FANZCA 2007; AFRACMA 2019
<b>Experience</b>	Member of Council since 2020; Chair NZNC ANZCA 2020 – 2022; fellow of ANZCA since 2007
<b>Special Responsibilities</b>	Council member; TAC member; Dual Training Pathway Conjoint Committee member; SIMG WBA Assessor

<b>Name</b>	<b>Associate Professor M Vagg (Resigned 2 May 2022)</b>
<b>Qualifications</b>	FFPMANZCA 2007; MBBS(Hons) 1994, FAFRM(RACP) 2005
<b>Experience</b>	Member of Council since 2020; fellow of FFPANZCA for 15 years
<b>Special Responsibilities</b>	FPM Dean and Council member

<b>Name</b>	<b>Associate Professor L Watterson</b>
<b>Qualifications</b>	FANZCA 1997; MBBS 1989; Master of Clinical Education 2007; Grad Dip Coach Leadership (2019);GAICD; FRACMA
<b>Experience</b>	Member of Council from 2019; fellow of ANZCA for 25 years
<b>Special Responsibilities</b>	Chair of EEMC and Council member

<b>Name</b>	<b>Associate Professor D Wilson</b>
<b>Qualifications</b>	FANZCA 1998; MBBS 1984; Associate Fellowship RACMA 2015; GAICD 2017
<b>Experience</b>	Member of Council from 2019; fellow of ANZCA for 24 years
<b>Special Responsibilities</b>	Honorary Treasurer and Council member

### **Company Secretary**

The Company Secretary for the Australian and New Zealand College of Anaesthetists for the financial year ended 31 December 2022 was:

- N Fidgeon MHA, BN, GAICD, FACHSM, FCNA

### **Principal activities**

During the year the principal continuing activities of the College is to serve our communities by leading high quality care in anaesthesia, perioperative and pain medicine, optimising health and reducing the burden of pain with the following objectives:

1. To promote professional standards and patient safety in anaesthesia, perioperative medicine and pain medicine.
2. To promote education in anaesthesia, perioperative medicine and pain medicine.
3. To advance the science and practice of anaesthesia, perioperative medicine and pain medicine.

These activities ensured the College's focus on the core objectives that are guided by the College's Mission and Vision statements, strategic priorities and effective deployment of resources.

### **Review of operations**

At the start of 2022 COVID-19 continued to have a significant impact on operations with the College re-adjusting back to “normalities” progressively during the year. The lifting of restrictions throughout the year saw the College re-adjust back towards pre-covid levels of travel, however a tight labour market creating vacancies and, project activities delayed to 2023 has led lower operating expenses and an operating surplus. With return to normal



operations and significant investment in projects and IT system uplifts, successive deficits are budgeted from 2023.

The College has recorded a surplus before non-operating activities of \$1.407m (2021: \$5.298 surplus) for the year ended 31 December 2022. After accounting for dividends, interest income and losses in the value of investments, the consolidated deficit is \$1.381m (2021: \$8.523m surplus).

Volatility in the global equity market has resulted in the College investment portfolios experiencing their worst performance since 2011. Whilst the investment portfolio has recorded income of \$1.148m (2021: \$1.333m), this was outweighed by a loss in its value of \$3.908m (2021: gain of \$1.888m). Given the unpredictability of gains and losses in the value of investments, the College does not rely on gains in the value of investments to fund day to day operations.

Total revenue from operating activities was \$41.532m (2021: \$41.557m) and total operating expenditure for the year was \$40.125m (2021: \$36.259m). Whilst income is in line with prior year, expenses have increased by \$3.866m, resulting in the lower reported operating surplus compared to 2021.

Subscriptions and entry fees increased by \$0.329m predominantly due to higher volumes as there was no fee increase applied in 2022

Registration, training and exam fees decreased compared to 2021 largely as the 2021 revenue was inflated following the deferral of the Final Exam 20.2 Anaesthetic Vivas to 2021.

Conference and course fees increased in 2022, primarily as the ASM was able to be held as a hybrid event with some virtual and in person components.

Government grants – Other decreased in 2022 due the Opioid Education grant ending in 2021. The current year income relates to the Health Practitioners Education Strategy grant awarded to the Faculty of Pain Medicine.

Multiple vacant roles for which recruitment was delayed due to COVID-19, were filled throughout the year contributing to an increase in employment costs. Also contributing to the increase was a greater use of contractors and recruitment agencies to fill some positions due to the competitive employment market. In 2022, the College successfully applied to the ACNC to be endorsed as a Health Promotion Charity and the ATO to be FBT exempted. FBT exemption allows staff to salary package and access more benefits without the College incurring additional costs.

Travel and event related costs increased by \$1.751m in 2022, however remains below pre-pandemic levels. With the easing of COVID-19 restrictions, the College was able to hold more face-to-face events and meetings, including the hybrid ASM, and the level of travel performed by staff and fellows has increased. The general increase in travelling costs is expected to continue into 2023 with airlines and hotels charging higher rates due to significant increase in travel demands by the general public. Increasing travel costs are being counterbalanced by the College with increased use of video conferencing, where appropriate.

Facilities costs have remained broadly the same as 2021. During 2022 the College replaced the heating, ventilation, and air conditioning system. This replacement was practically completed in December and capitalised.

Professional services remained broadly the same as 2021. This slight decrease are in the use of consultants, legal expenses and bank charges due to timing of invoicing around year end.

Research grant expenditure increased by \$1.175m in 2022, back in line with pre pandemic levels.

The College traditionally generates positive cash flows from operating activities. In 2022, the College generated \$6.175m (2021: \$10.796m) of cash flow from operating activities. The lower amount compared to prior year can be attributed to higher operating expenditures as the College has carried out more projects and resumed more activities as government restrictions such as maintaining social distancing requirements, quarantine and travel restrictions were removed.

Given the delay in some of the projects planned in 2022 due to resourcing issues in a tight labour market, these projects will continue in 2023. The College has budgeted for a deficit in 2023 and expects subsequent deficits in 2024 and 2025 with significant investment in strategic activities planned to be carried out. These strategic activities will be funded by cash surplus' from prior years.

#### **Significant changes in state of affairs**

During the year, there was no significant change in the College state of affairs other than that referred to in the financial statements or notes thereto.

#### **Dividends**

The College is a company limited by guarantee and its Constitution precludes the payment of dividends.

#### **Events subsequent to balance date**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

#### **Likely developments and future results**

Whilst a deficit is budgeted in 2023, the College's underlying financial position is robust, with the deficit attributable to investment in strategic projects and funded by prior year surpluses. The College is continually reviewing, updating and improving its management and governance practices to ensure that the objectives of the College are met.

#### **Short and Long Term Objectives and Strategies**

The College is guided by the 2018-2022 strategic plan that includes the following Mission Statement. During 2022 the College also updated a new strategic plan for 2023-2025.

Purpose: "To serve the community by fostering safety and high quality patient care in anaesthesia, perioperative medicine, and pain medicine".

This plan is the result of comprehensive consultation and engagement within the College community and beyond and will guide us over the five years until 2022.

<b>LEADING</b>	<p>The College will lead the development of:</p> <ul style="list-style-type: none"> <li>• a collaborative, integrated and effective model of perioperative medicine.</li> <li>• pain medicine training in standards and training for procedural interventions.</li> </ul>
<b>GROWING</b>	<p>The College will:</p> <ul style="list-style-type: none"> <li>• utilise the best available technology to promote ongoing contemporary lifelong education and training in anaesthesia and pain medicine.</li> <li>• develop governance processes to ensure data integrity (protected, accurate, trusted, useable).</li> </ul>
<b>DRIVING</b>	<p>The College will sustain and support global leadership in research by:</p> <ul style="list-style-type: none"> <li>• funding and nurturing research through collaboration and networks.</li> <li>• driving a culture of research and quality improvement.</li> <li>• promoting research opportunities across the career life cycle.</li> </ul>
<b>SUPPORTING</b>	<p>The College will foster strong relationships with its fellows, trainees and SIMGs by:</p> <ul style="list-style-type: none"> <li>• supporting the rural, regional and remote workforce.</li> <li>• supporting the wellbeing of anaesthetists and specialist pain medicine physicians inclusive of College staff.</li> <li>• supporting and promoting a diverse workforce</li> <li>• advocating for pain services and increase the number of multi-disciplinary pain services.</li> </ul>
<b>POSITIONING</b>	<p>The College will:</p> <ul style="list-style-type: none"> <li>• explore a name change to the more internationally recognised term “anaesthesiology”.</li> <li>• be the trusted source of expertise in and knowledge of anaesthesia and pain medicine.</li> <li>• expand its efforts to address the societal impact/problem of pain in Australia and New Zealand.</li> <li>• build on its international relationships to enhance its identity, reputation and collaborations in anaesthesia and pain medicine.</li> </ul>

**Directors' meetings**

Name	Eligible to attend	Attended
Dr C J Cokis	7	7
Professor D Story	7	7
Associate Professor D J Wilson	7	7
Dr V S Beavis	7	7
Dr K Davis (Appointed 2 May 2022)	5	5
Dr D Devonshire	7	7
Dr B Effeney (Appointed 2 May 2022)	5	4
Dr K Gough (Appointed 2 May 2022)	5	5
Dr M R R Jones	7	7
Dr S C Y Ma	7	7
Dr M S McManus (Resigned 2 May 2022)	2	2
Dr S D Marshall	7	7
Dr N N Robertson (Resigned 2 May 2022)	2	2
Dr T Selak	7	7
Dr M Turner	7	7
Dr S Ure (Appointed 2 May 2022)	5	5
Associate Professor M Vagg (Resigned 2 May 2022)	2	2
Dr L M Watterson	7	7

**Finance, Audit and Risk Management (FARM) Committee meetings**

The FARM Committee consists of the President, Vice President, Honorary Treasurer, a Councillor and three independent financial, legal and corporate governance experts. The number of FARM meetings held during the year ended 31 December 2022 and the number of meetings attended by each committee member was:

Name	Eligible to attend	Attended
Mr R Garvey (Chair)	6	6
Dr V Beavis (Immediate Past President)	2	0
Dr C Cokis (President)	6	6
A/Professor D Wilson (Honorary Treasurer)	6	5
Dr Kieran Davis (Member)	6	4
Professor D Story	4	3
Mr C Campbell (Member)*	3	2
Mr S Miller (Member)	6	5

\*Mr C Campbell is no longer part of FARM after re-establishment of the investment subcommittee.

**Performance in relation to environmental regulation**

There was no environmental legislation applicable to the operations of the entity that has not been complied with.

**Related Party Transactions**

During or since the end of the financial year, no director of the College has received, or become entitled to receive, a benefit because of a contract that the director or a firm of which the director is a member, or an entity in which the director has a substantial financial interest, made with the College or an entity that the College controlled, or a body corporate that was related to the College, when the contract was made or when the director received, or became entitled to receive the benefit other than:

- a) a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in note 17 to the accounts; or
- b) the fixed salary of a full-time employee of the College or an entity that the College controlled or a related body corporate.

**Contribution upon winding up**

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 entity. At 31 December 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$358,900 (2021: \$350,850)

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

**Indemnification of directors and officers**

During the financial year, the College paid a premium in respect of a contract insuring the directors of the College, company secretary and all executive officers of the College and any related body corporate, as well as external members of committees against a liability incurred as a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits the disclosure of the nature of the liability and the amount of the premium.

Signed in accordance with a resolution of Directors.

On behalf of the Directors



Dr C J Cokis  
President  
Melbourne, 31 March 2023



Professor D Story  
Vice President  
Melbourne, 31 March 2023

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## Auditor's Independence Declaration

### To the Directors of Australian & New Zealand College of Anaesthetists

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Australian & New Zealand College of Anaesthetists for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner - Audit & Assurance

Melbourne, 31 March 2023

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## Independent Auditor's Report

### To the Members of Australian and New Zealand College of Anaesthetists

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Australian and New Zealand College of Anaesthetists, which comprises the statement of financial position as at 31 December 2022, and the statement of profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of Australian and New Zealand College of Anaesthetists has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

##### 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 Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 31 December 2022 but does not include the financial report and our auditor's 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 inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of the Directors for the financial report**

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Registered Entity's ability 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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

### **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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



- Conclude on the appropriateness of the Directors' 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 Registered 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 Registered 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.

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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T S Jackman  
Partner – Audit & Assurance  
Melbourne, 31 March 2023

## Directors' declaration

The directors of the company declare that, in the opinion of the directors:

- (a) the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the company as at 31 December 2022 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



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Dr C J Cokis  
President  
Melbourne, 31 March 2023



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Professor D Story  
Vice President  
Melbourne, 31 March 2023

**Statement of Profit or Loss and Other Comprehensive Income**  
 For the year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Revenue</b>			
Subscriptions and entry fees		14,347,900	14,018,832
Registrations, training and exam fees		12,493,811	13,108,232
Conference and course fees		4,380,173	3,353,500
Specialist training program grant		7,973,343	7,865,521
Government grants - other		80,501	991,216
Covid-19 stimulus grants		-	166
Other income		2,257,146	2,219,822
<b>Total revenue from operating activities</b>		<b>41,532,874</b>	<b>41,557,289</b>
<b>Expenses</b>			
Employment		17,023,747	15,625,171
Facilities		2,396,485	2,489,081
Travel and events		5,594,711	3,843,854
Information technology		2,625,382	2,674,087
Professional services		2,437,601	2,553,542
Research grants		1,578,007	403,248
Specialist training program employment and rural loading		7,484,869	7,270,005
Finance costs		71,810	69,633
Other expenses		912,928	1,330,934
<b>Total expenses from operating activities</b>	<b>4</b>	<b>40,125,540</b>	<b>36,259,555</b>
<b>Surplus before non-operating activities</b>		<b>1,407,334</b>	<b>5,297,734</b>
<b>Income from non-operating activities</b>			
Investment(loss)/income	<b>5</b>	(2,759,754)	3,220,385
<b>(Deficit)/Surplus for the year</b>		<b>(1,352,420)</b>	<b>8,518,119</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(28,487)	4,151
<b>Total comprehensive income for the year</b>		<b>(1,380,907)</b>	<b>8,522,270</b>

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 23 to 38.

**Statement of Financial Position**

As at 31 December 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		14,534,564	19,679,440
Cash and cash equivalents – STP related		10,088,888	10,721,215
Trade and other receivables	6	1,769,320	2,114,088
Other financial assets	7	11,544,459	1,664,272
<b>Total current assets</b>		<b>37,937,231</b>	<b>34,179,015</b>
<b>Non-current assets</b>			
Property and office equipment and cultural assets	8	12,546,010	12,254,257
Intangible assets	9	53,215	704,158
Other financial assets	7	27,639,601	30,965,754
<b>Total non-current assets</b>		<b>40,238,826</b>	<b>43,924,169</b>
<b>Total assets</b>		<b>78,176,057</b>	<b>78,103,184</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	12,170,244	12,472,562
Contract liability	11	13,311,878	11,738,093
Provisions	12	1,169,339	953,250
Lease liabilities	13	434,029	402,951
<b>Total current liabilities</b>		<b>27,085,490</b>	<b>25,566,856</b>
<b>Non-current liabilities</b>			
Contract liability	11	3,878,878	3,589,235
Provisions	12	326,341	248,262
Lease liabilities	13	705,454	1,138,030
<b>Total non-current liabilities</b>		<b>4,910,673</b>	<b>4,975,527</b>
<b>Total liabilities</b>		<b>31,996,163</b>	<b>30,542,383</b>
<b>Net assets</b>		<b>46,179,894</b>	<b>47,560,801</b>
<b>EQUITY</b>			
Retained earnings		45,741,218	47,093,638
Foreign currency translation reserve		147,519	176,006
Asset revaluation reserve		291,157	291,157
<b>Total equity</b>		<b>46,179,894</b>	<b>47,560,801</b>

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 23 to 38.

**Statement of Changes in Equity**

For the year ended 31 December 2022

	Note	Retained Earnings	Foreign currency translation reserve	Assets revaluation reserve	Total
		\$	\$	\$	\$
<b>Balance at 1 January 2021</b>		<b>38,575,519</b>	<b>171,855</b>	<b>291,157</b>	<b>39,038,531</b>
Surplus for the year		8,518,119	-	-	8,518,119
Currency translation differences arising during the year		-	4,151	-	4,151
Total comprehensive income for the year		8,518,119	4,151	-	8,522,270
<b>Balance at 31 December 2021</b>		<b>47,093,638</b>	<b>176,006</b>	<b>291,157</b>	<b>47,560,801</b>
Deficit for the year		(1,352,420)	-	-	(1,352,420)
Currency translation differences arising during the year		-	(28,487)	-	(28,487)
Total comprehensive income for the year		(1,352,420)	(28,487)	-	(1,380,907)
<b>Balance at 31 December 2022</b>		<b>45,741,218</b>	<b>147,519</b>	<b>291,157</b>	<b>46,179,894</b>

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 23 to 38.

**Statement of Cash Flows**  
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from members, customers and Government bodies		49,605,124	48,872,711
COVID-19 Stimulus received		-	166
Interest received		169,405	62,926
Donations received		341,357	413,398
Payments to employees, suppliers and other parties		(42,363,195)	(38,148,993)
Research grants paid		(1,578,007)	(403,248)
<b>Net cash inflow from operating activities</b>		<b>6,174,684</b>	<b>10,796,960</b>
<b>Cash flows from investing activities</b>			
(Transfer in)/transfer out of term deposits	7	(9,453,260)	2,523,551
Payments for purchases of financial assets		(256,322)	(3,916,957)
Payments for property and office equipment		(1,779,069)	(1,274,311)
<b>Net cash outflow from investing activities</b>		<b>(11,488,651)</b>	<b>(2,667,717)</b>
<b>Cash flows from financing activities</b>			
Lease liabilities payments		(400,894)	(427,461)
<b>Net cash outflow from financing activities</b>		<b>(400,894)</b>	<b>(427,461)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,714,861)</b>	<b>7,701,782</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>30,400,655</b>	<b>22,691,143</b>
<b>Total effect of exchange rate fluctuation of cash held</b>		<b>(62,342)</b>	<b>7,730</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>24,623,452</b>	<b>30,400,655</b>

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 23 to 38.

## Notes to the financial statements

### 1. General Information

The Australian and New Zealand College of Anaesthetists (“the College”) is a company limited by guarantee that is incorporated and domiciled in Australia, with the liability of members limited to \$50 per member.

The Australian and New Zealand College of Anaesthetists' registered office and its principal place of business is 630 St Kilda Road, Melbourne, VIC, 3004, Australia.

The financial statements were authorised for issue by the directors on 31 March 2023. The directors have the power to amend and reissue the financial statements.

### 2. Significant accounting policies

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Australian Charities and Not-for-profits Commission Act 2012. The College is a not-for-profit entity for the purposes of preparing the financial statements.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

#### Statement of compliance

The financial statements of the College comply with Australian Accounting Standards – Simplified Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### New or amended Accounting Standards and Interpretations adopted

The College 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the College.

The following Accounting Standards and Interpretations are most relevant to the College:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The College has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

*AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The company has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

**Historical cost convention**

The financial report has been prepared on an accruals basis and is based on historical costs, modified in the cases of assets measured at fair value.

**Other financial assets**

**Classification of financial assets at fair value through profit and loss for the year**

Financial assets are classified as at fair value through profit or loss. Investments are included in non-current assets unless management intends to dispose of investments within 12 months of the balance sheet date.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Financial assets comprise principally marketable equity securities.

**Recognition and measurement**

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.

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**

AASB 9's impairment requirements use more forward-looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and Fair Value through Other Comprehensive Income (FVOCI), trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The College considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.



**Foreign currency translation**

**Functional and presentational currency**

Items included in the financial statements of the College are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the College are presented in Australian dollars, which is its presentation currency.

**Transactions and balances**

All foreign currency transactions during the year have been brought to account at the average exchange rate for the current financial year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**Results and financial position of the New Zealand national office – foreign operation**

The results and financial position of the College's New Zealand national office that has a functional currency (NZD) different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses are translated at average exchange rates.

**Property and office equipment**

Land, property, office equipment, and cultural assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property and office equipment are depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Land and cultural assets are not depreciated. Estimated useful life is as follows:

<b>Category</b>	<b>Useful life (years)</b>
Buildings	20 - 40
Office equipment	5
Office furniture and fittings	10
Computer hardware/software	3

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to 'Impairment of Assets' policy below). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss for the year.

**Intangible Assets**

Costs incurred in developing the software and educational curriculum material are recognised as an intangible asset when it is probable that the costs incurred to develop the software or curriculum will generate future economic benefits and can be measured reliably. The expenditure recognised comprises all directly attributable costs, largely consisting of labour and direct costs of materials. Other development expenditure that does not meet these criteria are recognised as an expense as incurred. The recognised costs are amortised from the date when the asset becomes available for use.

Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 10 years.

**Impairment of non-current assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. As the future economic benefits of the company's non-current assets is not primarily dependent on their ability to generate net cash inflows, and the company would replace the remaining future economic benefit of the asset if deprived of those assets, the recoverable amount is based on value in use, being the depreciated replacement cost of the asset. All impairment losses are recognised in the statement of profit or loss and other comprehensive income. A reversal of an impairment loss is recognised immediately in the profit and loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

**Goods and services tax (GST)**

Revenues from ordinary activities, expenses from ordinary activities and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of the item of the expenses from ordinary activities. Receivables and payables are stated with the amount of GST included.

The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Items in the Statement of Cash Flows are inclusive of GST where appropriate. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

**Exemption from income tax**

The College is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

### **Employee benefits**

The College has recognised and brought to account employee benefits as follows:-

#### **Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in trade and other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

#### **Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee, departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### **College treasures**

Over time, valuable College treasures including the Geoffrey Kaye Museum of Anaesthetic History and Artefacts have been gifted to the College. These assets have not been brought to account in these financial statements.

At 31 December 2022, these treasures were insured for a value of \$300,000.

#### **Research grants**

Research grants are expensed in the financial year in which the grant expense is incurred.

#### **Trade receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days for all debtors except for Fellows who have 6 months to pay their subscriptions as determined by the ANZCA Constitution.

The College makes use of a simplified approach in accounting for trade receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the College uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The College assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and that are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

**Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the College is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the College: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue is recognised for the major business activities on the following bases:

- **Membership subscriptions**  
Subscriptions are recorded as revenue in the year to which the subscription relates. Subscriptions received in advance are shown in the Statement of Financial Position as contract liabilities.
- **Other fees**
  - (i) **Fellowship entrance & election fees**  
The College receives fees from applicants wishing to obtain full fellowship which is deferred and recognised over the average duration of membership. These fees, as currently defined, are not considered a distinct service but rather it is also considered to be an advance payment for future services with the primary performance obligation being the licence to use the professional designation to practice. The College has determined the average duration of membership to be 30 years based on the profile of members who have exited over the past few years.

The College recognises the amortisation of the previously deferred revenue during the period, as well as any residual deferred revenue relating to a member that exits during the period.

Entrance fees beyond the current financial year are shown, (excluding any applicable taxes), in the Statement of Financial Position, under the headings of Current liabilities and Non-current liabilities as contract liability.

**(ii) Application fees**

A non-refundable application fee must be paid by all medical practitioners wishing to undertake the ANZCA vocational training program. The application fee, as currently defined, is not considered a distinct service but rather to be an advance payment for future services with the primary performance obligation being the use of certain services by of the College up to 2 years prior to commencing training.

**(iii) Training registration fees**

A non-refundable registration fees must be paid by trainees prior to commencing approved vocational training. The training registration fees, as currently defined, is not considered a distinct service but rather to be an advance payment for future services with the primary performance obligation being the trainee to undertake approved vocational training over 5 years.

**(iv) All other fees**

For all other fees, the College recognises revenue when the performance obligation is satisfied which is usually at a point in time. All other fees received in advance are shown in the Statement of Financial Position as current liabilities.

- **Revenue from conference, courses and examinations**  
All revenue and expenditure relating to specific courses/examinations is recognised upon completion of the course/examination. Course and examination fees received in advance are shown in the Statement of Financial Position as current liabilities.
- **Specific purpose grants**  
Grant funding is measured at the fair value of contributions received and receivable and is generally recognised in the profit and loss when the College obtains control or the right to receive the contribution. The grant agreements contain conditions that require the College direct funds towards certain specific ends and require that funds not spent in this manner, or not spent at all, are returned to the transferor.
- **Interest income**  
Interest income is recognised when earned.
- **Dividends**  
Dividends are recognised as revenue when the right to receive payment is established.
- **Donations**  
Donations are recognised at the time the pledge is made.

- **JobKeeper Payment**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The Government wage subsidies are recorded as Covid-19 Stimulus grants in the Statement of Profit or Loss and Other Comprehensive Income.

**Right of use assets**

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities. Estimated useful life is as follows:

Category	Useful life (years)
Offices	2.5 to 4.8
Equipment	1

The College has elected not to recognise a right of use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Leases liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the College's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonable certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to profit or loss if the carrying amount of the right of use asset is fully written down.

### 3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the College's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

- **Historical experience**

The new training program and internally generated intangible assets life estimation that is based on the following key sources:

- Historical experience. The training program content was updated in 2013. It is the College's current intention to use the revised training program content for at least 10 years from that date. It is the College's intention is to conduct some incremental improvements over time.

Any externally and internally available historical experience with regards to the other internally generated intangible assets.

- Reliance on expert's estimates. The life of the training portfolio system has 7 years life expectancy and was determined in consultation with the external experts who built the software. The life of the other internally generated intangible assets is determined in consultation with experts, who are involved in development of these assets and usually range within 3-7 years.

- **Employee benefits provision**

As discussed in note 2, 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.

- **Estimation of useful lives of assets**

The College determines the estimated useful lives and related depreciation and amortisation charges for its property, plant 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 College assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the College 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.

- **Credit Risks**

Expected Credit Losses (“ECL”) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. AASB 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the College takes into account qualitative and quantitative reasonable and supportable forward-looking information.



#### 4. Expenses

	2022 \$	2021 \$
<b>Surplus for the year includes the following specific expenses:</b>		
(Gains) on fixed assets disposal	(1,718)	(8,456)
Foreign currency (gains)/losses	7,362	(23,189)
Movements in bad and doubtful debts	(45,763)	48,342
Depreciation-buildings	428,243	345,044
Depreciation-office equipment	789,569	835,275
Amortisation-intangible assets	344,759	602,628
Amortisation-Right of Use assets	400,817	427,461
Rental expense relating to operating leases	54,349	70,573
Impairment of intangible assets	171,938	-

#### 5. Investment Income

	2022 \$	2021 \$
Net (loss)/gain on valuation of other financial assets at fair value through profit and loss	(3,908,030)	1,887,650
Dividends and other investment income (including realised gains)	978,871	1,269,809
Interest received	169,405	62,926
<b>Total Investment (loss)/income</b>	<b>(2,759,754)</b>	<b>3,220,385</b>

#### 6. Current assets – Trade and other receivables

	2022 \$	2021 \$
Subscriptions	39,603	127,499
Allowance for expected credit losses	(16,089)	(61,846)
	<b>23,514</b>	<b>65,653</b>
Prepayments and deposits	1,346,883	1,687,789
Sundry receivables	398,923	360,646
<b>Total Trade and other receivables</b>	<b>1,769,320</b>	<b>2,114,088</b>
<b>Movements in the allowance for expected credit losses:</b>		
At 1 January	61,846	25,582
Provision for impairment recognised during the year	(45,757)	36,264
	<b>16,089</b>	<b>61,846</b>

**7. Other financial assets**

	2022 \$	2021 \$
<b>Financial assets at fair value through profit or loss include the following:</b>		
<b>Current financial assets</b>		
Term deposits	11,544,459	1,664,272
<b>Non-current financial assets</b>		
Investments at fair value through profit and loss	27,639,601	30,965,754
Aggregate other financial assets	<u>39,184,060</u>	<u>32,630,026</u>

Changes in fair values of financial assets at fair value through profit or loss are recorded in investment income in the statement of profit or loss and other comprehensive income (note 5).

Movements in non-current financial assets at the end of current financial year.

	2022 \$	2021 \$
<b>Opening Balance</b>	<b>30,965,754</b>	<b>24,082,086</b>
Net funds transferred in/(out)	(143,678)	3,916,957
Unrealised (loss)/gain	(4,008,030)	1,791,150
Investment income	977,756	1,313,108
Management fees	(152,201)	(137,547)
<b>Closing Balance</b>	<u><b>27,639,601</b></u>	<u><b>30,965,754</b></u>

The Investment Sub-Committee comprising representatives of the Council independent investment advisers, Chair of FARM and senior management has been reconstituted in 2022. This committee meets on a periodic basis to analyse interest rates exposure and to evaluate treasury management strategies in the context of current economic conditions and forecasts. The Investment Sub-Committee is advised by the College's investment managers, JB Were Pty Ltd. The Investment Sub-Committee identifies and evaluates financial risks and advises FARM accordingly.

The fair value of financial instruments is determined by the College's investment managers, JB Were Pty Ltd. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on the quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the College is the current bid price.

## 8. Non-current assets – Property, office equipment and cultural assets

	2022 \$	2021 \$
Freehold land and buildings – at cost	15,371,465	13,895,706
Accumulated depreciation	(5,963,890)	(5,672,126)
	<b>9,407,575</b>	<b>8,223,580</b>
Office equipment – at cost	6,841,362	6,856,623
Accumulated depreciation	(5,149,787)	(4,674,352)
	<b>1,691,575</b>	<b>2,182,271</b>
Right of use assets	2,540,597	2,542,556
Accumulated Depreciation	(1,544,994)	(1,144,177)
	<b>995,603</b>	<b>1,398,379</b>
Cultural assets - at cost	451,257	450,027
<b>Total carrying amount at 31 December</b>	<b>12,546,010</b>	<b>12,254,257</b>

Movement in carrying amounts for each class of property, office equipment and cultural assets between the beginning and the end of the current financial year.

	Freehold land and buildings \$	Office equipment \$	Right of use assets \$	Cultural assets \$	Total \$
<b>Opening net book amount</b>	<b>8,223,580</b>	<b>2,182,271</b>	<b>1,398,379</b>	<b>450,027</b>	<b>12,254,257</b>
Exchange differences	(781)	(2,150)	(1,959)	-	(4,890)
Transfer in/(out)	-	134,248	-	-	134,248
Additions	1,613,019	166,775	-	1,230	1,781,024
Depreciation charge	(428,243)	(789,569)	(400,817)	-	(1,618,629)
<b>Closing net book amount</b>	<b>9,407,575</b>	<b>1,691,575</b>	<b>995,603</b>	<b>451,257</b>	<b>12,546,010</b>

## 9. Non-current assets - Intangible Assets

	2022 \$	2021 \$
Project development costs	4,409,273	4,409,273
Impairment	(171,938)	-
Accumulated amortisation	(4,184,120)	(3,839,363)
	<b>53,215</b>	<b>569,910</b>
Project work in progress	-	134,248
<b>Total carrying amount at 31 December</b>	<b>53,215</b>	<b>704,158</b>

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

	Project development at cost \$	Project work in progress at cost \$	Total \$
<b>Opening net book amount</b>	<b>569,910</b>	<b>134,248</b>	<b>704,158</b>
Addition	-	-	-
Transfer in/(out)	-	(134,248)	(134,248)
Amortisation charge	(344,757)	-	(344,757)
Impairment	(171,938)	-	(171,938)
<b>Closing net book amount</b>	<b>53,215</b>	<b>-</b>	<b>53,215</b>

## 10. Current liabilities - Trade and other payables

	2022 \$	2021 \$
<b>Current</b>		
Sundry creditor and accruals	1,348,484	1,437,268
Sundry creditor and accruals – STP related	9,594,176	9,704,450
Employee leave liabilities	1,227,584	1,330,844
<b>Total Trade and other payables</b>	<b>12,170,244</b>	<b>12,472,562</b>

## 11. Contract liability

	2022 \$	2021 \$
<b>Current</b>		
Subscriptions received in advance	6,737,400	6,054,616
Entrance, exam, trainee and events fees received in advance	6,574,478	5,683,477
	<b>13,311,878</b>	<b>11,738,093</b>
<b>Non-Current</b>		
Entrance, exam, trainee and events fees received in advance	3,878,878	3,589,235
	<b>3,878,878</b>	<b>3,589,235</b>
<b>Total Other liabilities</b>	<b>17,190,756</b>	<b>15,327,328</b>

## 12. Provisions

	2022 \$	2021 \$
<b>Current</b>		
Long service leave	1,169,339	953,250
<b>Non-current</b>		
Long service leave	326,341	248,262
Aggregate provision for employee benefits	<b>1,495,680</b>	<b>1,201,512</b>

## 13. Leases

	2022 \$	2021 \$
<b>Current</b>		
Lease liabilities	434,029	402,951
<b>Non-current</b>		
Lease liabilities	705,454	1,138,030
<b>Total Lease Liabilities</b>	<b>1,139,483</b>	<b>1,540,981</b>

The table below describes the nature of the College's leasing activities by type of right of use asset recognised on balance sheet:

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of lease with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Offices	5	1.5 – 3.8 Years	2.6 Years	5	-	-	-
Equipment	1	0.25 Years	0.25 Years	-	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2022 were as follows:

	Within 1 year	1-2 years	Minimum lease payments due			After 5 years	Total
			2-3 years	3-4 years	4-5 years		
<b>31 December 2022</b>							
Lease payments	483,827	410,132	208,723	121,495	-	-	1,224,177
Finance charges	(49,798)	(26,170)	(11,054)	(2,760)	-	-	(89,782)
<b>Net present values</b>	<b>434,029</b>	<b>383,962</b>	<b>197,669</b>	<b>118,735</b>	-	-	<b>1,134,395</b>

## 14. Bank Guarantees

The Company has entered into an indemnity guarantee with the ANZ bank for rental bonds on office premises. The total facility is for \$164,622 (2021: \$91,872).

## 15. Financial instruments

	Note	2022 \$	2021 \$
<b>Financial Assets</b>			
Investments at fair value through profit and loss			
- Interest bearing	7	23,690,536	11,270,965
- Managed share/units portfolio	7	15,493,524	21,359,061
<b>Total Financial Assets</b>		<b>39,184,060</b>	<b>32,630,026</b>
<b>Financial Assets Measured at Amortised Costs</b>			
Cash and cash equivalents		14,534,564	19,679,440
Cash and cash equivalents – STP related		10,088,888	10,721,215
Trade receivables	6	39,603	127,499
<b>Total Financial Assets</b>		<b>24,663,055</b>	<b>21,528,154</b>
<b>Financial Liabilities Measured at Amortised Costs</b>			
Trade payables		560,532	835,645
<b>Total Financial Liabilities</b>		<b>560,532</b>	<b>835,645</b>

## 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the College:

	2022 \$	2021 \$
Audit of the financial statements	86,000	78,500
Grant acquittal	5,500	5,000
	<b>91,500</b>	<b>83,500</b>

## 17. Key management personnel compensation

The aggregate compensation made to key management personnel of the College is set out below:

	2022 \$	2021 \$
Key management personnel salaries and entitlements	428,133	379,534

**18. Related party transactions**

**Key management personnel compensation**

Disclosures relating to key management personnel compensation are set out in note 17.

**Key management personnel loans**

There are no loans to or from key management personnel.

**Transactions with key management personnel**

Key management personnel have transactions with the College that occur within a normal supplier / customer relationship on terms and conditions no more favourable than those with which it is reasonable to expect the College would have adopted if dealing with key management personnel at arm's length in similar circumstances. These transactions include the collection of membership dues and subscriptions and the provision of College services.

**19. Members' Guarantee**

The Australian and New Zealand College of Anaesthetists is a company limited by guarantee and without share capital. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$50 towards meeting the outstanding obligations of the company. At 31 December 2022, the number of members was 7,178 (2021: 7,017).

**20. Subsequent events**

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**21. Contingencies**

The directors are not aware of any material contingent assets/liabilities as at 31 December 2022.