ANZCA
FPM

AUSTRALIAN & NEW ZEALAND COLLEGE OF ANAESTHETISTS

(ABN 82 055 042 852)

ANNUAL REPORT

For the year ended 31 December 2023

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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 2023. The College maintained its primary objectives for the period under review.

The Directors submit their report for the year ended 31 December 2023 as follows:

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

President Dr C J Cokis	FANZCA 1997; Fiona Stanley Hospital, WA
Vice-President Professor D Story	FANZCA 1997; Austin Health, VIC
Honorary Treasurer 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
Dr D Devonshire	FANZCA 1998; Monash Medical Centre, VIC
Dr Bridget Effeney	FANZCA 2011, Princess Alexandra Hospital, QLD
Dr Katherine Gough	FANZCA 2021, Royal Prince Alfred Hospital, NSW
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 S D Marshall	FANZCA 2006; Peninsula Health, VIC
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
Professor L Watterson	FANZCA 1997; Royal North Shore Hospital NSW

Information on Directors

Name	**Dr C J Cokis**
Qualifications	FANZCA 1997; MBBS, MAICD.
Experience	Member of Council since May 2016; fellow of ANZCA for 27 years
Special Responsibilities	President and Council member

Name	**Professor D Story**
Qualifications	FANZCA 1997; MBBS (Hons) (Monash) 1989; BMedSci (Hons) (Monash) 1986; MD (Melb) 2004, MAICD 2021
Experience	Member of Council since 2020; fellow of ANZCA for 26 years
Special Responsibilities	Vice President and Council member

Name	**Associate Professor D Wilson**
Qualifications	FANZCA 1998; MBBS 1984; Associate Fellowship RACMA 2015; GAICD 2017
Experience	Member of Council from 2019; fellow of ANZCA for 25 years
Special Responsibilities	Honorary Treasurer and Council member

Name	**Dr V S Beavis CNZM**
Qualifications	FANZCA 1999; FFA (SA) 1992; MB BCh 1982, GCHPOM 2023 FAICD 2017.
Experience	Member of Council since May 2012; fellow of ANZCA for 24 years
Special Responsibilities	Immediate past President and Council member; Co-chair Perioperative Medicine Steering Committee

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Name	**Dr K Davis**
Qualifications	FRCA 1998 (UK); FFPMANZCA 2004; FANZCA 2019
Experience	Member of Council since May 2022; fellow of ANZCA for 19 years
Special Responsibilities	FPM Dean and Council member

Name	**Dr D Devonshire**
Qualifications	FANZCA 1998; National Board of Echocardiography (USA) Perioperative TEE 2001; Medical University of South Carolina (MUSC); Fellowship in Clinical Anaesthesiology 1998, MAICD 2023
Experience	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 – 2023; Professional Affairs Executive Committee Member 2018 – ongoing; Member of Council since May 2020; fellow of ANZCA for 25 years
Special Responsibilities	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.

Name	**Dr B K Effeney**
Qualifications	FANZCA 2011, BSc 1996, MBBS 2002
Experience	Member of Council since May 2020; fellow of ANZCA for 12 years
Special Responsibilities	Council member, Examiner; Member of the ASM and EPC.

Name	**Dr K Gough**
Qualifications	FANZCA 2021, B. Medial Science 2009, MBBS 2012
Experience	Member of Council since May 2020; fellow of ANZCA for 2 years
Special Responsibilities	Council member

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Name	**Dr M R R Jones**
Qualifications	FANZCA 1992; FFARACS 1991
Experience	Member of Council since November 2014; fellow of ANZCA/FFARACS for 32 years
Special Responsibilities	Chair of Examinations; Deputy Chair of EEMC and Council member

Name	**Dr S C Y Ma**
Qualifications	FANZCA 2013; AFRACMA 2016; BMBS 2005; BMedSc 2002; FAICD 2016
Experience	Member of Council since March 2015 to May 2018 and May 2019 onwards; fellow of ANZCA 10 years
Special Responsibilities	Chair of SIMG Committee, Chair of PAEC and Council member

Name	**Dr S D Marshall**
Qualifications	FANZCA 2006; MB.ChB 1995; MRCA 2002; MHumanFact 2008; PhD 2015; GAICD 2020; CHIA 2021; AICGM 2023
Experience	Member of Council since May 2020; fellow of ANZCA for 17 years
Special Responsibilities	Chair of ICT Governance Committee, member of Research Committee, member Professional Practice Research Network and Council member

Name	**Dr T Selak**
Qualifications	FANZCA 2009; BHB 1998: MBChB 2001, GAICD 2020, Master of Health Administration 2020.
Experience	Member of Council since May 2020; fellow of ANZCA for 14 years
Special Responsibilities	Council member

Name	**Dr M Turner**
Qualifications	FANZCA 2018; MBBS (QLD) 2010; GC Clinical Ultrasound (Melb) 2017; MHlth & MedLaw (Melb) 2014; GDLP (QLD) 2006; LLB (Hons) 2004, GAICD 2021
Experience	Member of Council since 2020; fellow of ANZCA for 5 years
Special Responsibilities	Council member

Name	**Dr S Ure**
Qualifications	FANZCA 2007; AFRACMA 2019
Experience	Member of Council since 2020; Chair NZNC ANZCA 2020 – 2022; fellow of ANZCA since 2007
Special Responsibilities	Council member; TAC member; Dual Training Pathway Conjoint Committee member; SIMG WBA Assessor

Name	**Associate Professor L Watterson**
Qualifications	FANZCA 1997; MBBS 1989; Master of Clinical Education 2007; Grad Dip Coach Leadership (2019);GAICD; FRACMA
Experience	Member of Council from 2019; fellow of ANZCA for 26 years
Special Responsibilities	Chair of EEMC and Council member

Company Secretary

The Company Secretary for the Australian and New Zealand College of Anaesthetists for the financial year ended 31 December 2023 was:

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

Principal activities

The principal activities of the College during 2023 continue focus on the College's purpose "to serve our communities by leading high quality care in anaesthesia, perioperative and pain medicine, optimising health and reducing the burden of pain". From this purpose flows three major 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.

The College's activities are guided by its Vision statements; and Strategic plan ensuring effective deployment of resources.

Review of operations

The College achieved a surplus before non-operating activities of $1.796m for the year ended 31 December 2023, compared to a surplus of $1.407m in 2022. The year 2023 marked a return to normal operations following Covid-19 related restrictions. A key highlight was the successful hosting of the first in-person Annual Scientific Meeting (ASM), which contributed to the non-operating surplus.

After accounting for dividends, interest income and gain in the value of investments, the total comprehensive surplus amounted $5.497m, a substantial improvement from the $1.381m deficit reported in 2022. The significant turnaround is primarily attributed to the strong performance of investments, as detailed below. It is important to noted that the College does not rely on investment income to fund normal college operations due to the unpredictable nature of investment returns.

Revenue

Total revenue from operating activities in 2023 amounted to $41.053m, a notable increase from $34.048m in 2022. This $7.006m increase in income was accompanied by a corresponding $6.617m rise in total operating expenses, leading to a slightly higher operating surplus compared to 2022.

Subscriptions and entry fees increased by $1.519m driven by higher volumes and the reintroduction of fees increases following years of absorbing increases to operating costs over Covid-19 in 2021 and 2022.

Registration, training and exam fees also rose compared to 2022, largely due to higher volumes for Primary and Final exams and Specialist International Medical Graduates.

The successful launch of the Rural Generalist Anaesthesia (RGA) and Perioperative Medicine (POM) programs in 2023 led to higher-than-anticipated volumes and income for both programs.

Conference and course fees increased by $2.858m in 2023. This significant increase was primarily due to the ASM being held as an in-person event for the first time since the easing of Covid-19 restrictions.

Specialist Training Program (STP) income increased due to funding for various projects carried out in 2023. These projects included the Advanced Certificate in Paediatric Anaesthesia; Critical Incidents; Victoria Regional Anaesthetic Training Network; Education Support Project; FATES with RACS and FATE in Tasmania. In 2023, the accounting treatment of STP funding was been reviewed resulting in changes to how certain components of the program are recognised, as outlined below.

Expenses

Employment costs increased by $2.154 million in 2023. This increase was primarily due to filling multiple vacancies that were budgeted in 2022 but remained unfilled due to the tight labour market. Additionally, there was a greater reliance on contractors and recruitment agencies to fill vacancies in the competitive employment market.

Travel and event related costs increased by $2.833m in 2023. With COVID-19 restrictions lifted, the College hosted face-to-face events and meetings, including the ASM, leading to increases in associated expenses. The level of travel performed by staff and fellows rose towards pre Covid-19 levels. Additionally, higher rates from airlines, hotels, and venues contributed to the overall increase in costs. To manage these rising expenses, the College the increased use of video conferencing, where appropriate.

Facilities costs have increased by $328k in 2023. This increase was primarily due to the replacement of the heating, ventilation, and air conditioning (HVAC) system in 2022, which resulted in higher depreciation expenses in 2023. Additionally, core facility operating expenses, such as heating, cooling, and cleaning, increased with the return of staff to the office post-COVID-19 restrictions.

Professional services increased by $542k. This increase is due to use of consultants across a number of projects, as well as legal expenses and bank charges.

Research grant expenditure increased by $643k in 2023. This increase occurred as the ANZCA Foundation utilised unallocated funding from prior years to provide additional research grants in 2023.

Specialist Training Program (STP)

During the year, ANZCA reviewed the accounting treatment for government funding for the STP in accordance with AASB 15 Revenue from Contracts with Customers, specifically focusing on the principal versus agent section of the accounting standard.

Under the standard, when ANZCA is the principal, the College controls the goods or services before they are transferred to the customer and would recognise the revenue and any corresponding expenditure in full(gross). Conversely, when acting as the agent, the College is arranging for goods or services to be provided by another party, without taking any control over those goods or services and would only recognise the funding it receives for the administration in arranging for these goods or services.

As a result of the review, ANZCA will offset the funding income against the corresponding expenditure for STP placements and support; Integrated Rural Training Pipeline; Training More Specialist Doctors For these components, ANZCA has determined that it has no control over the delivery of these services and they are conducted by external third parties. However, ANZCA will continue to recognise the funding as an income for the administration and the projects component of the STP as ANZCA controls the services it delivered.

The 2022 financial accounts have been restated to reflect the change in accounting treatment of the STP. It noted that as under this accounting treatment both the income and associated expenses are not recognised, there is not overall impact on the reported Surplus/Deficit.

Non-Operating Activities (Investments)

Volatile global equity markets, driven by tightening of monetary policy by central banks and the high inflationary environment, has resulted in strong performance by the College investment portfolios. The College recorded investment income of $3.715m, a significant improvement on the $2.760m deficit in 2022. Dividends and realised gains remained stable at $966k. However, strong performance of the portfolios in the last quarter resulted in the annual unrealised gains of $2.219m compared to a $3.908m loss in 2022. Additionally, high interest rates on normal operating bank accounts resulted in interest income of $530k compared to $169k in 2022. 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.

During the year, the College appointed a new investment manager, JANA, and reviewed its investment strategy and treasury policies. As a result, the investment portfolios were split into three funds, each with distinct purposes:

1. ANZCA Reserve Fund – To underwrite college activities in the case of a catastrophic event
2. ANZCA Development Fund – To fund major strategic or capital projects which cannot be funded via normal operating activities

3. ANZCA Foundation Fund – To provide a regular income stream to the ANZCA Foundation to supplement available funds for grants.

These portfolios, along with the College's policy of having an average of 6 months operating cash on hand to fund normal college activities helps to ensure the ongoing financial viability of the college.

Statement of Financial Position
The College's financial position remains strong with net assets increasing by $5.497m, in line with the reported comprehensive income.
Notably, in line with the College's treasury policy, in 2023 the College transferred $10.000m from operating cash to the investment portfolios. $9.000m of the transfer contributed in the establishment of the ANZCA Reserve Fund, and $1.000m was invested in the ANZCA Foundation Fund.

There has been a $1.427m increase in trade and other receivables. This is primarily related to increases in prepayments and deposits related to the increase in meetings and events following the ease of Covid-19 restrictions.

Cash Flow
The College traditionally generates positive cash flows from operating activities. In 2023, the College generated $4.294m from operating activities, compared to $6.175m in 2022. The lower amount in 2023 can be attributed to higher operating expenditures as the College has carried out more projects and resumed more activities post Covid-19 restrictions since the end of 2022.

The College is in a healthy financial position, driven by a strong focus on balancing the operating income and expenses to achieve a sustainable financial position. The College has budgeted for a deficit in 2024 and expects a subsequent deficit in 2025. These deficits reflects a significant investment in strategic activities and ongoing uplifts of core educational and corporate systems. It is intended that these strategic activities will be funded by existing cash reserves.

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 2023 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 2024, 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.

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Short and Long Term Objectives and Strategies

The College is guided by the 2023-2025 strategic plan that includes the following Mission Statement..

Purpose: "To serve our communities by leading high quality care in anaesthesia, perioperative and pain medicine, optimising health and reducing the burden of pain.”.

This plan is the result of comprehensive consultation and engagement within the College community and beyond and will guide us over the three years until 2025.

LEAD	We will lead anaesthesia, pain medicine and perioperative patient care through evidence-based safety and quality standards and guidance, training, and continuing education across Australia and New Zealand. We will do this using adaptive training and education, engaging with key industry and government partners, developing and implementing evidence-based standards, applying our research outcomes, and working with health professionals and communities.
ENGAGE	We will continue to improve health and wellbeing, equity, inclusion and diversity of our fellows, trainees, specialist international medical graduates and staff to enable broad and equitable access to care and delivery of high quality outcomes for patients and communities across Australia and New Zealand. We will work with diverse communities, particularly Aboriginal and Torres Strait Islander and Māori peoples. We will work with key stakeholders including colleges, teaching institutions, hospitals, communities and governments to influence workforce distribution, especially in underserved areas, sustainability, wellbeing and equity in training, practice and care.
SUPPORT	We will deliver a world class experience to all fellows, trainees, and specialist international medical graduates as an innovative, responsible, and focused leader for the specialist medical college sector. We will further embed effective engagement practices, training and education, digital and in-person experiences and resources.
SUBSTAIN	We will enhance sustainable value by integrating economic, environmental, and social aspects of leading in anaesthesia, pain medicine and perioperative medicine, maintaining our reputation as a foremost model for specialist medical training, education, and professional standards. We will do this by enhancing our infrastructure, operations, resources, staff capability and culture.

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	7	5
Dr D Devonshire	7	7
Dr B Effeney	7	7
Dr K Gough	7	6
Dr M R R Jones	7	7
Dr S C Y Ma	7	7
Dr S D Marshall	7	7
Dr T Selak	7	6
Dr M Turner	7	7
Dr S Ure	7	7
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 two independent financial and corporate governance experts. The number of FARM meetings held during the year ended 31 December 2023 and the number of meetings attended by each committee member was:

Name	Eligible to attend	Attended
Mr R Garvey (Chair)	5	5
Dr C Cokis (President)	5	2
A/Professor D Wilson (Honorary Treasurer)	5	3
Dr Kieran Davis (Member)	4	2
Professor D Story (Member)	5	5
Dr D Kapur (Member)	3	2
Ms Theodora Elia-Adams	2	2
Mr S Miller (Member)	3	2

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 2023, the total amount that members of the company are liable to contribute if the company is wound up is $368,850 (2022: $358,900)

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	Professor D Story
President	Vice President
Melbourne, 12 April 2024	Melbourne, 12 April 2024

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

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 2023, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner - Audit & Assurance

Melbourne, 12 April 2024

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

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 2023, and the statement of 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 2023 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 2022*.

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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 2023, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

T S Jackman
Partner – Audit & Assurance

Melbourne, 12 April 2024

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 2023 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

Dr C J Cokis
President
Melbourne, 12 April 2024

Professor D Story
Vice President
Melbourne, 12 April 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Note	2023 $	2022 $ (Restated)
Revenue			
Subscriptions and entry fees		15,867,266	14,347,900
Registrations, training and exam fees		14,741,021	12,493,811
Conference and course fees		7,237,689	4,380,173
Specialist training program grant		806,891	488,474
Government grants - other		13,370	80,501
Other income		2,387,272	2,257,146
Total revenue from operating activities		**41,053,509**	**34,048,005**
Expenses			
Employment		19,177,760	17,023,747
Facilities		2,724,722	2,396,485
Travel and events		8,427,736	5,594,711
Information technology		2,681,804	2,625,382
Professional services		2,979,573	2,437,601
Research grants		2,221,378	1,578,007
Finance costs		70,665	71,810
Other expenses		974,264	912,928
Total expenses from operating activities	**4**	**39,257,902**	**32,640,671**
Surplus before non-operating activities		**1,795,607**	**1,407,334**
Income from non-operating activities			
Investment income/(loss)	**5**	3,715,001	(2,759,754)
Surplus/(Deficit) for the year		**5,510,608**	**(1,352,420)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(13,620)	(28,487)
Total comprehensive income for the year		**5,496,988**	**(1,380,907)**

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 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents		19,153,815	14,534,564
Cash and cash equivalents – STP related		9,094,252	10,088,888
Trade and other receivables	**6**	4,093,971	2,666,868
Other financial assets	**7**	1,188,372	11,544,459
Total current assets		**33,530,410**	**38,834,779**
Non-current assets			
Property and office equipment and cultural assets	**8**	11,645,309	12,546,010
Intangible assets	**9**	-	53,215
Other financial assets	**7**	40,590,444	27,639,601
Total non-current assets		**52,235,753**	**40,238,826**
Total assets		**85,766,163**	**79,073,605**
LIABILITIES			
Current liabilities			
Trade and other payables	**10**	12,486,627	13,067,792
Contract liability	**11**	14,898,184	13,311,878
Provisions	**12**	1,070,690	1,169,339
Lease liabilities	**13**	486,123	434,029
Total current liabilities		**28,941,624**	**27,983,038**
Non-current liabilities			
Contract liability	**11**	4,172,985	3,878,878
Provisions	**12**	306,304	326,341
Lease liabilities	**13**	668,368	705,454
Total non-current liabilities		**5,147,657**	**4,910,673**
Total liabilities		**34,089,281**	**32,893,711**
Net assets		**51,676,882**	**46,179,894**
EQUITY			
Retained earnings		51,251,826	45,741,218
Foreign currency translation reserve		133,899	147,519
Asset revaluation reserve		291,157	291,157
Total equity		**51,676,882**	**46,179,894**

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 2023

	Note	Retained Earnings $	Foreign currency translation reserve $	Assets revaluation reserve $	Total $
Balance at 1 January 2022		**47,093,638**	**176,006**	**291,157**	**47,560,801**
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)
Balance at 31 December 2022		**45,741,218**	**147,519**	**291,157**	**46,179,894**
Surplus for the year		5,510,608	-	-	5,510,608
Currency translation differences arising during the year		-	(13,620)	-	(13,620)
Total comprehensive income for the year		5,510,608	(13,620)	-	5,496,988
Balance at 31 December 2023		**51,251,826**	**133,899**	**291,157**	**51,676,882**

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from members, customers and Government bodies		49,670,590	49,605,124
Interest received		530,028	169,405
Donations received		191,958	341,357
Payments to employees, suppliers and other parties		(43,877,086)	(42,363,195)
Research grants paid		(2,221,378)	(1,578,007)
Net cash inflow from operating activities		**4,294,112**	**6,174,684**
Cash flows from investing activities			
Transfer out/(Transfer in) of term deposits		10,327,176	(9,453,260)
Proceeds from disposal of financial assets		27,887,000	-
Payments for purchases of financial assets		(37,887,000)	(256,322)
Payments for property and office equipment		(539,397)	(1,779,069)
Net cash outflow from investing activities		**(212,221)**	**(11,488,651)**
Cash flows from financing activities			
Lease liabilities payments		(460,576)	(400,894)
Net cash outflow from financing activities		**(460,576)**	**(400,894)**
Net increase/(decrease) in cash and cash equivalents		3,621,315	(5,714,861)
Cash and cash equivalents at the beginning of the financial year		**24,623,452**	**30,400,655**
Total effect of exchange rate fluctuation of cash held		3,300	(62,342)
Cash and cash equivalents at the end of the financial year		**28,248,067**	**24,623,452**

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 12 April 2024. 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.

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:

Category	Useful life (years)
Buildings	20 - 40
Leasehold improvement	5 - 7
Heraldry	6
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 2023, 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.

When the ‘specific obligation’ requires ANZCA to arrange for goods or services to be provided by another party, or to collect monies on behalf of the customer, it is acting as an agent. As agent, ANZCA will only recognise the income received as commission or for the administration of the arrangements. Any amounts received to be remitted to a third party will be treated as a financial liability and subsequent payments will reduce the 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.

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	0.5 to 4.5
Equipment	4.4

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; lese 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.

Corrections to prior year reported figures

In applying AASB 15 Revenue from Contracts with Customers (AASB 15), a key step is to identify the separate performance obligations in the contract and assess whether ANZCA is acting as the principal or agent in the contract.

When ANZCA is the principal, it controls the goods or services before they are transferred to the customer. As principal, ANZCA would recognise the revenue and any corresponding expenditure in full (gross). When acting as the agent, ANZCA is arranging for goods or services to be provided by another party, without taking any control over those goods or services. As agent, ANZCA would only recognise the funding it receives for the administration in arranging for these goods or services.

In 2023, ANZCA reassessed its performance obligations under government grants in relation to the principal vs agent principle within the contract. In respect to monies received for a part of the Specialist Training Placements (STP) activity funded by the Department of Health, it has now judged that it is acting as agent, rather than principal.

ANZCA has elected to restate the prior year (2022) comparatives to offset both the revenue and expenditure recognised for STP. This restatement reduces revenue and expenditure by $7,484,869 and has no net impact on the loss for the prior year. The total administration expenditure incurred for the year was $488,474 with corresponding income recognised.

	31 December 2022 $	Restatements 2022 $	31 December 2022 $ (Restated)
IMPACT ON STATEMENT OF PROFIT AND LOSS - increase / (decrease) in profit			
Specialist training program grant	7,973,343	(7,484,869)	488,474
Total revenue from operations	7,973,343	(7,484,869)	488,474
Specialist training program employment and rural loading	7,484,869	(7,484,869)	-
Total expenditure from operations	7,484,869	(7,484,869)	-

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.

- **Government Grant**

Significant judgement is applied to assess if a grant or contract is enforceable and contains sufficiently specific performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligation(s), the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied i.e. when ANZCA transfers control of a product or service to a customer. Revenue is measured at the amount of consideration that ANZCA expects to be entitled to in exchange for transferring promised products or services to a customer and excludes amounts collected on behalf of third parties.

When the 'specific obligation' requires ANZCA to arrange for goods or services to be provided by another party, or to collect monies on behalf of the customer, it is acting as an agent. As agent, ANZCA will only recognise the income received as commission or for the administration of the arrangements. Any amounts received to be remitted to a third party will be treated as a financial liability and subsequent payments will reduce the liability.

- **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

	2023 $	2022 $
Surplus for the year includes the following specific expenses:		
(Gains) on fixed assets disposal	(727)	(1,718)
Foreign currency (gains)/losses	23,823	7,362
Movements in bad and doubtful debts	(6,507)	(45,763)
Depreciation-buildings	590,263	428,243
Depreciation-office equipment	778,873	789,569
Amortisation-intangible assets	53,215	344,759
Amortisation-Right of Use assets	436,558	400,817
Rental expense relating to operating leases	57,558	54,349
Impairment of intangible assets	109,344	171,938

5. Investment Income

	2023 $	2022 $
Net gain/(loss) on valuation of other financial assets at fair value through profit and loss	2,219,262	(3,908,030)
Dividends and other investment income (including realised gains)	965,711	978,871
Interest received	530,028	169,405
Total Investment (loss)/income	**3,715,001**	**(2,759,754)**

6. Current assets – Trade and other receivables

	2023 $	2022 $
Subscriptions	20,241	39,603
Allowance for expected credit losses	(6,250)	(16,089)
	13,991	**23,514**
Prepayments and deposits	2,566,001	1,346,883
Sundry receivables	1,513,979	1,296,469
Total Trade and other receivables	**4,093,971**	**2,666,866**
Movements in the allowance for expected credit losses:		
At 1 January	16,089	61,846
Provision for impairment recognised during the year	9,839	(45,757)
	6,250	**16,089**

7. Other financial assets

	2023 $	2022 $
Financial assets at fair value through profit or loss include the following:		
Current financial assets		
Term deposits	1,188,372	11,544,459
Non-current financial assets		
Investments at fair value through profit and loss	40,590,444	27,639,601
Aggregate other financial assets	**41,778,816**	**39,184,060**

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.

	2023 $	2022 $
Opening Balance	**27,639,601**	**30,965,754**
Net funds transferred in/(out)	10,000,000	(143,678)
Unrealised (loss)/gain	2,219,262	(4,008,030)
Investment income	878,732	977,756
Management fees	(147,151)	(152,201)
Closing Balance	**40,590,444**	**27,639,601**

The Investment Sub-Committee comprising representatives of the Council independent investment advisers, Chair of FARM and senior management. 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 was advised by the College's investment managers, JB Were Pty Ltd, up to September 2023. The College appointed JANA as its new investment managers after conducting a selection process with numerous investment managers invited to present to the Investment Sub-Committee. The funds held at JB Were Pty Ltd were progressively transferred to JANA. 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 and JANA. 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. For managed funds, the assets of each Trust are valued by the Fund Administrator and each Trust’s Net Asset Value is calculated in accordance with each Trust’s Constitution. The value of the Trust will be decreased by the amount of any liability owing by the Trust, such as distributions to investors, the Management Fees and Administrative Costs payable, other expenses, provisions and contingent liabilities. The Fund Administrator values each Trust’s assets in accordance with standard market practice and market prices are generally electronically sourced from third parties. Where no independent pricing source is available to value an asset, they will liaise with the Fund Administrator to determine the value of the asset in accordance with acceptable industry standards.

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

	2023 $	2022 $
Freehold land and buildings – at cost	15,370,650	15,371,465
Accumulated depreciation	(6,474,119)	(5,963,890)
	8,896,531	**9,407,575**
Office equipment – at cost	6,675,584	6,841,362
Accumulated depreciation	(5,412,906)	(5,149,787)
	1,262,678	**1,691,575**
Right of use assets	3,016,396	2,540,597
Accumulated Depreciation	(1,981,553)	(1,544,994)
	1,034,843	**995,603**
Cultural assets - at cost	451,257	451,257
Total carrying amount at 31 December	**11,645,309**	**12,546,010**

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 $
Opening net book amount	**9,407,575**	**1,691,575**	**995,603**	**451,257**	**12,546,010**
Exchange differences	(249)	(609)	(798)	-	(1,656)
Additions	182,493	356,904	476,596	-	1,015,993
Depreciation charge	(590,263)	(778,873)	(436,558)	-	(1,805,694)
Impairment	(103,025)	(6,319)	-	-	(109,344)
Closing net book amount	**8,896,531**	**1,262,678**	**1,034,843**	**451,257**	**11,645,309**

9. Non-current assets - Intangible Assets

	2023 $	2022 $
Project development costs	4,409,273	4,409,273
Impairment	-	(171,938)
Accumulated amortisation	(4,409,273)	(4,184,120)
	-	**53,215**
Project work in progress	-	-
Total carrying amount at 31 December	**-**	**53,215**

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 $
Opening net book amount	**53,215**	**-**	**53,215**
Addition	-	-	-
Transfer in/(out)	-	-	-
Amortisation charge	(53,215)	-	(53,215)
Impairment	-	-	-
Closing net book amount	**-**	**-**	**-**

10. Current liabilities - Trade and other payables

	2023 $	2022 $
Current		
Sundry creditor and accruals	2,816,456	2,246,032
Sundry creditor and accruals – STP related	8,382,622	9,594,176
Employee leave liabilities	1,287,549	1,227,584
Total Trade and other payables	**12,486,627**	**13,067,792**

11. Contract liability

	2023 $	2022 $
Current		
Subscriptions received in advance	7,990,203	6,737,400
Entrance, exam, trainee and events fees received in advance	6,907,981	6,574,478
	14,898,184	**13,311,878**
Non-Current		
Entrance, exam, trainee and events fees received in advance	4,172,985	3,878,878
	4,172,985	3,878,878
Total Other liabilities	**19,071,169**	**17,190,756**

12. Provisions

	2023 $	2022 $
Current		
Long service leave	1,070,690	1,169,339
Non-current		
Long service leave	306,304	326,341
Aggregate provision for employee benefits	**1,376,994**	**1,495,680**

13. Leases

	2023 $	2022 $
Current		
Lease liabilities	486,123	434,029
Non-current		
Lease liabilities	668,368	705,454
Total Lease Liabilities	**1,154,491**	**1,139,483**

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	6	0.5 – 4.5 Years	2.14 Years	6	-	-	-
Equipment	1	4.42 Years	4.42 Years	-	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2023 were as follows:

	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
31 December 2023							
Lease payments	525,899	328,027	243,719	125,244	60,398	-	1,283,287
Finance charges	(61,358)	(38,592)	(22,430)	(10,444)	(1,424)	-	(134,248)
Net present values	**464,541**	**289,435**	**221,289**	**114,800**	**58,974**	**-**	**1,149,039**

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 $197,141 (2022: $164,622).

15. Financial instruments

	Note	2023 $	2022 $
Financial Assets			
Investments at fair value through profit and loss			
- Interest bearing	7	12,910,750	23,690,536
- Managed share/units portfolio	7	28,868,065	15,493,524
Total Financial Assets		**41,778,815**	**39,184,060**
Financial Assets Measured at Amortised Costs			
Cash and cash equivalents		19,153,815	14,534,564
Cash and cash equivalents – STP related		9,094,252	10,088,888
Trade receivables	6	20,241	39,603
Total Financial Assets		**28,268,308**	**24,663,055**
Financial Liabilities Measured at Amortised Costs			
Trade payables		769,758	560,532
Total Financial Liabilities		**769,758**	**560,532**

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:

	2023 $	2022 $
Audit of the financial statements	95,000	86,000
Grant acquittal	8,000	5,500
	103,000	**91,500**

17. Key management personnel compensation

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

	2023 $	2022 $
Key management personnel salaries and entitlements	428,258	428,133

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 2023, the number of members was 7,377 (2022: 7,178).

20. Subsequent events

No other matter or circumstance has arisen since 31 December 2023 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 2023.