AUSTRALIAN & NEW ZEALAND COLLEGE OF ANAESTHETISTS

(ABN 82 055 042 852)

ANNUAL REPORT

For the year ended 31 December 2019

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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 2019. The College maintained its primary objective for the period under review.

The Directors submit their report for the year ended 31 December 2019 as follows:

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

President Dr R G Mitchell	FANZCA 2004; FAICD; Queen Elizabeth & Lyell McEwin Hospitals, SA
Vice-President Dr V S Beavis	FANZCA 1999; FFA (SA) 1992; GAICD; Auckland City Hospital, NZ
Honorary Treasurer Dr M S McManus	FANZCA 2003, Cairns Hospital, QLD
Honorary Treasurer Dr R J Waldron	FANZCA 1993; MAICD; The Hobart Anaesthetic Group, TAS (Resigned 3 May 2019)

Directors of the college

Dr C J Cokis	FANZCA 1997; MBBS, Fiona Stanley Hospital, WA
Dr M Craigie	FANZCA 1992; FFPMANZCA 2001; CALHN Pain Management Unit, Queen Elizabeth Hospital, SA
Dr P T Farrell	FANZCA 1992; (FFARACS) 1986; GAICD; John Hunter Hospital, NSW (Resigned 3 May 2019)
Dr G A Goulding	FANZCA 1992; (FFARACS 1986); FAICD; Royal Brisbane and Women's Hospital, QLD (Resigned 3 May 2019)
Dr S A Jenkins	FANZCA 2002; Lyell McEwin Hospital, SA (Resigned 19 November 2019)
Dr M R R Jones	FANZCA 1992; (FFARACS 1991); Royal Prince Alfred Hospital, NSW
Dr S C Y Ma	FANZCA 2013; AFRACMA 2016; BMBS 2005; BMedSc 2002; GAICD 2016; Women's and Children's Hospital, Adelaide(Appointed 3 May 2019)
Dr M S McManus	FANZCA 2003; FCICM 2015; GAICD; Cairns Hospital, QLD
Dr N N Robertson	FANZCA 1992 (FFARACS 1990); Auckland City Hospital, NZ
Professor D A Scott	FANZCA 1992; (FFARACS 1986); FFPMANZCA 2005; MBBS (Hons) (Monash) 1979; PhD (University Melb) 2004; St Vincent's Hospital, Melbourne Vic

Dr R D Thomas	FANZCA 1992; (FFARACS 1991); MPH (Monash) 2003; GC Health Informatics (Monash) 2005; MBBS (Monash) 1982; MAICD; St Vincent's Hospital, Vic
Dr C Vien	FANZCA 2017; MBBS; GAICD; St Vincent's Hospital, Vic
Associate Professor L Watterson	FANZCA 1997; MBBS 1989; FANZCA (1997); Master of Clinical Education 2007; Grad Dip Coach Leadership (2019); FAICD; Royal North Shore Hospital NSW (Appointed 3 May 2019)
Associate Professor D Wilson	FANZCA 1998; MBBS 1984; Associate Fellowship RACMA 2015; GAICD 2017;North West Regional Hospital, TAS (Appointed 3 May 2019)

Information on Directors

Name	**Dr V S Beavis**
Qualifications	FANZCA 1999; FFA (SA) 1992; MB BCh 1982
Experience	Member of Council since May 2012; Fellow of ANZCA for 20 years
Special Responsibilities	Council Member and Vice President

Name	**Dr C J Cokis**
Qualifications	FANZCA 1997; MBBS
Experience	Member of Council since May 2016; Fellow of ANZCA for 22 years
Special Responsibilities	Council Member

Name	**Dr M Craigie**
Qualifications	FANZCA 1992; FFPMANZCA 2001; MBBS, B Med Sc; MM(PM), GAICD
Experience	Member of Council since May 2018; Fellow of ANZCA for 27 years
Special Responsibilities	FPM Dean and Council Member

Name	**Dr P T Farrell (Resigned 3 May 2019)**
Qualifications	FANZCA 1992; (FFARACS 1986); FFARCS 1984; FRCA 1992; MBBS (UNSW) 1979
Experience	Member of Council since 2009; Fellow of ANZCA/FARACS for 33 years
Special Responsibilities	Council Member

Name	**Dr G A Goulding (Resigned 3 May 2019)**
Qualifications	FANZCA 1992; (FFARACS 1986); MBBS (UNSW) 1979; FAICD
Experience	Member of Council since 2007; Fellow of ANZCA/FARACS for 33 years
Special Responsibilities	Council Member

Name	**Dr S A Jenkins (Resigned 19 November 2019)**
Qualifications	FANZCA 2002
Experience	Member of Council since May 2014; Fellow of ANZCA 17 years
Special Responsibilities	Council Member

Name	**Dr M R R Jones**
Qualifications	FANZCA 1992; FFARACS 1991
Experience	Member of Council since November 2014; Fellow of ANZCA/FARACS for 28 years
Special Responsibilities	Council Member

Name	**Dr S C Y Ma (Appointed 3 May 2019)**
Qualifications	FANZCA 2013; AFRACMA 2016; BMBS 2005; BMedSc 2002; GAICD 2016
Experience	Member of Council since March 2015 to May 2018 and May 2019 onwards; Fellow of ANZCA 6 years
Special Responsibilities	Council Member to May 2018

Name	**Dr M S McManus**
Qualifications	FANZCA 2003; FCICM 2015; GAICD
Experience	Member of Council since May 2014; Fellow of ANZCA for 16 years
Special Responsibilities	Council Member; Honorary Treasurer

Name	**Dr R G Mitchell**
Qualifications	FANZCA 2004; BMBS 1988; DA (UK) 1991; DRACOG 1992; FRACGP 1995; FAICD 2015
Experience	Member of Council since 2009; Fellow of ANZCA for 15 years
Special Responsibilities	Council Member and President

Name	**Dr N N Robertson**
Qualifications	FANZCA 1992 (FFARACS 1990)
Experience	Member of Council since May 2016; Fellow of ANZCA for 29 years
Special Responsibilities	Council Member

Name	**Professor D A Scott**
Qualifications	FANZCA 1992; (FFARACS 1986); FFPMANZCA 2005; MBBS (Hons) (Monash) 1979; PhD (University Melb) 2004
Experience	Member of Council since 2008; Fellow of ANZCA/FARACS for 33 years
Special Responsibilities	Council member

Name	**Dr R D Thomas**
Qualifications	FANZCA 1992; FFARACS 1991; MPH (Monash) 2003; GC Health Informatics (Monash) 2005; MBBS (Monash) 1982; AAICD
Experience	Member of Council from May 2014; Fellow of ANZCA for 28 years
Special Responsibilities	Council Member

Name	**Dr C Vien**
Qualifications	FANZCA 2017; MBBS; FANZCA; GAICD
Experience	Member of Council from 2018 onwards; Fellow of ANZCA for 2 year
Special Responsibilities	Council Member

Name	**Dr R J Waldron (Resigned 3 May 2019)**
Qualifications	FANZCA 1993; MBBS (Uni of Melbourne) 1982; MAICD
Experience	Member of Council from 2006 to September 2009 and May 2013 onwards; Fellow of ANZCA for 26 years
Special Responsibilities	Council Member; Honorary Treasurer

Name	**Associate Professor L Watterson (Appointed 3 May 2019)**
Qualifications	FANZCA 1997; MBBS 1989; FANZCA (1997); Master of Clinical Education 2007; Grad Dip Coach Leadership (2019); FAICD
Experience	Member of Council from 2019; Fellow of ANZCA for 22 years
Special Responsibilities	Council Member

Name	**Associate Professor D Wilson (Appointed 3 May 2019)**
Qualifications	FANZCA 1998; MBBS 1984; Associate Fellowship RACMA 2015; GAICD 2017
Experience	Member of Council from 2019; Fellow of ANZCA for 23 years
Special Responsibilities	Council Member

Company Secretary
The Company Secretary for the Australian and New Zealand College of Anaesthetists for the financial year ended 31 December 2019 was:

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

Principal activities
During the year the principal continuing activities of the College consisted of:

a) Promoting the study of anaesthesia and pain medicine practice;
b) Promoting continuing medical education;
c) Promoting quality and safety of patients via standards setting; and
d) Promoting clinical and scientific research.

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

The College has recorded an operating surplus of $310k (2018: $1.425m deficit) for the year ended 31 December 2019. Total revenue was $40.243m (2018: $38.717m) with increases in all income categories except for conference and course fees. Total operating expenditure for the year was $39.933m (2018: $40.142m) with reduction in all major categories.

Higher income has been generated from increased candidates participating in the 1st final exam and final exam with the Faculty of Pain Medicine (FPM). Additionally there was higher attendance at various SIGs, the FPM spring meeting and an increase in fellows and trainees compared to prior year.

At the same time, lower operating expenditures were incurred as a numbers of positions were vacant or made redundant during the year resulting in lower employment costs. In line with the approved 2019 budget there were no major projects being carried out in 2019 compared to 2018 whereby the College spent $1.474m to enhance the Training Portfolio System (TPS). Offsetting some of the savings was an increase in travel and events costs due to the Annual Scientific Meeting being held in Kuala Lumpur, Malaysia and higher attendance at various SIGs and FPM spring meeting.

The College has impaired $528k of intangible assets at the end of the year after carrying out its annual review. These intangible assets were impaired predominantly due to technological change.

The investment portfolio has generated income of $1.340m (2018: $1.249m). The global equity market recovered in 2019 from the sell-down in the last quarter of 2018, the College has recorded a gain in value of the investment portfolio of $2.163m (2018: loss of $1.329m).

The College traditionally generates positive cash flows from operating activities. In 2019, the College generated $3.330m (2018: $6.577m) of cash flow from operating activities. The lower amount compared to prior year can be attributed to STP activities. The College received 2019 STP grants at the end of 2018 while invoices from participating hospitals were not received until 2019.

In 2019, the College has adopted 2 new accounting standards being:

- AASB 15: *Revenue from Contracts with Customers* which resulted in some income categories being deferred and recognised over the time that the College satisfies the performance obligations by transferring the promised services to its fellows and trainees.
- AAASB 16: *Leases* which resulted in operating leases being accounted for on-balance sheet similar to accounting for finance leases under the old standard. This has resulted in the College taking up right of use assets (ROU) and corresponding lease liabilities. Rental expenses being replaced with depreciation charge for the ROU assets and an interest expense on remaining lease liabilities. Note that the interest expense is an accounting entry only, and the College does not incur interest costs from the bank or landlord.

The impact of these 2 new accounting standards have been detailed in Note 2 to the financial statements.

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.

Short and Long Term Objectives and Strategies
The College is guided by the 2018-2022 strategic plan that includes the following Mission and Vision Statements.

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

Vision: "ANZCA will be a recognised world leader in training, education, research, and in setting standards for anaesthesia and pain medicine".

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

LEADING professional identity and perioperative medicine	ANZCA will LEAD the promotion of the professional identity of anaesthesia and pain medicine specialties and the development of an effective, integrated and collaborative perioperative care model.
GROWING lifelong education, training and professional support	ANZCA will GROW education, training and professional support for fellows, specialist international medical graduates (SIMGs) and trainees by investment in resources and technology and key collaborations.
DRIVING research and quality improvement	ANZCA will DRIVE a culture of research and quality improvement through funding and supporting research, academic anaesthesia and researchers across Australia and New Zealand and sustaining ANZCA's global leadership in high quality research.
SUPPORTING our workforce and wellbeing	ANZCA will SUPPORT the sustainable growth of a diverse, high quality and healthy anaesthesia and pain medicine and staff workforce so all communities in Australia and New Zealand have access to high quality anaesthesia, pain medicine and perioperative services, provided by clinicians who are supported both personally and professionally

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

Events subsequent to balance date
No circumstances have arisen since the end of the year which have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the College in future financial years except for the following non-adjusting events:

- Impact of COVID-19
  - The College has cancelled the 2020 ANZCA Annual Scientific Meeting as well as the preceding Emerging Leaders Conference, FPM Symposium and Perioperative Medicine Special Interest Group meeting to be held in Perth. The College is currently negotiating with suppliers regarding refund for payments made and/or utilising for other events in the future. At this early stage, the financial impact of this cancellation is approximately $1.0m to $1.5m;
  - The College has had to postpone the final and primary vivas;
  - The College has had to postpone its SIG meetings to 2021 and cancelled its CME meetings. The financial impact of this is being assessed and wherever possible costs have been minimised through rescheduling the meeting to a later date; and
  - The investment portfolio held by the College has been subject to significant volatility since the global sell down in the equity market as a result of the global outbreak in 2020.

Likely developments and future results
Due to the impact of COVID-19, the College anticipates that it will not meet the approved 2020 budget. The full financial impact of the crisis is yet to be determined however the College is working with suppliers to minimise the financial and operational impact. The College has sufficient cash reserves to meet all short and long term commitments. The College is continually reviewing, updating and improving its management and governance practices to ensure that the objectives of the College are met.

Directors' meetings

Name	Eligible to attend	Attended
Dr V S Beavis	7	6
Dr C J Cokis	7	7
Dr M Craigie	7	7
Dr P T Farrell (Resigned 3 May 2019)	2	2
Dr G A Goulding (Resigned 3 May 2019)	2	2
Dr S A Jenkins (Resigned 19 Nov 2019)	6	5
Dr M R R Jones	7	7
Dr S C Y Ma (Appointed 3 May 2019)	5	5
Dr M S McManus	7	7
Dr R G Mitchell	7	7
Dr N N Robertson	7	6
Professor D A Scott	7	6
Dr R D Thomas	7	7
Dr R Waldron (Resigned 3 May 2019)	2	2
Dr C Vien	7	6
Dr L M Watterson (Appointed 3 May 2019)	5	5
Dr D J Wilson (Appointed 3 May 2019)	5	5

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 2019 and the number of meetings attended by each committee member was:

Name	Eligible to attend	Attended
Mr P Maloney (Chair) (Resigned 4 April 2019)	2	1
Mr R Garvey (Chair)	4	4
Dr R G Mitchell (President)	4	2
Dr V Beavis (Vice President)	4	3
Dr R Waldron (Honorary Treasurer) (Resigned 3 May 2019)	2	2
Dr M S McManus (HonoraryTreasurer) (Appointed 3 May 2019)	2	2
Dr N Robertson (Member)	2	2
A/Professor Mick Vagg (Member)	2	2
Mr S Miller (Member)	4	4

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 16 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 2019, the total amount that members of the company are liable to contribute if the company is wound up is $331,950 (2018: $321,550)

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

DocuSigned by:
Rodney Mitchell
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Dr R G Mitchell
President
Melbourne, 4 April 2020

DocuSigned by:
Vanessa Beavis
23D799DF14FD494...

Dr V S Beavis
Vice President
Melbourne, 4 April 2020

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Auditor's Independence Declaration

To the Directors of Australian and 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 Australia and New Zealand College of Anaesthetists for the year ended 31 December 2019, 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, 4 April 2020

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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 (the "Registered Entity"), which comprises the statement of financial position as at 31 December 2019, and the statement of profit and 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 2019 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards 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.

Information Other than the Financial Report and Auditor's Report Thereon

Management is 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 2019, 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 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, 4 April 2020

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 2019 and of its performance for the financial year ended on that date; and
   (ii) complying with Australian Accounting Standards – Reduced 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

DocuSigned by:
Rodney Mitchell
9E13C92ACD864EA...

Dr R G Mitchell
President
Melbourne, 4 April 2020

DocuSigned by:
Vanessa Beavis
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Dr V S Beavis
Vice President
Melbourne, 4 April 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Note	2019 $	2018 $
Revenue			
Subscriptions and entry fees		12,733,253	12,111,784
Registrations, training and exam fees		11,489,803	10,371,918
Conference and course fees		5,893,407	6,187,549
Specialist training program grant		7,709,130	7,695,360
Other income		2,417,610	2,350,406
Total revenue from operating activities		**40,243,203**	**38,717,017**
Expenses			
Employment		15,390,530	15,499,916
Facilities		2,648,800	2,693,827
Travel and events		7,473,728	6,981,138
Information technology		3,334,613	3,819,042
Professional services		1,413,084	1,388,821
Research grants		1,577,442	1,615,321
Specialist training program employment and rural loading		6,986,695	7,021,935
Finance costs		55,450	-
Other expenses		1,052,646	1,121,876
Total expenses from operating activities	**4**	**39,932,988**	**40,141,876**
Surplus/(Deficit) before non-operating activities		**310,215**	**(1,424,859)**
Income from non-operating activities			
Investment income (including market movements)	**5**	3,656,583	29,250
Surplus/(Deficit) for the year		**3,966,798**	**(1,395,609)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		5,766	679
Total comprehensive income / (deficit) for the year		**3,972,564**	**(1,394,930)**

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 21 to 37.

Statement of Financial Position

As at 31 December 2019

	Note	2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents		18,947,347	18,361,122
Trade and other receivables	6	2,452,739	15,081,545
Other financial assets	7	2,013,465	230,175
Total current assets		**23,413,551**	**33,672,842**
Non-current assets			
Property and office equipment and cultural assets	8	12,901,517	11,431,572
Intangible assets	9	1,928,878	3,810,006
Other financial assets	7	23,142,164	19,815,355
Total non-current assets		**37,972,559**	**35,056,933**
Total assets		**61,386,110**	**68,729,775**
LIABILITIES			
Current liabilities			
Trade and other payables	10	12,761,530	15,221,797
Contract liability	11	10,998,597	20,941,626
Provisions	12	719,387	939,154
Lease liabilities	13	414,605	-
Total current liabilities		**24,894,119**	**37,102,577**
Non-current liabilities			
Contract liability	11	3,238,360	-
Provisions	12	263,494	185,995
Lease liabilities	13	1,371,305	-
Total non-current liabilities		**4,873,159**	**185,995**
Total liabilities		**29,767,278**	**37,288,572**
Net assets		**31,618,832**	**31,441,203**
EQUITY			
Retained earnings		31,097,084	30,925,221
Foreign currency translation reserve		230,591	224,825
Asset revaluation reserve		291,157	291,157
Total equity		**31,618,832**	**31,441,203**

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 21 to 37.

Statement of Changes in Equity

For the year ended 31 December 2019

	Note	Retained Earnings $	Foreign currency translation reserve $	Assets revaluation reserve $	Total $
Balance at 1 January 2018		**32,320,830**	**224,146**	**291,157**	**32,836,133**
Deficit for the year		(1,395,609)	-	-	(1,395,609)
Currency translation differences arising during the year		-	679	-	679
Total comprehensive income for the year		(1,395,609)	679	-	(1,394,930)
Balance at 31 December 2018		**30,925,221**	**224,825**	**291,157**	**31,441,203**
Adjustment from the adoption of AASB 15	2	(3,794,935)	-	-	(3,794,935)
Adjusted balance at 1 January 2019		**27,130,286**	**224,825**	**291,157**	**27,646,268**
Surplus for the year		3,966,798	-	-	3,966,798
Currency translation differences arising during the year		-	5,766	-	5,766
Total comprehensive income for the year		3,966,798	5,766	-	3,972,564
Balance at 31 December 2019		**31,097,084**	**230,591**	**291,157**	**31,618,832**

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 21 to 37.

Statement of Cash Flows

For the year ended 31 December 2019

	2019 $	2018 $
Cash flows from operating activities		
Receipts from members, customers and Government bodies	41,932,953	37,870,666
Interest received	153,877	109,418
Donations received	121,763	90,011
Payments to employees, suppliers and other parties	(37,254,475)	(29,232,686)
Research grants and bequests paid	(1,623,668)	(2,260,395)
Net cash inflow from operating activities	**3,330,450**	**6,577,014**
Cash flows from investing activities		
Receipts on disposals/(payments for purchases) of financial assets	(1,759,585)	925,583
Payments for property and office equipment	(692,873)	(1,116,293)
Payments for project development	(99,470)	(71,492)
Net cash outflow from investing activities	**(2,551,928)**	**(262,202)**
Cash flows from financing activities		
Lease liabilities payments	(217,062)	-
Net cash outflow from financing activities	**(217,062)**	**-**
Net increase/(decrease) in cash and cash equivalents	561,460	6,314,812
Cash and cash equivalents at the beginning of the financial year	**18,361,122**	**11,983,835**
Total effect of exchange rate fluctuation of cash held	24,765	62,475
Cash and cash equivalents at the end of the financial year	**18,947,347**	**18,361,122**

The accompanying notes form part of these financial statements. Notes to the financial statements are included on pages 21 to 37.

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 4 April 2020. 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 – Reduced 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 – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

New standards adopted by the College as at 1 January 2019

The College has adopted the new accounting standards which have become effective in 2019, and are as follows:

- **AASB 15**

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 January 2019 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 January 2019.

The tables below highlight the impact of AASB 15 on the College's statement of financial position for the ended 31 December 2019. The adoption of AASB 15 did not have a material impact on the College's statement of cash flows.

Statement of Financial Position (Extract)	Amount under AASB 118 $	Adjustments $	Amount under AASB 15 $
Current Assets			
Trade and other receivables	14,302,938	(11,850,199)	2,452,739
Total Assets	73,236,309	(11,850,199)	61,386,110
Current Liabilities			
Trade and other payable	13,657,486	(895,956)	12,761,530
Contract liability	10,265,081	733,516	10,998,597
Non-current Liabilities			
Contract liability	-	3,238,360	3,238,360
Total Liabilities	26,691,358	3,075,920	29,767,278
Equity			
Retained Earnings	34,892,019	(3,794,935)	31,097,084

The adoption of AASB 15 has mainly affected the following areas:

	Revenue impacted by AASB 15	Description	Adjustment to the opening balance retained earnings
1	Application fees	All medical practitioners wishing to undertake the ANZCA vocational training program must apply to ANZCA. They must have completed at least 52 weeks full-time equivalent pre-vocational medical education and training. A non-refundable application fee must be paid by all those wishing to undertake the ANZCA vocational training program. The application will remain valid until the end of the second calendar year following the year in which it is lodged. The change in accounting standard required application fees to be deferred and recognised over the average period of two years.	$133,920

	Revenue impacted by AASB 15	Description	Adjustment to the opening balance retained earnings
2	Training registration fees	Upon commencing approved vocational training (AVT), all trainees must register in the ANZCA VTP – this is a non-refundable registration fee. The change in accounting standard required training registration fees to be deferred and recognised over the average period of five years.	$1,428,975
3	Fellowship entrance & election fees	Fellowship entrance & election fee involves submission of an application to be considered for admission. Trainees admitted to fellowship are entitled to place FANZCA for as long as they remain members of the college. The change in accounting standard required fellowship entrance & election fees to be deferred and recognised over the average period of thirty years.	$2,232,040
		Total Adjustments	**$3,794,935**

The College's revenue disaggregated by pattern of revenue recognition is as follows:

	Subscriptions and entry fees $	Registrations, training and exam fees $	Conference and Course fees $	Specialist training program grant $	Other Income
Services transferred at a point in time	-		5,893,407	7,709,130	2,417,610
Services transferred over time	12,733,253	11,489,803	-	-	-
Total	**12,733,253**	**11,489,803**	**5,893,407**	**7,709,130**	**2,417,610**

Subscriptions, exams and courses can range between a few months to a year. As the period of time between fellow and trainee payment and performance will always be one year or less, the College applies the practical expedient in AASB 15.53 and does not adjust the promised amount of consideration for the effects of financing.

- **AASB 16 Leases**

The College has adopted AASB 16 Leases from 1 January 2019 replacing AASB 117.

Under AASB 16, all leases are accounted under a single on-balance sheet model, similar to accounting for finance leases under the old standard. Other than short-term leases of less than twelve months and leases of low-value assets, there is a recognition of right-of-use (ROU) assets and corresponding lease liabilities in the statement of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the ROU assets and an interest expense on remaining lease liabilities (including finance costs).

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Transition

The College has elected to apply the “modified retrospective approach”-option 2 when transitioning to the new AASB 16 Leases standard. Under this approach, the College has not restated comparative reporting periods.

The College has elected to recognise the ROU asset to be equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the transition to AASB 16.

On transition to AASB 16 the weighted average incremental borrowing rates applied to lease liabilities under AASB 16 were 3.99% for equipment and 5.53% for offices.

Impact on Statement of Financial Position upon transition to AASB 16 on 1 January 2019 as follows:

Impact on Statement of Financial Position	$
Increase in new right of use assets	443,834
Increase in new lease liabilities	(443,834)
Net impact on statement of financial position	-

A number of new leases, in particular renewal of commercial property, were entered into by the College during 2019 resulting in lease liabilities of $1,785,910 and right of use assets of $1,671,432 at the end of 2019.

The following practical expedients have been applied, as permitted by the standard:

- Application of a single incremental borrowing rate for a portfolio of leases with reasonable similar characteristics;
- Excluding direct costs from the measurement of the right-of-use asset at the date of initial application;
- Operating leases with a term of less than 12 months from the date of initial application is treated as short-term leases; and
- Application of hindsight in determining lease terms where the contract contains options to extend or terminate the lease.

Impact of AASB 16 adoption on earnings

Adoption of the new standard results in the expense front-loaded into the earlier years of the lease and lower in later years due to the interest charged on the capital outstanding as compared to straight-lined lease expense under AASB 117.

Surplus for the year is not materially changed this financial year. The impact for 2019 is:

Impact on Statement of Profit or Loss on Adopting AASB 16	**$**
Decrease in operating leases expenses	(278,019)
Increase in interest expense	55,450
Increase in depreciation expense	276,091
Decrease in net surplus	53,522

The following is a reconciliation of total operating lease commitments at 31 December 2018 (as disclosed in the financial statements to 31 December 2018) to the lease liabilities recognised at 1 January 2019:

	$
Total operating lease commitments disclosed at 31 December 2018	1,262,691
Recognition exemptions:	
- Leases of low value assets	-
- Leases with remaining lease term of less than 12 months	(366,271)
Less adjustments as a result of different treatment of extension and termination options	(522,257)
Add/(Less) contracts reassessed as lease contracts	114,371
Operating lease liabilities before discounting	488,534
Discounted using incremental borrowing rate	(44,700)
Total lease liabilities recognised under AASB 16 at 1 January 2019	443,834

Standards that are not yet effective and have not been adopted early

Certain new and revised accounting standards and interpretations have been published that are not mandatory for the 31 December 2019 reporting period. The College does not plan to adopt these standards early. These standards are not expected to have a material impact on the transactions and balances recognised in the financial statements.

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
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 2019, 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 records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group 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 measured at the fair value of the consideration received or receivable. The College recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the College and specific criteria have met for each of the College's activities as described below. 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.

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	1.5 to 6
Equipment	2

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.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the company'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.

One of the accounting judgments in these financial statements is 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.

4. Expenses

	2019 $	2018 $
Surplus for the year includes the following specific expenses:		
(Gains) on fixed assets disposal	(760)	(146)
Foreign currency (gains)/losses	(13,402)	(38,516)
Bad and doubtful debts	(26,679)	4,338
Depreciation-buildings	290,656	276,672
Depreciation-office equipment	668,700	525,031
Amortisation-intangible assets	1,728,716	1,437,141
Rental expense relating to operating leases	312,110	598,380
Impairment – Intangible assets	527,971	-

5. Investment Income

	2019 $	2018 $
Net gain/(loss) on valuation of other financial assets at fair value through profit and loss	2,162,586	(1,328,706)
Dividends and other investment income (including realised gains)	1,340,120	1,248,538
Interest received	153,877	109,418
Total Investment income	**3,656,583**	**29,250**

6. Current assets – Trade and other receivables

	2019 $	2018 $
Subscriptions	191,170	12,432,750
Allowance for expected credit losses	(13,141)	(41,248)
	178,029	**12,391,502**
Prepayments and deposits	1,754,408	2,261,122
Sundry receivables	520,302	428,921
Total Trade and other receivables	**2,452,739**	**15,081,545**
Movements in the allowance for expected credit losses:		
At 1 January	41,248	36,199
Provision for impairment recognised during the year	-	9,929
Receivables written off during the year as uncollectible	-	-
Unused amount reversed	(28,107)	(4,880)
	13,141	**41,248**

7. Other financial assets

	2019 $	2018 $
Financial assets at fair value through profit or loss include the following:		
Current financial assets		
Term deposits	2,013,465	230,175
Non-current financial assets		
Investments at fair value through profit and loss	23,142,164	19,815,355
Aggregate other financial assets	**25,155,629**	**20,045,530**

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).

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

	2019 $	2018 $
Freehold land and buildings – at cost	13,352,936	12,730,809
Accumulated depreciation	(4,872,203)	(4,581,248)
	8,480,733	**8,149,561**
Office equipment – at cost	7,189,124	7,788,565
Accumulated depreciation	(4,889,799)	(4,956,581)
	2,299,325	**2,831,984**
Right of use assets	1,947,523	-
Accumulated Depreciation	(276,091)	-
	1,671,432	-
Cultural assets - at cost	450,027	450,027
Total carrying amount at 31 December	**12,901,517**	**11,431,572**

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	**8,149,561**	**2,831,984**	**-**	**450,027**	**11,431,572**
Exchange differences	(299)	(927)	-	-	(1,226)
Adjustments on transition to AASB16	-	-	443,834	-	443,834
Additions	622,127	136,967	1,503,689	-	2,262,783
Written off	-	-	-	-	-
Depreciation charge	(290,656)	(668,699)	(276,091)	-	(1,235,446)
Closing net book amount	**8,480,733**	**2,299,325**	**1,671,432**	**450,027**	**12,901,517**

9. Non-current assets - Intangible Assets

	2019 $	2018 $
Project development costs	11,658,033	11,658,033
Impairment	(527,971)	-
Accumulated amortisation	(9,470,430)	(8,017,803)
	1,659,632	**3,640,230**
Project work in progress	269,246	169,776
Total carrying amount at 31 December	**1,928,878**	**3,810,006**

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	**3,640,230**	**169,776**	**3,810,006**
Addition	-	99,470	99,470
Transfer in/(out)	-	-	-
Impairment	(527,971)	-	(527,971)
Amortisation charge	(1,452,627)	-	(1,452,627)
Closing net book amount	**1,659,632**	**269,246**	**1,928,878**

10. Current liabilities - Trade and other payables

	2019 $	2018 $
Current		
Sundry creditor and accruals	11,741,578	14,082,125
Employee leave liabilities	1,019,952	1,139,672
Total Trade and other payables	**12,761,530**	**15,221,797**

11. Contract liability

	2019 $	2018 $
Current		
Subscriptions received in advance	5,572,875	12,552,283
Entrance, exam, trainee and events fees received in advance	5,425,722	8,389,343
	10,998,597	**20,941,626**
Non-Current		
Entrance, exam, trainee and events fees received in advance	3,238,360	-
	3,238,360	**-**
Total Other liabilities	**14,236,957**	**20,941,626**

12. Provisions

	2019 $	2018 $
Current		
Long service leave	719,387	939,154
Non-current		
Long service leave	263,494	185,995
Aggregate provision for employee benefits	**982,881**	**1,125,149**

13. Leases

	2019 $	2018 $
Current		
Lease liabilities	414,605	-
Non-current		
Lease liabilities	1,371,305	-
Total Lease Liabilities	**1,785,910**	**-**

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 – 5.5 Years	3.6 Years	3	0	0	0
Equipment	1	2 Years	2 Years	0	0	0	0

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2019 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 2019							
Lease payments	502,229	469,739	347,622	356,511	278,592	69,793	2,024,486
Finance charges	(87,624)	(64,912)	(45,886)	(28,572)	(10,473)	(1,109)	(238,576)
Net present values	**414,605**	**404,827**	**301,736**	**327,939**	**268,119**	**68,684**	**1,785,910**

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 $65,289 (2018: $97,245).

15. Financial instruments

	Note	2019 $	2018 $
Financial Assets			
Investments at fair value through profit and loss			
- Interest bearing	7	8,745,011	3,968,341
- Managed share/units portfolio	7	16,410,618	16,077,189
Total Financial Assets		**25,155,629**	**20,045,530**

The company has an Investment Sub-Committee comprising representatives of the Board, independent investment adviser and senior management who meet 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 committee is advised by the College's investment managers, JB Were Pty Ltd. The committee identifies and evaluates financial risks and advises FARM and Council 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.

16. Key management personnel compensation

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

	2019 $	2018 $
Key management personnel salaries and entitlements[1]	408,726	851,908

1 2018 key management personnel salaries and entitlements include termination payments.

17. Related party transactions

Key management personnel compensation

Disclosures relating to key management personnel compensation are set out in note 16.

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.

18. 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 2019, the number of members was 6,639 (2018: 6,431).

19. Subsequent events

There has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the College's operations, the results of those operations, or the College's state of affairs in financial years after this financial year except for the following non-adjusting events:

- Impact of COVID-19
  - The College has cancelled the 2020 ANZCA Annual Scientific Meeting as well as the preceding Emerging Leaders Conference, FPM Symposium and Perioperative Medicine Special Interest Group meeting to be held in Perth. The College is currently negotiating with suppliers regarding refund for payments made and/or utilising for other events in the future. At this early stage, the financial impact of this cancellation is approximately $1.0m to $1.5m;
  - The College has had to postpone the final and primary vivas;
  - The College has had to postpone its SIG meetings to 2021 and cancelled its CME meetings. The financial impact of this is being assessed and wherever possible costs have been minimised through rescheduling the meeting to a later date; and
  - The investment portfolio held by the College has been subject to significant volatility since the global sell down in the equity market as a result of the global outbreak in 2020.

20. Contingencies

The directors are not aware of any material contingent assets/liabilities as at 31 December 2019.