

2021

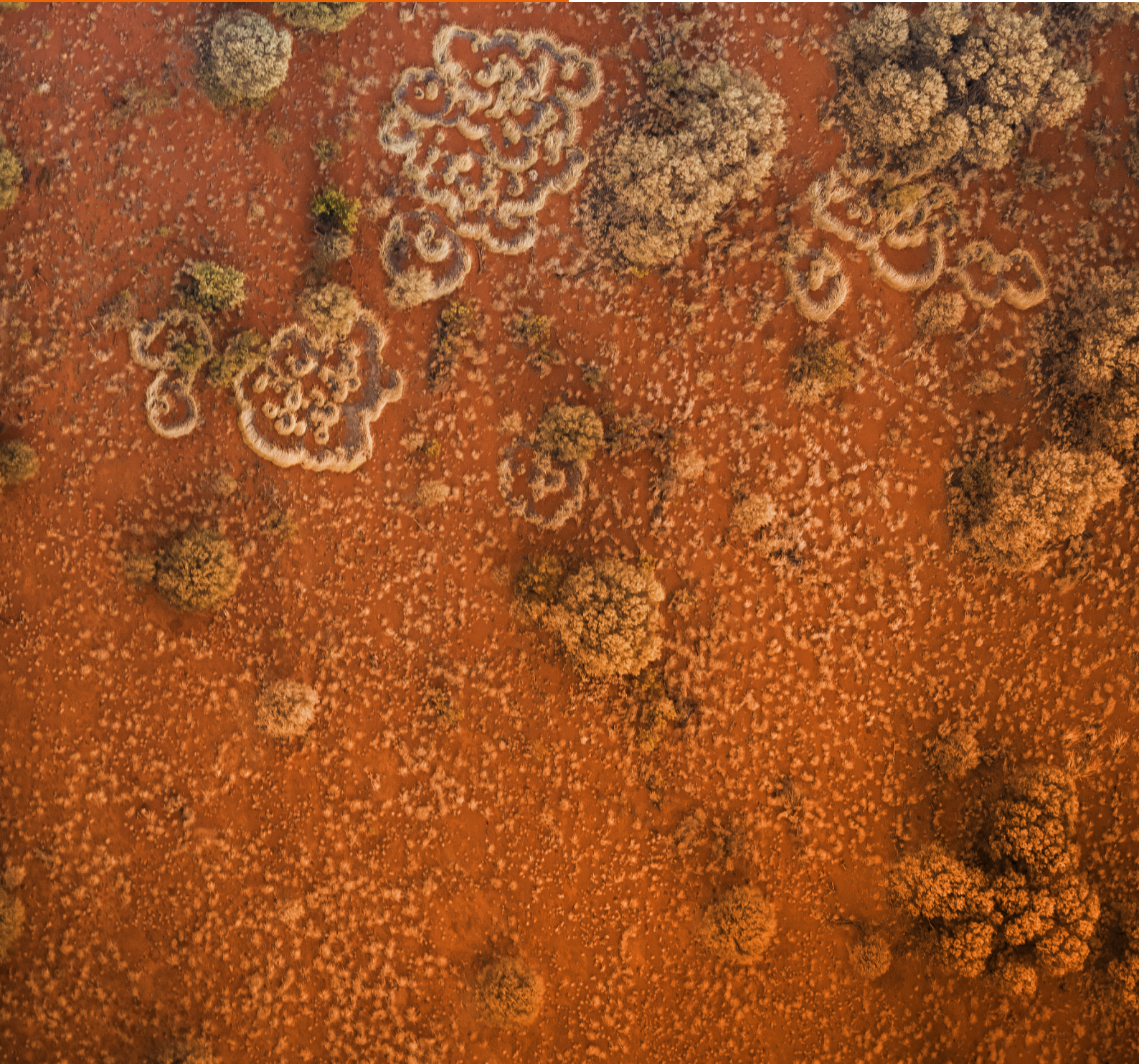
Financial Report



Improving the mental health of communities
through high-quality psychiatric care, education,
leadership and advocacy



The Royal
Australian &
New Zealand
College of
Psychiatrists



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The Royal Australian and New
Zealand College of Psychiatrists

A.B.N. 68 000 439 047

(A company limited by guarantee
incorporated in Australia)

For the year ended 31 December 2021

Registered Office
309 La Trobe Street
Melbourne Victoria 3000

Directors' Report

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2021.

Directors

The RANZCP Board comprises of seven directors. The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, goals for management and the operation of the RANZCP.

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- » A/Prof John Allan (up to 19 May 2021)
- » A/Prof Vinay Lakra
- » Dr Elizabeth Moore
- » Prof Neeraj Gill
- » A/Prof Beth Kotzé
- » Dr Mark Lawrence (from 19 May 2021))
- » Dr Sue Mackersey
- » Dr Nick O'Connor

Information on directors

Associate Professor John Allan President (up to 19 May 2021)

Qualifications: MBBS, FRANZCP, PhD, GAICD

Experience and expertise: John is the Executive Director, Mental Health Alcohol and Other Drugs Branch, Queensland Health. He was previously the Chief Psychiatrist in both Queensland and NSW and has over 35 years' experience as a psychiatrist in clinical, academic, management and leadership positions.

John initially joined the RANZCP Board in May 2015 as a Casual Board Director for a 12-month term and was elected to the Board for a two-year term in 2016. From 2015 to 2016 John served as Chair, Finance Committee and a member of the Audit Committee. From 2016 to 2017 John served as Chair, Corporate Governance

and Risk Committee before assuming the role of President Elect from May 2017 to May 2019, during which time he chaired the Members' Advisory Council and Audit Committee.

As President, from May 2019 to May 2021, John Chaired the RANZCP Board and was a member of the Finance Committee and Members' Advisory Council. John's term as President ceased on 19 May 2021.

Special responsibilities: Up to 19 May 2021: President; Chair, RANZCP Board; Ex-officio, Finance Committee; Member, Members' Advisory Council; and Board Director, Council of Presidents of Medical Colleges.

Associate Professor Vinay Lakra President Elect (up to 19 May 2021) and President (from 19 May 2021)

Qualifications: MBBS, MD, MHM, FRACMA, FRANZCP, GAICD

Experience and expertise: Vinay is the Clinical Director of Northern Area Mental Health Service, North Western Mental Health.

Vinay joined the RANZCP Board for a two-year term from May 2018 and served as Chair, Finance Committee until his election to President Elect in May 2019. In this role, Vinay Chaired the Audit Committee, Members' Advisory Council, Awards and Recognition Committee, and PIF Advisory Group.

Vinay assumed the role of President in May 2021.

Special responsibilities: Up to 19 May 2021: President Elect; Chair, Members' Advisory Council; Chair, Audit Committee; Member, Finance Committee; Member, Practice, Policy and Partnerships Committee; Chair, Awards and Recognition Committee; and Chair, PIF Advisory Group.

From 19 May 2021: President; Chair, RANZCP Board; Ex-officio, Finance Committee; Member, Members' Advisory Council; and Board Director, Council of Presidents of Medical Colleges.

Dr Elizabeth Moore

Board Director (up to 19 May 2021)
and President Elect (from 19 May 2021)

Qualifications: MBBS (Adl), FRANZCP, Grad Cert HPE (UWA), MAICD

Experience and expertise: Elizabeth is the inaugural ACT Coordinator-General of the Office of Mental Health and Wellbeing and has worked in both public and private hospital and community settings, holding clinical and/or administrative positions in psychiatry in South Australia, New South Wales, Victoria, and Western Australia.

Elizabeth joined the RANZCP Board in May 2019 as a Casual Board Director for a 12-month term and was elected to the Board for a two-year term in June 2020. Elizabeth chaired the Practice, Policy and Partnerships Committee until her election to President Elect in May 2021.

Special responsibilities: Up to 19 May 2021: Chair, Practice, Policy and Partnerships Committee; Member, Audit Committee; and Member, Members' Advisory Council.

From 19 May 2021: President Elect; Chair, Members' Advisory Council; Chair, Audit Committee; Member, Finance Committee; Member, Practice, Policy and Partnerships Committee; Chair, Awards and Recognition Committee; and Chair, PIF Advisory Group.

Professor Neeraj Gill

Board Director

Qualifications: FRANZCP, MD (Psychiatry), DrPH

Experience and expertise: Neeraj is a psychiatrist at Gold Coast Health and professor and clinical lead for mental health at the School of Medicine, Griffith University, Gold Coast. He is a member of the Queensland Mental Health Review Tribunal.

Neeraj joined the RANZCP Board in June 2020 for a two-year term and is the current Chair of the Finance Committee.

Special responsibilities: Chair, Finance Committee; Member, Practice, Policy and Partnerships Committee; Member, Audit Committee; and Member, Members' Advisory Council.

Associate Professor Beth Kotzé

Board Director

Qualifications: FRANZCP, FRACMA, MBBS, MMed (Psychotherapy), MHA, MA, Cert Child Psych

Experience and expertise: Beth is currently the Director of Child and Adolescent Mental Health Services, Sydney Local Health District. She has held senior executive, leadership, and management positions over more than twenty years during which time she has contributed to mental health service development, mental health policy, psychiatry education and practice.

Beth joined the RANZCP Board in June 2020 for a two-year term and is the current Chair of the Corporate Governance and Risk Committee.

Special responsibilities: Chair, Corporate Governance and Risk Committee; Member, Audit Committee; Member, Members' Advisory Council; and Member, Education Committee.

Dr Mark Lawrence
Board Director Casual Vacancy
(from 19 May 2021)

Qualifications: BPhED (Otago), MBChB (Otago), Dip Paediatrics (Auckland), FRANZCP

Experience and expertise: Mark works as a Consultant Psychiatrist in the Bay of Plenty, Tauranga. He is an adult psychiatrist working within an integrated model of care with both Kaupapa Māori (Māori Model of care) and mainstream services at Tauranga public hospital. He is a recipient of the Henry Rongomau Bennett Memorial Scholarship (in memory of the first Māori Psychiatrist) and proudly the 9th Māori fellow.

Mark was appointed as a Casual Vacancy Board Director to the RANZCP Board in May 2021 for twelve months and is the current Chair of the Membership Engagement Committee.

Special responsibilities: Chair, Membership Engagement Committee; Member, Corporate Governance and Risk Committee; and Member, Members' Advisory Council.

Dr Sue Mackersey
Board Director

Qualifications: MBChB, FRANZCP

Experience and expertise: Sue has over 25 years' experience in governance, clinical leadership and management in Australia and New Zealand. She has worked in public roles and private practice in metropolitan and rural locations. Her current leadership role is with rural mental health services in Tairāwhiti where she is Clinical Director and Director of Area Mental Health Services. Sue also works in private practice.

Sue joined the RANZCP Board in May 2018 for a two-year term, was re-elected for a further two-year term in June 2020.

Sue has chaired the Membership Engagement Committee and is the current Chair of the Practice, Policy and Partnerships Committee.

Special responsibilities: Up to May 2021: Chair, Membership Engagement Committee; Member, Corporate Governance and Risk Committee; and Member, Members' Advisory Council.

From May 2021: Chair, Practice, Policy and Partnerships Committee; Member, Audit Committee; and Member, Members' Advisory Council.

Dr Nick O'Connor
Board Director

Qualifications: MBBS, MMed (Syd), MHA, FRANZCP, FRACMA, GAICD

Experience and expertise: Nick is Clinical Lead of the Mental Health Patient Safety Program, NSW Clinical Excellence Commission and Co-Chair of the NSW COVID-19 Mental Health Community of Practice. Nick's previous roles include Chair of the Board of the NSW Mental Health Association, Chair Governing Council Higher Education NSW Health Education and Training Institute, and Co-Chair of the Mental Health Network of the NSW Agency of Clinical Innovation.

Nick joined the RANZCP Board in May 2017 as a Casual Board Director for a 12-month term, was elected for a two-year term in May 2018, and re-elected for a further two-year term in June 2020. Nick is currently the Chair of the Education Committee.

Special responsibilities: Chair, Education Committee; Member, Membership Engagement Committee; and Member, Members' Advisory Council.

Meetings of Directors

RANZCP Directors' attendance at Board meetings – 1 January to 31 December 2021

Director and position	2021/1 Jan 20	2021/2 Feb 17	2021/3 Mar 17	2021/4 Apr 14	2021/5 May 5	2021/6 May 6	2021/7 May 13	2021/8 May 16*	2021/9 July 3	2021/10 Aug 13	2021/11 Sep 15	2021/12 Oct 26
A/Prof John Allan <i>President</i>	✓	✓	✓	✓	✓	✓	✓	✓	—	—	—	—
A/Prof Vinay Lakra <i>President Elect/ President</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Elizabeth Moore <i>Elected Director/ President Elect</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof Neeraj Gill <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
A/Prof Beth Kotzé <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Mark Lawrence <i>Elected Director</i>	—	—	—	—	—	—	—	○	✓	✓	✓	✓
Dr Sue Mackersey <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Nick O'Connor <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Director and position	2021/13 Nov 9	2021/14 Nov 17	2021/15 Nov 22	2021/16 Nov 26	2021/17 Nov 30	2021/18 Dec 1	2021/19 Dec 3	2021/20 Dec 9	2021/21 Dec 15	2021/22 Dec 20	Attended	Eligible to attend
A/Prof John Allan <i>President</i>	—	—	—	—	—	—	—	—	—	—	8	8
A/Prof Vinay Lakra <i>President Elect/ President</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	22	22
Dr Elizabeth Moore <i>Elected Director/ President Elect</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	22	22
Prof Neeraj Gill <i>Elected Director</i>	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	21	22
A/Prof Beth Kotzé <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	21	22
Dr Mark Lawrence <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14	14
Dr Sue Mackersey <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	22	22
Dr Nick O'Connor <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	22	22

Key: ✓ Attended ✗ Apology ○ Attended as observer only — Not applicable

* Face to face meeting
(All other meetings in this table were held via Zoom)

Principal activities

The principal activities of the RANZCP during the year were to promote the study of psychiatry and investigation and research in psychiatry, to bring together psychiatrists for their common benefit and for scientific discussion, to disseminate knowledge of the principles of psychiatry and to conduct examinations for qualifying for membership of the RANZCP.

There was no significant change in the nature of these activities during 2021.

State of affairs

There was no significant change in the state of affairs of the RANZCP during the year.

Operations and results

The surplus after income tax expense for the RANZCP for the financial year amounted to \$1,208,324 (2020: \$3,278,251).

In 2021, the COVID-19 pandemic continued to impact on business across all sectors of the economy through unanticipated lockdowns and restrictions across Australia and New Zealand. The RANZCP has been no exception. This surplus adds to the RANZCP retained earnings and reflected the RANZCP's proactive response to the disruption which included managing the uncertainties and risk during the pandemic, prudent financial management and seeking alternate arrangements where possible for the delivery of key activities.

The strong retained earnings position places the RANZCP on a sound financial footing to future-proof the RANZCP's operations and undertake key initiatives to meet strategic priorities for the benefit of all members. Examples of initiatives and strategic priorities during the year include development of additional training features in the RANZCP training management system InTrain to support stakeholders and funding for the Western Australian branch office renovations. The RANZCP provided targeted support and increased payment flexibility to members whilst keeping the membership subscriptions and training fees at 2020 level with no increase for 2021.

Operating revenue and operating expenditure were both higher this year in line with increased number of events in comparison to the previous financial year, excluding the government support income the RANZCP received upon meeting the applicable thresholds. In 2020 the RANZCP experienced a drop in operating revenue due to the postponement or cancellation of many events which corresponded to lower operating expenditure.

The movement in the fair value of the investment portfolio is an unrealised gain of \$674,279 (2020: an unrealised loss of \$522,080).

As at 31 December 2021 the value of the RANZCP investment portfolio with JBWere was \$11,850,575. This includes \$1,082,437 in a cash management trust account.

The 2021 unrealised gain of \$674,279 on a portfolio value of \$11,850,575 indicated a 5.69% increase in capital for 2021. Taking this into account, the overall portfolio produced a return for the RANZCP of 14.50% after expenses in comparison to the ASX 200 Accumulation Index which increased by 13.02% over this period.

Local and international sharemarkets continued to gradually recover in 2021 from the lows recorded when the COVID-19 pandemic took hold in the first quarter of 2020 and this is reflected in the strengthening of the RANZCP portfolio performance. The RANZCP portfolio is well diversified and performance continues to be regularly monitored to ensure asset allocations are in accordance with the RANZCP's investment policy. The RANZCP divested completely from companies exposed to fossil fuels. Approximately two-thirds of the RANZCP portfolio was invested in Australian and International equities with the balance of the portfolio invested in defensive asset classes such as cash and fixed interest securities.

The Specialist Training Program (STP) is well established within the RANZCP with continued management of training posts and support projects. Under the Commonwealth Standard Grant Agreement, a multi-year agreement commencing from 2022 which replaced the Commonwealth Standard Funding Agreement, the RANZCP will continue to

manage up to 160 FTE training posts for the Specialist Training Placements and Support projects, 3 FTE training posts and 1.31 FTE supervisor positions for the Tasmanian project and 34 FTE training posts for the Integrated Rural Training Pipeline Specialist Training Program (IRTP-STP) in 2022.

Included in the STP support projects is the Military and Veterans' Psychiatry Training Program (MVPTP) pilot. Following the success of the pilot, the RANZCP received funding during the year under a grant agreement with the Department of Veterans' Affairs to manage the salary and related support for up to 10 training posts over three years.

Total revenue recognised during the year for the Specialist Training Placements and Support projects is \$22,468,647 (2020: \$20,683,552) and project expenditure equals to \$22,468,647 (2020: \$20,683,552). Total revenue recognised during the year for the STP Tasmanian project is \$822,767 (2020: \$911,884) and project expenditure equals to \$822,767 (2020: \$911,884). Total revenue recognised during the year for the Integrated Rural Training Pipeline Specialist Training Program is \$4,430,250 (2020: \$4,187,250) and project expenditure equals to \$4,430,250 (2020: \$4,187,250). The RANZCP also received from the Commonwealth and State Governments funding for other projects with revenue recognised totalling \$76,469 (2020: \$24,100) and corresponding project expenditure of \$76,469 (2020: \$24,100).

Dividends

The Constitution of the RANZCP prohibits it from paying dividends.

Indemnities and insurances

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the RANZCP. The RANZCP insurance provides coverage for staff and Members undertaking activities under College business.

Proceedings on behalf of the company

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

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

Subsequent events

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to be monitored as the Australian Government and other countries start to ease restrictions.

No other matter or circumstance has arisen since 31 December 2021 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

There are no likely developments in the operations of the RANZCP that will result in significant change to the core operations in subsequent financial years upon which the directors consider there is a need to comment at this time.

Directors' benefits

Since the end of the previous financial year no director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable shown in this report) by reason of a contract made by the RANZCP with the director or with a firm of which the director is a member, or with a company

in which the director has a substantial financial interest.

Directors are required to pay membership subscriptions at the rates applying to other members and are entitled to discounts only when such discounts are available to all members.

Key objectives and strategic priorities overview

The RANZCP vision is to improve the mental health of communities through high quality psychiatric care, education, leadership and advocacy.

1. Advance the profession

The RANZCP is committed to advancing the profession through supporting best practice training and professional development to facilitate members' delivery of high-quality psychiatric care.

Throughout 2021, Education continued to facilitate changes and developed supportive measures to accommodate trainees and SIMG candidates in their training as COVID-19 continued to significantly impact training and assessment. Variations of the assessments, the OSCE (Audio-visual and Multi-Site) were designed to allow for the greatest number of candidates possible to progress in their trajectory towards Fellowship. To overcome the risks and complexities of the pandemic restrictions to assessment activities whilst, maximizing candidate numbers, a new OSCE large-scale audio-visual (AV) software platform was developed for the delivery of the OSCE on 20 November 2021, from participants' homes and workplaces. Leading up to the AV OSCE, an OSCE Steering Group, consisting of members of the Committee for Education (CFE), Trainee Representative Committee (TRC), OSCE subcommittee and members of the Board, was established to oversee the governance of the AV OSCE. The platform was not successfully delivered and an alternative pathway for assessment comparable to the OSCE was developed to address impacted candidates. The Board established a Taskforce to oversee the alternative pathway and associated structures and to oversee the governance, operationalisation, and implementation.

Development work to implement the recommendations made by the Australian

Council for Education Research (ACER) in its report (Jan 2020), commissioned by the RANZCP, continues in consultation with key stakeholders and committees. Key milestones were achieved in 2021 to address ACER quality improvement recommendations and implement some of the more pressing actions such as decoupling of the Essay-style Examinations from August 2021, development of the Implementation Plan, commencement of the work and establishment of a Working Group for the development of an Assessment Framework, and the exploration of the role of the Critical essay question exam (CEQ), as well as the review of the Syllabus/Knowledge Base to inform the development of the Assessment Framework.

Significant achievements have been made in 2021 in the Accreditation and CPD areas:

- » The reaccreditation of 15 Formal Education Courses (FECs) have been completed
- » Development of online/virtual accreditation processes, with 3 training programs accredited
- » Development of a series of 4 training modules for accreditation visitors
- » Submission of AMC progress reports in 2020 and 2021 (during the pandemic)
- » Release of My CPD upgrade with improved functionality on mobile devices
- » Practice Peer Review Pilot involving 93 psychiatrists as participants and 24 psychiatrists as facilitators.

New and enhanced InTrain functionalities and features are being developed, including Site Coordinator of Training (SCoTs) access to selected training records, transition to online of SIMGE and online examination application processes. An audit of the existing eLearning resources catalogue has commenced under the guidance of the E-Learning Advisory Group (ELAG). The aim is to establish lifecycle management for eLearning modules and identify any topic gaps and development opportunities. E-Modules that are in development include Smoking Cessation, Scholarly Project, and Accreditation Training. 40 episodes of Psych Matters podcast have been produced to date, and 34 episodes have been released with a new episode released

every two weeks. The podcast has attracted approximately 27,000 downloads.

In late 2021, Education implemented the exams administration components in InTrain, including the online application forms and supporting workflows for the CEQ and MEQ exams, followed by the release of the MCQ exam application form on 4 January 2022. These functionalities mark the commencement of transitioning exams administration from manual processes to a streamlined online system. All candidates are now able to submit applications online via the InTrain platform, as well as pay examination fees online.

In response to COVID-19 worldwide travel bans and the closure of national borders, the RANZCP adopted an AV model to assess a greater number of SIMG applications received in 2021. Assessment interviews were conducted online, enabling applicants to undergo assessments from their own country. Simultaneously, Case-based Discussions successfully transitioned to an AV format for SIMG candidates. Training sessions for Substantial Comparability Placement Assessors and Supervisors were held from February to November 2021. In 2021, 336 trainees commenced the Fellowship program, 229 Fellowships (171 trainees and 58 SIMGs) and 77 Certificates of Advanced Training were awarded. Work started on the revision of core SIMGE policies and procedures, and the implementation of a new SIMG application process is being aligned to the newly introduced AHPRA requirements.

Several new working groups and committees have been established during 2021 in all areas of Education and Training to provide oversight of the operational activities in Education during the year that support the changes the RANZCP needed to make to ensure our trainees become qualified psychiatrists and meet the escalating demands of the communities.

In 2022 we will see further development in the examinations to continue support to RANZCP candidates and accommodate assessment activities in the COVID environment. The full reaccreditation of the RANZCP by the Australian Medical Council (AMC) will commence from May 2022, with the AMC panel being currently established to oversee accreditation for the RANZCP.

An RANZCP My CPD Home will be developed to support rigour in the CPD activities and the RANZCP members, while

meeting the requirements of the Medical Board of Australia.

On the submission of the overall report on the reaccreditation of the Formal Education Courses (FECs), there will be a new Working Group tasked with reviewing the recommendations of the FEC reaccreditation and the educational merit of the FECs and how they impact on the success of candidates undertaking training in the Fellowship Program. In 2022, the RANZCP projects involving education and curriculum for fellowship training include the development of the Rural pipeline pathway for rural and remote training, and the development of the Diploma in Psychiatry.

The RANZCP is committed to engaging with key stakeholders in order to position the profession as a leader within mental health. The RANZCP forms strong working relationships with governments and mental health organisations at national, state and territory levels to influence the development of policy and practice. In 2021, the RANZCP continued to work with the Commonwealth Department of Health to facilitate ongoing MBS telehealth services for patients and signed a Memorandum of Understanding with Lived Experience Australia. Members represent the RANZCP on a wide variety of external committees and advisory groups to ensure psychiatry has a leading voice in policy changes and initiatives.

The RANZCP continued to develop its relationships with mental health workers in the Pacific region in 2021. While travel was not possible, RANZCP members collaborated with St Vincent's Postgraduate Overseas Specialist Training (POST) program and Fiji National University to organise free online training in child and adolescent mental health. In September, a virtual Pasifika Study Group held over 2 days for 22 participants provided an opportunity for psychiatrists to build collaboration through networking and educational activities. The RANZCP and its international working groups continue to scope opportunities to further support Pacific nations.

2. Improve the mental health of communities

The RANZCP works to improve the mental health of the community and partners with people who have lived experience of mental illness, together with families, carers and supporters, to promote mental health care

and recovery. A priority in this area is to achieve improved mental health outcomes for Māori and Aboriginal and Torres Strait Islander peoples.

The RANZCP's Practice, Policy and Partnerships Committee (PPPC), and its six constituent committees, promotes and supports best practice mental health care for all communities and encourages and promotes standards and research in psychiatry to improve care.

The RANZCP's PPPC advocates for mental health care resourcing commensurate with the burden of disease, equitable access to mental health care services as well as non-clinical support, and improvement in physical health care for people living with mental illness. It also aims to better inform the community about mental health care and the range of evidence-based treatments available.

3. Meet the needs and expectations of members

Providing support for members and enriching the collegiate experience is a core objective of the RANZCP, and we are committed to enhancing the value of membership in particular through the provision of relevant services and resources which address the specific practice, professional and educational needs of members.

The RANZCP's Membership Engagement Committee (MEC) has a broad high-level oversight of membership engagement activities, including providing guidance in relation to member support programs and advising on effective communication strategies.

The MEC accomplished several projects and initiatives in 2021, reflecting the RANZCP's commitment to supporting psychiatrists and trainees by enhancing the value of College membership. These included: publishing the results of a large-scale member wellbeing survey and commencing consultation on a new wellbeing plan; undertaking work to examine gender equity in psychiatry; supporting the planning of webinars and online events; hosting virtual forums to help members come together and connect; and continuing the delivery of the RANZCP Mentoring Program.

Members Liability

	2021	2020
Capital capable of being called up in the event of and for the purpose of winding-up is no more than \$20 per member		
Total number of members	7,413	7,032
Total amount @ \$20 per member	\$148,260	\$140,640

Industry engagement

To promote transparency in relation to the RANZCP's engagement with industry, the RANZCP acknowledges the following support of College activities:

- » Australian and New Zealand Journal of Psychiatry (ANZJP): Janssen, Lundbeck Australia, Seqirus, Pfizer Australia Pty Ltd.
- » Congress 2021: Servier Laboratories, Janssen, Lundbeck Australia, Pfizer Australia Pty Ltd., Viatrix Inc., Takeda Pharmaceuticals.
- » International Medicine in Addiction 2021 conference: Indivior, Abbvie, Camurus.
- » Queensland Branch 2021 conference: Servier Laboratories, Janssen, Indivior.

Environmental issues

The RANZCP is committed to reducing its carbon footprint. The RANZCP will distribute the 2021 annual report to members electronically, 2022 membership subscription notices will be issued by email and where possible all papers for the weekly Executive Committee meeting and branch newsletters are distributed electronically.

The RANZCP journals *Australasian Psychiatry* and *Australian and New Zealand Journal of Psychiatry* (ANZJP) are now available on an online environment.

The RANZCP continues to monitor and work with its investment advisors to ensure the investment portfolio reflects the values of the RANZCP and aligns with the interests of its stakeholders. In 2021, the RANZCP completed divestment from companies exposed to fossil fuels.

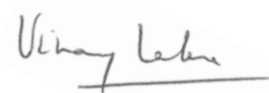
Auditor's independence declaration

A copy of the Auditor's independence declaration is set out on page 11 and forms part of the Directors' Report for the year ended 31 December 2021.

On behalf of the directors:

A/Prof Vinay Lakra
President

16 March 2022



Directors' declaration

The directors of the RANZCP declare that:


1. The financial statements and notes as set out in pages 18-33 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulations 2013;
 - b. Giving a true and fair view of the RANZCP's financial position as at 31 December 2021 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the RANZCP will be able to pay its debts as and when they become due and payable.

On behalf of the directors:



Dr Elizabeth Moore
Chair, Audit Committee

16 March 2022



Prof Neeraj Gill
Chair, Finance Committee

16 March 2022

Auditor's independence declaration

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of The Royal Australian and New Zealand College of Psychiatrists for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

K J DUNDON
Partner

Dated: 16 March 2022
Melbourne, Victoria

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Independent auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the Members of The Royal Australian and New Zealand College of Psychiatrists

Opinion

We have audited the financial report of The Royal Australian and New Zealand College of Psychiatrists, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the financial report of The Royal Australian and New Zealand College of Psychiatrists 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 2021 and of its financial performance and cash flows for the year ended on that date; 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 Royal Australian and New Zealand College of Psychiatrists 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in The Royal Australian and New Zealand College of Psychiatrists' annual report for the year ended 31 December 2021, but does not include the financial report and the auditor's report thereon.

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**Other Information (continued)**

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 Management and Those Charged with Governance for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing The Royal Australian and New Zealand College of Psychiatrists' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Royal Australian and New Zealand College of Psychiatrists or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'K J Dundon'.

K J DUNDON
Partner

Dated: 22 March 2022
Melbourne, Victoria

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue from continuing activities			
Operating revenue			
Subscriptions		9,263,882	9,044,312
Training and exam fees		7,424,489	6,799,007
Publications		579,649	556,893
Specialist Training Program and other projects		27,798,133	25,806,786
Other operating income		1,216,667	42,633
Total operating revenue	3	46,282,820	42,249,631
Non-operating revenue			
Investment and other revenue	4	423,784	2,588,745
Total non-operating revenue		423,784	2,588,745
Total revenue from continuing activities		46,706,604	44,838,376
Expenses for continuing activities	6		
Salaries and related oncosts		11,021,108	10,578,205
Travel and meeting expenses		918,643	639,938
Occupancy costs		682,993	616,826
Depreciation and amortisation		1,126,978	1,153,483
Finance costs		7,891	9,142
Publications		132,080	117,551
Honorariums		290,946	219,672
Other employment expenses		605,876	300,795
Professional services		1,982,454	1,052,838
Specialist Training Program and other projects		27,798,133	25,806,786
Other operating expenses		931,178	1,064,889
Total expenses for continuing activities		45,498,280	41,560,125
Surplus for the year		1,208,324	3,278,251
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Gain on revaluation of property, plant and equipment	11	2,299,894	605,936
Net change in market value of financial assets designated at fair value through other comprehensive income	5	1,175,421	45,860
Other comprehensive income for the year		3,475,315	651,796
Total comprehensive income for the year attributable to members of RANZCP		4,683,639	3,930,047

This statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 December 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	7	27,048,114	25,327,569
Trade and other receivables	8	547,060	554,761
Other assets	9	825,169	777,342
Other financial assets	10	8,589,738	8,154,056
Financial assets designated at fair value through other comprehensive income	10	10,768,137	7,578,652
Total current assets		47,778,218	42,392,380
Non-current assets			
Property, plant and equipment	11	23,917,937	21,757,558
Intangible assets	12	1,152,385	1,207,964
Right-of-use assets	13	152,779	146,235
Total non-current assets		25,223,101	23,111,757
Total assets		73,001,319	65,504,137
Liabilities			
Current liabilities			
Trade and other payables	14	24,507,742	22,066,949
Lease liabilities	15	77,909	98,445
Employee benefits	16	2,371,792	2,072,772
Total current liabilities		26,957,443	24,238,166
Non-current liabilities			
Lease liabilities	15	77,134	51,794
Employee benefits	16	276,202	207,276
Total non-current liabilities		353,336	259,070
Total liabilities		27,310,779	24,497,236
Net assets		45,690,540	41,006,901
Equity	17		
Retained earnings		22,106,167	20,900,344
Foundation fund		6,473,913	6,473,913
Asset revaluation reserve		14,368,150	12,068,256
Investment reserve		2,263,512	1,088,091
Kinsman Bequest		443,659	441,158
General Bequest reserve		35,139	35,139
Total equity		45,690,540	41,006,901

The statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2021

	Retained earnings	Foundation fund	Reserves				Total
			Asset revaluation	Investment reserve	Kinsman Bequest	General Bequest	
	\$	\$	\$	\$	\$	\$	\$
Balance at 31 December 2019	17,598,402	6,473,913	11,462,320	1,042,231	464,849	35,139	37,076,854
Surplus after income tax expense for the year	3,278,251	-	-	-	-	-	3,278,251
Other comprehensive income for the year, net of tax	-	-	605,936	45,860	-	-	651,796
Transfer to/(from)	23,691	-	-	-	(23,691)	-	-
Balance at 31 December 2020	20,900,344	6,473,913	12,068,256	1,088,091	441,158	35,139	41,006,901
Surplus after income tax expense for the year	1,208,324	-	-	-	-	-	1,208,324
Other comprehensive income for the year, net of tax	-	-	2,299,894	1,175,421	-	-	3,475,315
Transfer to/(from)	(2,501)	-	-	-	2,501	-	-
Balance at 31 December 2021	22,106,167	6,473,913	14,368,150	2,263,512	443,659	35,139	45,690,540

The statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members and others (inclusive of GST)		53,129,715	44,367,646
Receipts from JobKeeper and Cash Flow Boost		-	2,204,500
Payments to suppliers and employees (inclusive of GST)		(48,538,909)	(42,714,347)
Dividends, distributions and imputation credits received		382,025	411,311
Interest received		38,534	94,728
Interest and other finance costs paid		(7,891)	(9,142)
Net cash provided by operating activities	19	5,003,474	4,354,696
Cash flows from investing activities			
Payments for property, plant, equipment and intangible assets		(837,187)	(4,493,528)
Payments for investments		(4,800,917)	(2,581,977)
Receipts from trading in investments		2,451,611	3,121,103
Net cash used in investing activities		(3,186,493)	(3,954,402)
Cash flows from financing activities			
Repayment of lease liabilities		(96,436)	(108,952)
Net cash used in financing activities		(96,436)	(108,952)
Net increase in cash and cash equivalents held		1,720,545	291,342
Cash and cash equivalents at the beginning of the financial year		25,327,569	25,036,227
Cash and cash equivalents at the end of the financial year	7	27,048,114	25,327,569

The statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2021

Note 1: General information

The financial report covers The Royal Australian and New Zealand College of Psychiatrists ("RANZCP") as an individual entity. The Royal Australian and New Zealand College of Psychiatrists is a company limited by guarantee, incorporated and domiciled in Australia.

The operations of the RANZCP are to promote the study of psychiatry and investigation and research in psychiatry, to bring together psychiatrists for their common benefit and for scientific discussion, to disseminate knowledge of the principles of psychiatry and to conduct examinations for qualifying for membership of the RANZCP.

The registered office of the RANZCP is 309 La Trobe Street Melbourne 3000.

The financial report was authorised for issue by the directors on the date of the directors' declaration.

Note 2: Significant accounting policies

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The RANZCP has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the RANZCP.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board and complies with other requirements of law, as appropriate for not-for-profit oriented entities. The RANZCP is a not-for-profit entity for the purpose of preparing the financial statements.

Accounting Standards include Australian equivalents to International Financial Reporting Standards. A statement of compliance with International Financial Reporting Standards cannot be made as the RANZCP is considered to be a not-for-profit entity and has prepared the financial statements in accordance with the requirements regarding not-for-profit entities as contained in Australian Accounting Standards.

Reporting basis

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets for which fair value basis of accounting has been applied.

The financial report is presented in Australian dollars.

Accounting policies

(a) Company limited by guarantee

In the event of the RANZCP being wound up, where the assets are insufficient to meet the liabilities, each member of the RANZCP is liable to contribute no more than \$20.

(b) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions

that affect the reported amounts in the financial statements. Management continually evaluates their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the RANZCP.

Key estimates – Impairment

The RANZCP assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the RANZCP that may lead to impairment of assets. Where impairment triggers exist, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Estimation of useful lives of assets

The RANZCP 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.

Employee benefits provision

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.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to 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 Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the entity's operations; comparison of terms and conditions to prevailing market rates;

incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

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

(c) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(d) Foreign currencies

Amounts received in foreign currency are translated at the spot rate on the date of the transactions with any balances of foreign currency denominated accounts (NZD) being translated at the rate at the reporting date. All differences are taken to profit or loss.

(e) Taxes

Income taxes

No income tax is payable on the net income for the period as outlined in section 50-5 of the Income Tax Assessment Act 1997 and endorsed by the Commissioner of Taxation and Registrar of the Australian Business register.

As the RANZCP is exempt from income tax the requirements of Australian Accounting Standards in relation to income tax do not apply.

Goods and Services Tax (GST)

Revenue and expenses and assets are recognised net of the amount of GST except:

- » Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- » Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period;

or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(g) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the RANZCP is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the RANZCP: 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 good or 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 goods or services promised. Note 3 categorises operating revenue based on the timing of when revenue from contracts with customers is recognised.

Subscriptions and training fees

Subscription and training revenue are recognised for the period in which the member has subscribed for. The subscription and training fee is payable annually for the period 1 January to 31 December.

Project grants

Grant revenue is recognised in profit or loss when the RANZCP satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the RANZCP is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Exam fees

Exam fees are recognised when the exam

has taken place. Exam revenue received in advance is treated as income in advance until the exam has taken place.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends and distributions

Dividends and distributions are recognised when received or when the right to receive payment is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) 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.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The RANZCP has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership.

When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The RANZCP recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the RANZCP's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable

to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(k) Property, plant and equipment

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

Land and buildings

Freehold land and buildings are shown at their fair value, less subsequent depreciation for buildings.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of land and buildings are charged against fair value reserves directly in equity, all other decreases are charged to the statement of profit or loss and other comprehensive income.

Revaluation – Land and buildings

Refer Note 11 for details of most recent valuation.

Office equipment, furniture and fittings and art collection

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

The carrying amount of office equipment, furniture and fittings and the art collection is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land and the art collection, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

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

The depreciation rates used for each class of asset are:

Buildings	2.5–10%
Furniture and fittings	10–20%
Office equipment	20–33%

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(l) Intangible assets

Costs incurred in developing the software, educational curriculum and training material are recognised as an intangible asset when it is probable that the costs incurred to develop the 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 material. 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.

Intangible assets are classified as having a finite useful life and measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 8 years.

(m) 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, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The RANZCP 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.

(n) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or

cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(o) Trade and other payables

Trade payables represent liabilities for goods and services provided to the RANZCP prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Lease 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, the entity's incremental borrowing rate. Lease payments comprise of fixed 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 reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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

(q) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 3: Operating revenue

	2021 \$	2020 \$
Revenue from contracts with customers by timing of revenue recognition under AASB 15:		
Revenue recognised over time	42,766,364	40,042,289
Revenue recognised at a point in time	3,516,456	2,207,342
Total operating revenue	46,282,820	42,249,631

Note 4: Investment and other revenue

	2021 \$	2020 \$
Investments		
Interest		
» From bank	34,603	91,705
Dividends and distributions		
» From other corporations (JBWere Investment Portfolio)	389,181	292,540
Total investment revenue	423,784	384,245
Other revenue		
Other revenue – JobKeeper and Cash Flow Boost	-	2,204,500
Total other revenue	423,784	2,204,500
Total investment and other revenue	423,784	2,588,745

Note 5: Net change in market value of financial assets designated at fair value through other comprehensive income

	2021 \$	2020 \$
Change in market value of financial assets designated at fair value through other comprehensive income		
Unrealised change in market value of financial assets designated at fair value through other comprehensive income	674,279	(522,080)
Realised change in market value of financial assets designated at fair value through other comprehensive income	501,142	567,940
Net change in market value of financial assets designated at fair value through other comprehensive income	1,175,421	45,860

Note 6: Expenses for continuing activities

	2021 \$	2020 \$
Expenses for continuing activities includes the following specific expenses:		
Superannuation expense		
» Defined contribution superannuation expense	898,661	818,888
Finance costs relating to lease liabilities:		
» Interest expense	7,891	9,142
Depreciation and amortisation expense includes:		
» Depreciation on property, plant and equipment	666,963	646,867
» Amortisation of intangible assets	365,318	395,997
» Depreciation on right-of-use assets	94,697	110,619
Other operating expenses (Includes reimbursement from the Specialist Training Program for central services)	931,178	1,064,889

Note 7: Current assets – Cash and cash equivalents

	2021 \$	2020 \$
Cash on hand	1,846	2,149
Cash at bank:		
» General accounts	2,004,827	2,464,402
» Branch, faculty and section accounts	2,942,844	3,119,284
» Project accounts	22,098,597	19,741,734
Total cash	27,048,114	25,327,569

Note 8: Current assets – Trade and other receivables

	2021 \$	2020 \$
Trade receivables		
Members and trainee subscriptions	645,004	556,371
Other	66,624	97,359
Less allowance for expected credit losses	(272,179)	(267,015)
Sub-total	439,449	386,715
Other receivables		
Investments	107,611	104,387
Net GST receivable	-	63,659
Sub-total	107,611	168,046
Total receivables	547,060	554,761

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate % 2021	Carrying amount 2021 \$	Allowance for expected credit losses 2021 \$
Ageing analysis			
0 – 30 Days	0.04%	114,254	45
31 – 60 Days	0.00%	-	-
61 – 90 Days	10.00%	302	30
90+ Days	38.61%	704,683	272,104
Total receivables		819,239	272,179

Movements in the allowance for expected credit losses are as follows:

	2021 \$	2020 \$
Opening balance	267,015	186,953
Additional provisions recognised	59,936	82,942
Receivables written off as uncollectable/recovered during the year	(54,772)	(2,880)
Closing balance	272,179	267,015

Note 9: Current assets – Other assets

	2021 \$	2020 \$
Prepayments	696,900	644,853
Advances	121,448	122,598
Accrued revenue	6,821	9,891
Total other assets	825,169	777,342

Note 10: Current assets – Other financial assets and financial assets designated at fair value through other comprehensive income

	2021 \$	2020 \$
Other financial assets		
Short-term deposits – branches, faculties and sections	1,811,198	1,804,209
Short-term deposits – head office	5,696,103	3,500,046
Cash management accounts	1,082,437	2,849,801
Total other financial assets	8,589,738	8,154,056
Financial assets designated at fair value through other comprehensive income		
Fixed interest securities	2,466,312	2,587,441
Shares	8,301,825	4,991,211
Total financial assets designated at fair value through other comprehensive income	10,768,137	7,578,652
Grand total	19,357,875	15,732,708

Note 11: Non-current assets – Property, plant and equipment

	2021 \$	2020 \$
Freehold land and buildings at valuation	23,725,952	21,532,789
	23,725,952	21,532,789
Furniture and fittings at cost	1,935,032	1,926,980
Accumulated depreciation	(1,880,455)	(1,864,201)
	54,577	62,779
Office equipment at cost	3,816,378	3,780,406
Accumulated depreciation	(3,698,304)	(3,637,750)
	118,074	142,656
Art collections	19,334	19,334
	19,334	19,334
Total property, plant and equipment	23,917,937	21,757,558

Note 11: Non-current assets – Property, plant and equipment (continued)*Reconciliations*

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

2021	Land and buildings \$	Furniture and fittings \$	Office equipment \$	Art collections \$	Total \$
Balance at the beginning of the year	21,532,789	62,779	142,656	19,334	21,757,558
Additions	483,424	8,052	35,972	-	527,448
Disposals/Write off	-	-	-	-	-
Asset revaluation increments/(decrements)	2,299,894	-	-	-	2,299,894
Depreciation expense	(590,155)	(16,254)	(60,554)	-	(666,963)
Carrying amount at the end of the year	23,725,952	54,577	118,074	19,334	23,917,937

2020	Land and buildings \$	Furniture and fittings \$	Office equipment \$	Art collections \$	Total \$
Balance at the beginning of the year	17,170,846	107,530	103,942	19,334	17,401,652
Additions	4,315,339	-	81,498	-	4,396,837
Disposals/Write off	-	-	-	-	-
Asset revaluation increments/(decrements)	605,936	-	-	-	605,936
Depreciation expense	(559,332)	(44,751)	(42,784)	-	(646,867)
Carrying amount at the end of the year	21,532,789	62,779	142,656	19,334	21,757,558

Historical cost of freehold land and buildings	2021 \$	2020 \$
Freehold land and buildings at cost	14,101,040	14,101,040
Accumulated depreciation	(2,901,020)	(2,546,169)
	11,200,020	11,554,871

The directors have assessed the fair value of land and buildings at 31 December 2021 based on desktop valuations conducted by Waterhouse Property and Business Valuers. Consequently, land and buildings were revalued to the amounts shown above as at 31 December 2021. The valuations recorded a net increase in the value of the properties with corresponding increase within the Asset Revaluation Reserve.

Property revaluations resulted in the offices at Levels 1 and 2, 309 La Trobe Street, Melbourne being revalued at \$5,532,000, Levels 4 and 7, 313 La Trobe Street, Melbourne each revalued at \$2,890,500 and Level 12, 313 La Trobe Street, Melbourne revalued at \$2,952,000; 761 Darling Street, Rozelle, NSW being revalued at \$3,940,000; Lot 2, 233-235 Greenhill Road, Dulwich, South Australia being revalued at \$1,554,000; Units 23, 24 and 25 on Level 6 at 17 Bowen Bridge Road, Bowen Hills, QLD being revalued at \$1,075,000; Unit 1, 31 Broadway, Nedlands, WA revalued at \$1,249,500 and Unit 301, 11 Chews Lane, Wellington, New Zealand being revalued at \$1,097,430.

Level 4, 313 La Trobe Street, Melbourne is secured against a business finance facility on a 3 year term to the value of \$2,047,500. As at 31 December 2021 the outstanding balance of the finance facility was nil as cash held by the RANZCP has been deposited in the business finance facility to offset the balance and effectively reduce the bank interest charged on the facility.

Note 12: Non-current assets – Intangible assets

	2021 \$	2020 \$
Balance at the beginning of the year	1,207,964	1,507,270
Additions	309,739	96,691
Impairments for the year	-	-
Amortisation expense	(365,318)	(395,997)
Disposals/Write off	-	-
Total intangible assets	1,152,385	1,207,964

Note 13: Non-current assets – Right-of-use assets

	2021 \$	2020 \$
Land and buildings – right-of-use	93,789	57,614
(Disposals)/Additions	(24,153)	117,508
Less depreciation	(53,596)	(81,333)
	16,040	93,789
Plant and equipment – right-of-use	52,446	30,817
Additions	125,394	50,915
Less depreciation	(41,101)	(29,286)
	136,739	52,446
Total right-of-use assets	152,779	146,235

The RANZCP leases land and buildings for its branch offices under agreements of between one and three years with an option to extend. On renewal, the terms of the leases are renegotiated. The RANZCP also leases plant and equipment under agreements of between three and four years.

The RANZCP has leases of office equipment that are either short-term or low-value and have been expensed as incurred and not capitalised as right-of-use asset in accordance with Note 2.

Note 14: Current liabilities – Trade and other payables

	2021 \$	2020 \$
Current		
Creditors	387,823	421,070
Accrued expenses	378,693	564,076
Salaries and wages	521,919	507,598
Net GST payable	9,307	-
	1,297,742	1,492,744
Revenue received in advance – fees	79,923	383,361
Revenue received in advance – exams	560,132	472,528
Revenue received in advance – projects	22,354,740	19,516,475
Revenue received in advance – others	80,373	21,958
Donations	-	179,883
Other liability	134,832	-
	23,210,000	20,574,205
Trade and other payables	24,507,742	22,066,949

Note 15: Current and non-current liabilities – Lease liabilities

	2021 \$	2020 \$
Current		
Lease liability	77,909	98,445
Non-current		
Lease liability	77,134	51,794
Total lease liabilities	155,043	150,239

Note 16: Current and non-current liabilities – Employee benefits

	2021 \$	2020 \$
Current		
Employee benefits	2,371,792	2,072,772
Non-current		
Employee benefits	276,202	207,276
Total employee benefits	2,647,994	2,280,048
Movement in employee benefits		
Opening balance	2,280,048	1,679,669
Additional provisions	835,711	958,359
Charges against provision	(467,765)	(357,980)
Closing balance	2,647,994	2,280,048

Note 17: Equity

The Foundation Fund was established in 1984 as an amalgamation of a number of the RANZCP funds.

The asset revaluation reserve was created in 2005 and further increased in the 2009, 2013, and each year from 2015 to 2021 financial years as a result of the revaluations of the RANZCP's land and buildings.

The Kinsman Bequest reserve was established in 1997 and is used to award the Kinsman Research Scholarship. This is paid out of the Kinsman Bequest by the RANZCP to the scholarship recipient's institution under which the research is being conducted.

The General Bequest reserve contains the John Bostock award, the Margaret Tobin award and the Mark Sheldon prize totalling \$35,139.

Note 18: Related party transactions and Directors' remuneration**Key management personnel compensation**

Key management personnel comprise Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the RANZCP. The values below include payments and payables in the form of employee benefits and superannuation contributions:

	2021 \$	2020 \$
Short-term employee benefits	1,583,252	1,560,923
Post-employment benefits	143,938	144,515
Other long-term benefits	35,584	43,911
Total key management personnel compensation	1,762,774	1,749,349

Note 18: Related party transactions and Directors' remuneration (continued)

Directors of the RANZCP

The Directors of the RANZCP during the financial year are included in the Directors' report.

Key management personnel of the RANZCP:

Name
Andrew Peters (Chief Executive Officer)
Callie Kalimniou (Executive General Manager – Education and Operations)
Scott Butler (Executive General Manager – Bi-National Offices and Professional Practice) – resigned 18/11/21
Anna Lyubomirsky (Executive Manager – Education and Training)
Rosie Forster (Executive Manger – Practice, Policy and Partnerships)
Heng Soong (Executive Manager – Finance and Business Services)
Jon Cullum (Executive Manager – Membership and Events)

Transactions between related parties

The following honorariums were paid in 2021:

- » \$25,000 paid to the immediate past President entitled to an honorarium in 2021 (2020: \$25,000)
- » AUD\$8,531 (NZD\$9,130) paid to a Board Director in relation to role with the Vocational Education and Advisory Body (VEAB)

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties (2020: Nil).

Loans to/from related parties

There were no loans to or from related parties (2020: Nil).

Note 19: Cash flow reconciliation

Reconciliation of surplus after income tax to net cash provided by operating activities:

	2021 \$	2020 \$
Surplus after income tax expense for the year	1,208,324	3,278,251
Adjustments for non-cash items:		
Dividends and distributions receivable	(100,441)	102,353
Depreciation of non-current assets	1,126,978	1,153,483
Increase in doubtful debts	5,164	80,062
Change in operating assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	2,537	409,134
Other assets	(47,826)	404,206
Increase/(decrease) in liabilities:		
Trade and other payables	2,440,792	(1,673,172)
Employee benefits	367,946	600,379
Net cash provided by operating activities	5,003,474	4,354,696

Note 20: Commitments

The company had no commitments for expenditure as at 31 December 2021 and 31 December 2020.

Note 21: Financial instruments

(a) Interest rate risk

	Weighted average interest rate		Fixed interest		Floating interest		Non-interest bearing		Total	
	2021 %	2020 %	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial assets										
Cash	0.0%	0.4%	-	-	27,046,268	25,325,420	1,846	2,149	27,048,114	25,327,569
Short term deposits and bank bills	0.4%	1.3%	-	-	8,589,738	8,154,056	-	-	8,589,738	8,154,056
Trade and other receivables			-	-	-	-	547,060	554,761	547,060	554,761
Fixed interest securities	0.8%	1.2%	2,466,312	2,587,441	-	-	-	-	2,466,312	2,587,441
Listed shares, income securities and unit trusts			-	-	-	-	8,301,825	4,991,211	8,301,825	4,991,211
Total financial assets			2,466,312	2,587,441	35,636,006	33,479,476	8,850,731	5,548,121	46,953,049	41,615,038
Financial liabilities										
Trade and other payables – current			-	-	-	-	1,297,742	1,492,744	1,297,742	1,492,744
Lease liabilities – current and non-current			155,043	150,239	-	-	-	-	155,043	150,239
Total financial liabilities			155,043	150,239	-	-	1,297,742	1,492,744	1,452,785	1,642,983

Cash on hand and in bank of \$27,048,114 is predominantly held with Westpac. Most of the funds relate to Specialist Training Program funding. This money is specifically to be used for the payment of registrar support costs as well as support activities and administration of the program.

(b) Fair value of financial instruments and assets

The fair values and net fair values of financial instrument and assets are determined as follows:

Fair value hierarchy

The following table details the RANZCP's assets, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly.

Level 3: Unobservable inputs for the assets.

Note 21: Financial instruments (continued)

2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Short term deposits and bank bills	8,589,738	-	-	8,589,738
Fixed interest securities	2,466,312	-	-	2,466,312
Listed shares, income securities and managed funds	8,301,825	-	-	8,301,825
Land and buildings	-	-	23,725,952	23,725,952
Total assets	19,357,875	-	23,725,952	43,083,827

2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Short term deposits and bank bills	8,154,056	-	-	8,154,056
Fixed interest securities	2,587,441	-	-	2,587,441
Listed shares, income securities and managed funds	4,991,211	-	-	4,991,211
Land and buildings	-	-	21,532,789	21,532,789
Total assets	15,732,708	-	21,532,789	37,265,497

(i) The following methods and assumptions are used to determine the fair values of assets:**Recognised financial instruments**

Trade receivables and payables: The carrying amount approximates fair values due to their short-term nature.

Non-current investments/securities: For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability.

Land and buildings: These have been valued based on similar assets, location and market conditions. The basis of the valuation of land and buildings is fair value, being the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Note 22: Financial risk management

The RANZCP has exposure to the following risks from use of financial instruments:

- » Credit risk
- » Liquidity risk
- » Market risk

This note represents the RANZCP's exposure to the following risks and processes and policies for managing this risk.

Credit risk

Credit risk is the risk of financial loss to the RANZCP if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the RANZCP's receivables from customers and project activities. The RANZCP has two main receivables: a) paying members and b) government funding.

a) Annual fees earned from paying members (subscribers) are billed at the beginning of the financial year. More than 95% of the RANZCP's members have been paying fees for five years with no credit issues. New members are only raised when they pay their dues and the RANZCP membership criteria are met. Non-payment may lead to suspension from the RANZCP's membership base.

Any outstanding fees not recoverable are recorded as bad or doubtful debts at year end. In 2021 overdue fees were 3.7% of total membership fees. Overdue fees (Subscriptions, Trainees, Affiliates and CPD) at year end were \$615,536 (2020: \$630,280). The RANZCP is confident of recovering the majority of these outstanding debts in 2022. Any bad debts are written off as incurred.

b) Government funding relates to deliverables in relation to the RANZCP projects. All funding is receivable provided the criteria associated with the deliverables are achieved and debtor invoices are raised at the time all criteria is met. The risk of not receiving outstanding government funds is considered to be minimal provided all outcomes as per project deliverables are fulfilled.

Note 22: Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The RANZCP's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient short-term funding to meet its liabilities when due, under both normal and stressed conditions. The risk of incurring losses large enough to cause major impact on business is considered to be minimal. All payments due are considered to be more than adequately covered.

The RANZCP ensures that it has sufficient cash on demand to meet expected operational expenses when they fall due. The RANZCP has a business finance facility in place over a 3 year term to the value of \$2,047,500 secured against Level 4, 313 La Trobe Street, Melbourne. The outstanding balance of the finance facility was nil as at 31 December 2021. In 2021 the RANZCP was not in a situation whereby it was not able to adequately cover liabilities and is not expected to be in 2022.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the RANZCP's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The primary goal of the RANZCP's investment strategy is to maximise investment returns within determined risk parameters in order to meet partially the funding obligations to run the RANZCP operations. Management is assisted by external advisors in this regard. In accordance with this strategy, investments are carried at fair value through other comprehensive income because their performance is actively monitored and they are managed on a fair value basis.

The RANZCP market risk is consistent with the overall risk of the performance of the share market. In order to minimise investment value fluctuations, the Board has taken a conservative approach where 30% of the RANZCP's portfolio is held in cash and fixed interest securities. A further 29% is invested in domestic equities that are considered to be "blue chip" equities held in publicly traded entities and the remainder 41% in international shares. This reduces our exposure to market risk which is associated with stock market fluctuations.

Sensitivity analysis

Equity price risk

The RANZCP's equity investments are listed on the Australian Securities Exchange and International Exchanges. For such investments designated at fair value through other comprehensive income, the impact of a 10% movement in price to other comprehensive income would have been an increase or decrease of \$1,076,814 (2020: \$757,865) either way, with no effect on the RANZCP cash flow.

Interest rates risk

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and fixed interest securities as a result of changes in interest rates. The impact of a 25 basis points movement in interest rate would result in the following movements:

	Impact to Profit or Loss (deposits and fixed interest securities)	
	2021 \$	2020 \$
Interest rates – increase by 25 basis points	100,375	95,286
Interest rates – decrease by 25 basis points	(100,375)	(95,286)

Note 22: Financial risk management (continued)

Remaining contractual maturities

The following tables detail the RANZCP's remaining contractual maturity for its financial liabilities. The figures in the tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Trade and other payables – current	-	1,297,742	-	-	-	1,297,742
Lease liabilities – current and non-current	-	77,909	57,224	19,910	-	155,043
Total non-derivatives	-	1,375,651	57,224	19,910	-	1,452,785

2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Trade and other payables – current	-	1,492,744	-	-	-	1,492,744
Lease liabilities – current and non-current	-	98,445	36,807	14,987	-	150,239
Total non-derivatives	-	1,591,189	36,807	14,987	-	1,642,983

Note 23: Company limited by guarantee

	2021	2020
Capital capable of being called up in the event of and for the purpose of winding-up		
» Total number of members	7,413	7,032
» Total amount @ \$20 per member	\$148,260	\$140,640

Note 24: Remuneration of auditors

	2021 \$	2020 \$
During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company.		
Audit services		
» Audit of the financial statements	34,000	33,000
» Other assurance services	4,500	4,200

Note 25: Contingent liabilities

The company had no contingent liabilities as at 31 December 2021 and 31 December 2020.

Note 26: Subsequent events

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to be monitored as the Australian Government and other countries start to ease restrictions.

No other matter or circumstance has arisen since 31 December 2021 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.

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President

Dr Elizabeth Moore
President-Elect

Professor Neeraj Gill
Elected Director

Associate Professor Beth Kotzé
Elected Director

Dr Mark Lawrence
Elected Director

Dr Sue Mackersey
Elected Director

Dr Nick O'Connor
Elected Director

Chief Executive Officer

Mr Andrew C Peters



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