

# **Royal Australasian College of Dental Surgeons**

**ABN 97 343 369 579**

## **Financial Report - 30 June 2023**

**Royal Australasian College of Dental Surgeons**  
**Board Members' Report**  
**30 June 2023**

The Board Members present their report, together with the financial statements, on the company for the year ended 30 June 2023.

**Board Members**

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

<i>Dr Susan Wise (President)</i>	<i>President</i>	<i>BDS, MDSc, MRACDS(Perio), FPFA, FICD, FADI, GAICD</i>
<i>Dr Erin Mahoney (Vice President)</i>	<i>Vice-President</i>	<i>BDS, MDSc(Paed), PhD, MRACDS(Paed), FRACDS</i>
<i>A/Professor John Boucher AM</i>	<i>Board Member</i>	<i>BDS, LDS, FRACDS, FICD, FPFA, GAICD</i>
<i>Dr Shiu-Yin (Rony) Cho</i>	<i>Board Member</i>	<i>BDS, MDS, FRACDS, FCDSHK, FKHAM(DS)</i>
<i>Mr Anthony Evans</i>	<i>Board Member</i>	<i>BBus, DipEd, FCPA, FCIS, FGIA, FAICD</i>
<i>Dr Dale Gerke<sup>1</sup></i>	<i>Board Member</i>	<i>BDS, BScDent(Hons), PhD, MDS, FRACDS, MRACDS(Pros)</i>
<i>Dr Dimitra Mersinia<sup>1</sup></i>	<i>Board Member</i>	<i>BDS, BSc (Econ), MSc, FRACDS, MAICD, FPFA</i>
<i>Dr Hugh Trengrove MNZM<sup>1</sup></i>	<i>Board Member</i>	<i>MNZM, MDS, FRACDS, FADI, FICD, FFOP(RCPA)</i>
<i>Dr Robin Whyman<sup>1</sup></i>	<i>Board Member</i>	<i>BDS, MComDent, FRACDS, FRACDS(DPH), FICD, FADI, MInstD</i>
<i>Dr Barbara Woodhouse</i>	<i>Board Member</i>	<i>BDS(hons), MDSc, MBBS, FRACDS, FFDRCS(Irel), FRACDS(OMS), FADI, FICD, FPFA</i>
<i>Professor Ian Meyers OAM (Immediate Past President)<sup>2</sup></i>	<i>Board Member</i>	<i>BDS, FRACDS, FICD, FPFA, FADI</i>
<i>Prof Liz Martin AO<sup>2</sup></i>	<i>Board Member</i>	<i>BDS(hons), MDS, PhD, FRACDS, FICD, FPFA, FADI</i>
<i>Winthrop Prof Marc Tennant AM<sup>2</sup></i>	<i>Board Member</i>	<i>BDS, PhD (WAust), FRACDS, FICD, FADI</i>
<i>Emeritus Professor Laurie Walsh AO<sup>2</sup></i>	<i>Board Member</i>	<i>BDS, PhD, DDSc, GCEd, FRACDS, FFOP(RCPA), FICD, FADI, FPFA, FIADFE</i>

**Note:**

<sup>1</sup> *incoming Board Member – date joined 18 November 2022*

<sup>2</sup> *outgoing Board Member – date ceased 18 November 2022*

**Review of operations**

The surplus for the company after providing for income tax amounted to \$642,467 (30 June 2022: deficit of \$1,101,064).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the Board Members believe it would be likely to result in unreasonable prejudice to the company.

**Environmental regulation**

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Royal Australasian College of Dental Surgeons**  
**Board Members' Report**  
**30 June 2023**

**Meetings of Board Members**

The number of meetings of the company's Board of Board Members ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Board Member were:

	Eligible to attend	Attended
Dr Susan Wise	7	7
Dr Erin Mahoney	7	7
A/Professor John Boucher AM	7	6
Dr Shiu-Yin (Rony) Cho	7	7
Mr Anthony Evans	7	6
Dr Dale Gerke	3	3
Dr Dimitra Mersinia	3	2
Dr Hugh Trengrove MNZM	3	2
Dr Robin Whyman	3	2
Dr Barbara Woodhouse	7	7
Professor Ian Meyers OAM	4	4
Prof Liz Martin AO	4	3
Winthrop Prof Marc Tennant AM	4	4
Emeritus Professor Laurie Walsh AO	4	4

**Indemnity and insurance of officers**

The company has indemnified the Board Members and executives of the company for costs incurred, in their capacity as a Board Member or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the Board Members and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Board Members' report.

**Auditor**

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

**Royal Australasian College of Dental Surgeons  
Board Members' Report  
30 June 2023**

This report is made in accordance with a resolution of Board Members, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Board Members



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Dr Susan Wise  
President

17 October 2023



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Mr Anthony Evans  
Board Member

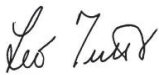
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE  
AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012  
TO THE DIRECTORS OF ROYAL AUSTRALASIAN COLLEGE OF DENTAL  
SURGEONS**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully

  
**William Buck**  
Accountants & Advisors  
ABN 16 021 300 521

  
**L. E. Tutt**  
Partner  
Sydney, 17 October 2023

**Royal Australasian College of Dental Surgeons****Contents****30 June 2023**

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**Royal Australasian College of Dental Surgeons**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Revenue</b>	4	4,733,514	2,891,437
<b>Expenses</b>			
Employment and contractor expenses		(2,501,868)	(2,579,655)
Administration expenses		(377,196)	(453,082)
Travel expenses		(245,708)	(32,999)
Legal and professional fees expenses		(256,128)	(296,490)
Depreciation expenses		(234,138)	(203,404)
Computer expenses		(411,713)	(356,451)
Office occupancy expenses		(64,296)	(70,420)
<b>Surplus/(deficit) before income tax expense</b>		642,467	(1,101,064)
Income tax expense		-	-
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Royal Australasian College of Dental Surgeons</b>	16	642,467	(1,101,064)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to surplus or deficit</i>			
Gain on the revaluation of land and buildings, net of tax		-	1,762,976
Other comprehensive income for the year, net of tax		-	1,762,976
<b>Total comprehensive income for the year attributable to the members of Royal Australasian College of Dental Surgeons</b>		<u>642,467</u>	<u>661,912</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Royal Australasian College of Dental Surgeons**  
**Statement of financial position**  
**As at 30 June 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	3,182,991	2,794,621
Accounts receivable and other receivables	6	457,999	441,765
Financial assets	7	85,668	884,131
Other current assets	8	170,709	152,071
Total current assets		<u>3,897,367</u>	<u>4,272,588</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	6,501,443	6,715,457
Financial assets	10	13,630,481	12,154,679
Total non-current assets		<u>20,131,924</u>	<u>18,870,136</u>
<b>Total assets</b>		<u>24,029,291</u>	<u>23,142,724</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and other payables	11	299,012	387,373
Provisions	12	278,737	230,560
Other liabilities	13	1,603,043	1,335,812
Total current liabilities		<u>2,180,792</u>	<u>1,953,745</u>
<b>Non-current liabilities</b>			
Provisions	14	64,266	47,213
Total non-current liabilities		<u>64,266</u>	<u>47,213</u>
<b>Total liabilities</b>		<u>2,245,058</u>	<u>2,000,958</u>
<b>Net assets</b>		<u>21,784,233</u>	<u>21,141,766</u>
<b>Equity</b>			
Reserves	15	5,010,928	5,010,928
Retained surplus	16	16,773,305	16,130,838
<b>Total equity</b>		<u>21,784,233</u>	<u>21,141,766</u>

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



**Royal Australasian College of Dental Surgeons**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Revaluation reserve \$</b>	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	3,104,434	17,375,420	20,479,854
Deficit after income tax expense for the year	-	(1,101,064)	(1,101,064)
Other comprehensive income for the year, net of tax	1,762,976	-	1,762,976
Total comprehensive income for the year	1,762,976	(1,101,064)	661,912
Transfer of reserves	143,518	(143,518)	-
Balance at 30 June 2022	<u>5,010,928</u>	<u>16,130,838</u>	<u>21,141,766</u>
	<b>Revaluation reserve \$</b>	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	5,010,928	16,130,838	21,141,766
Surplus after income tax expense for the year	-	642,467	642,467
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	642,467	642,467
Balance at 30 June 2023	<u>5,010,928</u>	<u>16,773,305</u>	<u>21,784,233</u>

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

**Royal Australasian College of Dental Surgeons**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,928,825	3,943,337
Payments to suppliers and employees (inclusive of GST)		(4,085,853)	(3,796,430)
Dividends received		196,016	329,173
Interest received		157,848	60,170
Net cash from operating activities	20	196,836	536,250
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	(20,124)	(164,848)
Proceeds from redemption of investments		1,892,267	5,466,135
Payments for investments		(1,680,609)	(5,383,038)
Net cash from/(used in) investing activities		191,534	(81,751)
Net increase in cash and cash equivalents		388,370	454,499
Cash and cash equivalents at the beginning of the financial year		2,794,621	2,340,122
Cash and cash equivalents at the end of the financial year	5	<u>3,182,991</u>	<u>2,794,621</u>

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

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 1. General information**

The financial statements cover Royal Australasian College of Dental Surgeons as an individual entity. The financial statements are presented in Australian dollars, which is Royal Australasian College of Dental Surgeons' functional and presentation currency.

Royal Australasian College of Dental Surgeons is an unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 13, 37 York Street, Sydney, NSW, 2000, Australia

A description of the nature of the company's operations and its principal activities are included in the Board Members' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Board Members, on 17 October 2023. The Board Members have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

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

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

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

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

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

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012, and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Significant accounting policies (continued)**

**Revenue recognition**

The company recognises revenue as follows:

Royal Australasian College of Dental Surgeons receives non-reciprocal contributions of assets from various parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

*Investment income*

Investment income comprises interest and dividends. Interest is recognised on the accrual basis using the effective interest method. Dividends and Trust distributions from listed entities are recognised when the right to receive a dividend or distribution has been established.

*Other revenue*

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

**Income tax**

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**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 the company's 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 the company's 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.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes 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.

**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. Trade receivables are generally due for settlement within 30 days.

The company 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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Significant accounting policies (continued)**

**Investments and other financial assets**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or the sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

*Financial assets at fair value through profit or loss*

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

*Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Significant accounting policies (continued)**

*Impairment of financial assets*

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of noncash assets or liabilities, is recognised in profit or loss.

**Impairment of assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**Property, plant and equipment**

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

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Significant accounting policies (continued)**

**Property**

Land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

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

**Plant and equipment**

Plant and equipment are measured on the cost basis depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Office Suite (Building)	2.5% DV
Office Improvements	5 - 10% SL
Office Machines	15% DV
	20 – 33% SL
Furniture and Fittings	10% DV
	5 – 10% SL

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**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.



**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Significant accounting policies (continued)**

**Trade and other payables**

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

**Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Employee benefits**

*Short-term employee benefits*

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employee superannuation fund and are charged expenses when incurred.

*Other long-term employee benefits*

The entity classifies employee's long service leave and annual leave entitlements as other long term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

**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.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.



**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 2. Significant accounting policies (continued)**

**Comparative figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Information has been reclassified where applicable to enhance comparability.

**Note 3. Critical accounting judgements, estimates and assumptions**

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 its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 4. Revenue**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Annual fees	1,388,958	1,279,644
Examination fees	578,392	1,102,622
Course fees	552,209	667,543
Enrolment fees	384,568	365,123
Investment revenue	1,472,308	(739,220)
Other revenue	357,079	215,725
	<u>4,733,514</u>	<u>2,891,437</u>
Revenue	<u>4,733,514</u>	<u>2,891,437</u>

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 4. Revenue (continued)**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Major product lines</i>		
Annual fees	1,388,958	1,279,644
Examination fees	578,392	1,102,622
Course fees	552,209	667,543
Enrolment fees	384,568	365,123
Investment revenue	1,472,308	(739,220)
Other revenue	357,079	215,725
	<u>4,733,514</u>	<u>2,891,437</u>
<i>Geographical regions</i>		
Australia	<u>4,733,514</u>	<u>2,891,437</u>
	<u>4,733,514</u>	<u>2,891,437</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	3,861,552	4,517,320
Unrealised gain/(loss) on investments at a point in time	871,962	(1,625,883)
	<u>4,733,514</u>	<u>2,891,437</u>

**Note 5. Current assets - cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	1,090,033	1,719,036
Short term deposits with financial institutions	2,092,958	1,075,585
	<u>3,182,991</u>	<u>2,794,621</u>

**Note 6. Current assets - accounts receivable and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	78,698	34,420
Accrued receivables from investments	262,109	303,995
Other receivables	117,192	103,350
	<u>457,999</u>	<u>441,765</u>

**Note 7. Current assets - financial assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Funds on deposit	<u>85,668</u>	<u>884,131</u>

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 8. Current assets - other current assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Prepaid expenses	170,709	152,071

**Note 9. Non-current assets - property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Office suite - at independent valuation	6,399,948	6,399,948
Less: Accumulated depreciation	(208,244)	(49,482)
	<u>6,191,704</u>	<u>6,350,466</u>
Office improvements - at cost	299,925	282,464
Less: Accumulated depreciation	(189,377)	(162,712)
	<u>110,548</u>	<u>119,752</u>
Office machines - at cost	211,048	211,048
Less: Accumulated depreciation	(133,987)	(101,814)
	<u>77,061</u>	<u>109,234</u>
Furniture and fittings - at cost	502,727	500,064
Less: Accumulated depreciation	(391,292)	(374,754)
	<u>111,435</u>	<u>125,310</u>
Portraits - at cost	1,997	1,997
Presidential jewel - at cost	8,698	8,698
	<u>6,501,443</u>	<u>6,715,457</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office suite	Office improvements	Office machines	Furniture and fittings	Portraits	Presidential jewel	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	6,350,466	119,752	109,234	125,310	1,997	8,698	6,715,457
Additions	-	17,461	-	2,663	-	-	20,124
Depreciation expense	(158,762)	(26,665)	(32,173)	(16,538)	-	-	(234,138)
Balance at 30 June 2023	<u>6,191,704</u>	<u>110,548</u>	<u>77,061</u>	<u>111,435</u>	<u>1,997</u>	<u>8,698</u>	<u>6,501,443</u>

*Valuations of land and buildings*

The basis of the valuation of the office suite is fair value. The office suite was last revalued on 9 March 2022 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 10. Non-current assets - financial assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Shares in public companies at fair value	3,846,914	3,392,810
Fixed interest and managed funds at fair value	9,783,567	8,761,869
	<u>13,630,481</u>	<u>12,154,679</u>

**Note 11. Current liabilities - accounts payable and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accounts payables	92,175	163,814
Sundry creditors and accruals	76,160	89,373
GST payable	73,541	80,423
PAYG and Super payables	57,136	53,763
	<u>299,012</u>	<u>387,373</u>

**Note 12. Current liabilities - provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Annual leave	251,028	207,903
Long service leave	5,709	6,157
Other	22,000	16,500
	<u>278,737</u>	<u>230,560</u>

**Note 13. Current liabilities - other liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Annual fees and dues in advance	999,298	855,922
Fees and other income in advance	603,745	479,890
	<u>1,603,043</u>	<u>1,335,812</u>

**Note 14. Non-current liabilities - provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Long service leave	64,266	47,213

**Note 15. Equity - reserves**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Revaluation reserve	5,010,928	5,010,928

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 16. Equity - retained surplus**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Retained surplus at the beginning of the financial year	16,130,838	17,231,902
Surplus/(deficit) after income tax expense for the year	<u>642,467</u>	<u>(1,101,064)</u>
Retained surplus at the end of the financial year	<u><u>16,773,305</u></u>	<u><u>16,130,838</u></u>

**Note 17. Key management personnel disclosures**

*Compensation*

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Key management personnel remuneration	<u>759,939</u>	<u>708,420</u>

**Note 18. Related party transactions**

*Parent entity*

Royal Australasian College of Dental Surgeons is the parent entity.

*Key management personnel*

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

*Transactions with related parties*

During the year, the College paid honorarium payments to Board Members for examining and lecturing.

The following transactions occurred with related parties:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Payment for goods and services:		
Honorarium payments - A/Prof John Boucher AM (Board Member)	1,740	1,620
Honorarium payments - Prof Laurence Walsh AO (Board Member)	840	9,245
Honorarium payments - Prof Marc Tennant AM (Board Member)	4,650	10,532

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 19. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Royal Australasian College of Dental Surgeons**  
**Notes to the financial statements**  
**30 June 2023**

**Note 20. Reconciliation of surplus/(deficit) after income tax to net cash from operating activities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) after income tax expense for the year	642,467	(1,101,064)
Adjustments for:		
Depreciation and amortisation	234,138	203,404
Unrealised (gain)/loss on investments	(871,962)	1,625,883
Net (gain)/loss from disposal of shares	(17,035)	(247,055)
Change in operating assets and liabilities:		
Increase in accounts receivable and other receivables	(16,234)	(9,320)
Increase in other operating assets	(18,638)	(1,476)
Increase/(decrease) in accounts payable and other payables	(82,861)	100,052
Increase/(decrease) in other operating liabilities	267,231	(130,591)
Increase in accruals	59,730	96,417
Net cash from operating activities	<u>196,836</u>	<u>536,250</u>

**Note 21. Members' guarantee**

Royal Australasian College of Dental Surgeons is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If Royal Australasian College of Dental Surgeons is wound up, the constitution states that each member is required to contribute a maximum of one Australian dollar (\$1 AUD) towards meeting any outstanding obligations of the entity.

**Royal Australasian College of Dental Surgeons**  
**Board Members' declaration**  
**30 June 2023**

In the Board Members' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Board Members made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Board Members



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Dr Susan Wise  
President

17 October 2023



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Mr Anthony Evans  
Board Member

## Independent auditor's report to the members of Royal Australasian College of Dental Surgeons

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Royal Australasian College of Dental Surgeons (the College), which comprises the statement of financial position as at 30 June 2023, 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 members' declaration.

In our opinion, the accompanying financial report of Royal Australasian College of Dental Surgeons 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 College's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the College in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The members are responsible for the other information. The other information comprises the information included in the College's financial report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The members of the College are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The members responsibility also includes such internal control as the members 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 members are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

The members are responsible for overseeing the College's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

Yours faithfully



**William Buck**  
Accountants & Advisors  
ABN 16 021 300 521



**L. E. Tutt**  
Partner  
Sydney, 17 October 2023