

**THE AUSTRALIAN SOCIETY OF SPECIALIST GENERAL SURGEONS**

**TRADING AS**

**GENERAL SURGEONS AUSTRALIA**

**(INCORPORATED IN VICTORIA - LIMITED BY GUARANTEE)**

**A.B.N 31 091 317 690**

**GENERAL PURPOSE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**REGISTERED OFFICE**

Royal Australasian College of Surgeons  
'College of Surgeons Gardens'  
Spring Street  
Melbourne Victoria 3000

**GENERAL SURGEONS AUSTRALIA  
GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

<b>Table of contents</b>		<b>Page</b>
<b>Directors' report</b>		<b>3-8</b>
Statement of financial performance		9
Statement of financial position		10
Statement of cash flows		11
<b>Notes to the financial statements</b>		
Note 1	Summary of significant accounting policies	12-13
Note 2	Other income	14
Note 3	Expenses and losses/(gains)	14
Note 4	Members' funds	14
Note 5	Receivables	14
Note 6	Inventories	14
Note 7	Plant and equipment	15
Note 8	Payables	15
Note 9	Auditors' remuneration	15
Note 10	Remuneration of Directors	15
Note 11	Statement of cash flows	16
Note 12	Segment information	16
Note 13	Financial instruments	17-18
Note 14	Contingent matters subsequent to balance date	18
<b>Directors' declaration</b>		<b>19</b>
<b>Independent auditors' report to the members</b>		<b>20</b>

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

Your Directors submit the following report for the financial year ended 31 December 2003.

**1. BOARD OF DIRECTORS**

The names, qualifications, special responsibilities and experience of the Directors in office at any time during the year and at the date of this report are:

**Malycha, Mr Peter  
(President)  
(Director/Secretary)**

MBBS, FRCS, FRACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery. Director of Endocrine Surgery and Senior VS, Breast, Endocrine, and Surgical Oncology Unit at Royal Adelaide Hospital. Clinical Senior Lecturer, Department of Surgery at University of Adelaide. Clinical Lecturer, Department of Medicine, and Director of Surgery, Institute Magnetic Resonance Research at University of Sydney. Chairman RACS/NBCC Breast Surgery Audit. Member of RACS Court in General Surgery since 1992; Senior Examiner since 2000. Coopted member of RACS Council. Member of RACS Board in General Surgery. Member of RACS South Australia State Committee. Executive and Past Chairman of RACS Section of Breast Surgery. Past interim GSA Section of Breast Surgery Representative. GSA Senior Examiner Court in General Surgery Representative (Ex-officio) 2000-2001. GSA President and coopted GSA South Australian State Representative since May 2001.

**Maguire, Assoc Prof. Errol John  
(Vice President)**

RFD, KHS (President), MBBS (Queensland), FRCS (England), FRCS (Edinburgh), FRACS, FACTM, PhD (Stamford Hill, UK) (non-accredited). Medical Terminology, DLE. Lt. Col. Army Reserve (current). General Surgeon with sub-specialist interest in Colorectal Surgery. Chairman RACS Queensland State Committee. Member of RACS Court in General Surgery since 1995. GSA Vice President and coopted GSA Queensland State Representative since May 2000.

**Linacre, Mr Robert Nicholas  
(Secretary/Treasurer)**

MBBS, FRACS. General Surgeon with sub-specialist interest in Breast Surgery. Chairman of RACS Project China. Member of RACS Council. Member of RACS Audit Committee, Board of Continuing Professional Development and Standards (CPDS), Board of CPDS - Competency Task Force, Governance Working Party, Heritage and Archives Policy Group, and Resources Committee. GSA Treasurer and coopted GSA Tasmanian State Representative since May 2001.

**Baxter, Mr Ian Thomas**

MBBS, FRACS. Diploma Advanced Laparoscopic Surgery (France). General and Laparoscopic Surgeon with sub-specialist interest in Upper GI and HPB Surgery. VMO Nambour General Hospital. Director of Surgery QEII Hospital, Brisbane (1994-1998). Member of RACS Section of Endocrine Surgery and RACS Section of Upper GI/HPB Surgery. Member of RACS Queensland State Committee. Coopted GSA Younger Fellows Representative since June 2000.

## 1. BOARD OF DIRECTORS (CONT'D)

**Christophi, Prof. Christopher  
(Appointed 1 October 2003)**

MBBS, FACS, FRCS, FRACS. General Surgeon with sub-specialist interest in Hepato-Biliary Surgery. Member of ANZ Chapter American College of Surgeons. Chairman, RACS Board of General Surgery. Member of RACS Section of Upper GI/HPB Surgery. GSA Board in General Surgery Representative (Ex-officio).

**Danne, Assoc Prof Peter David**

MBBS, FACS, FRACGP, M.D., FRACS. General Surgeon with sub-specialist interest in Colorectal Surgery. Director of Trauma Services at Royal Melbourne Hospital and North Western Health Care Network. Member of the Ministerial Task Force on Trauma and Emergency Services 1997-1999. Chairman of RACS Main Trauma Committee, Trauma - Regional Chairmen Sub-Committee, and Trauma - Executive Sub-Committee. Member of RACS Trauma - Education & Curriculum Development Sub-Committee, Trauma - Systems Performance Improvement & Registries Sub-Committee, and Trauma - Verification Sub-Committee. Past Chairman and Member of RACS Victorian State Committee - Executive since 2000. Coopted GSA Trauma Group Representative since May 2002..

**Gani, Mr Jonathan Stephen  
(Appointed 26 May 2003)**

M.B. CH.B, FRCS, FRACS. General Surgeon with sub-specialist interests in Upper GI/HPB and Colorectal Surgery. Basic Surgical Training Supervisor at John Hunter Hospital. Member and Chairman of RACS Section of Upper GI/HPB Surgery. Coopted GSA Section of Upper GI/HPB Surgery Representative.

**Gough, Prof Ian Ronald**

MBBS, MD (Qld), MRCP (UK), FACS, FRCS (Edinburgh), FRACS. General Surgeon with sub-specialist interest in Endocrine Surgery. President of Australian Endocrine Surgeons. President of International Surgical Society (Australian Chapter). Clinical Professor of Surgery, University of Queensland. Senior Visiting Surgeon Royal Brisbane Hospital. RACS Deputy Censor in Chief. Editor ANZ Journal of Surgery. Head of Endocrine Surgery Royal Brisbane Hospital. Member of RACS Council. Member of RACS Education Policy Board. Past Senior Examiner of RACS Court in General Surgery. Past GSA Court of Examiners Representative (Ex-officio). Chairman, RACS Section of Endocrine Surgery. Coopted GSA Section of Endocrine Surgery Representative since May 2002.

**Mackie, Mr William Stewart**

MBBS, FRACS. General Surgeon. Member of Australian Medical Association. Member of RACS Divisional Group of Rural Surgery and RACS Endosurgery Group. Chairman, RACS Rural Surgery Group. Coopted GSA Rural Surgery Group Representative since May 2002.

**Pitcher, Ms Meron Edith**

MBBS, FRACS. General Surgeon with sub-specialist interest in Breast Surgery. Deputy Chair, Breast Study Committee, Cancer Council Victoria since 2001. Member of RACS Section of Breast Surgery. Member of RACS Court of Examiners in General Surgery since 2000. Member of RACS Victorian Skills Consortium. Member of RACS Victorian State Committee - Executive 1998-2002. Chairman, RACS Victorian State Committee since 2002. Coopted GSA Victorian State Representative since May 2002.

## 1. BOARD OF DIRECTORS (CONT'D)

**Poole, Mr Garth Harcourt  
(Retired 1 March 2003)**

M.B. CH.B, FRACS. General Surgeon with sub-specialist interest in Breast Surgery. Member of New Zealand Medical Association. Member of RACS Section of Breast Surgery. Deputy Chairman, RACS Hospital Supervisors Sub-Committee. Member of RACS Board of Basic Surgical Training. President of New Zealand Association of General Surgeons. Coopted GSA NZAGS Representative since May 2001.

**Sexton, Mr Michael Anthony  
(Appointed 1 March 2003)**

M.B. CH.B, FRACS. General Surgeon with sub-specialist interest in Colorectal Surgery. Member of New Zealand Medical Association. Member of RACS Section of Colorectal Surgery and RACS Divisional Group of Rural Surgery (DGRS). President of New Zealand Association of General Surgeons. Coopted GSA NZAGS Representative.

**Shannon, Mr Kerwin Frank**

MBBS, FRACS. General Surgeon with sub-specialist interest in Head & Neck Surgery. Member of RACS AST Hospital Supervisors - General. Coopted GSA Head & Neck Group Representative since June 2000.

**Shedda, Dr Susan Michelle  
(Appointed 19 February 2003)**

MBBS. Advanced Trainee in General Surgery with sub-specialist interest in Colorectal Surgery. Coopted ATGSA Representative.

**Thompson, Mr Ivan John  
(Retired 1 October 2003)**

MBBS, FRACS. General Surgeon with sub-specialist interest in Endocrine Surgery. Chairman, RACS Board of General Surgery. Member of RACS Court of Examiners in General Surgery. Member of Critical Literature Evaluation And Research Workshop. GSA Board in General Surgery Representative (Ex-officio) since October 2001.

**Truskett, Mr Philip Gregory**

MBBS, FRACS. General Surgeon with sub-specialist interest in Upper-Gastrointestinal Surgery. Honorary Secretary, RACS NSW State Committee. Member of RACS Early Management of Severe Trauma Committee since 2001. Member of RACS Care of the Critically Ill Surgical Patient Committee since 2002. Coopted GSA NSW State Representative since May 2002.

**Ung, Mr Owen Allan**

MBBS, FRACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery. Chairman, RACS Section of Breast Surgery. Clinical Services Director of NSW Breast Cancer Institute. Head of Breast Surgery Unit at Westmead Hospital. Chair of Breast Group of the Clinical Oncology Society of Australia. Clinical Senior Lecturer in Surgery with University of Sydney. Coopted GSA Section of Breast Surgery Representative since May 2002.

## 1. BOARD OF DIRECTORS (CONT'D)

### **Wall, Mr Daryl Robert**

MBBS, FRACS. General Surgeon with special interest in Transplant Surgery. Deputy Director of Surgery, Princess Alexandra Hospital. Visiting Consultant Surgeon, Royal Children's Hospital, Brisbane. Senior Lecturer in Surgery, Department of Surgery, University of Queensland. Member of RACS Anatomy Bank Sub-Committee, Court of Examiners in General Surgery, Trauma - Regional Chairmen Sub-Committee, and Trauma - Road Trauma Advisory Sub-Committee. Coopted GSA Section of General Surgery Representative since May 2000.

### **Watson, Mr David Ian (Retired 26 May 2003)**

MBBS, M.D., FRACS. General Surgeon with sub-specialist interest in Upper Gastrointestinal Surgery. Senior Consultant Surgeon, The Royal Adelaide Hospital and Flinders Medical Centre. Associate Professor of Surgery, University of Adelaide. Surgical Consultant to the Royal Adelaide Hospital Clinical Practice Unit. Professor of Surgery and Head of Department of Surgery, Flinders University of South Australia. Head of Gastrointestinal Services, Division of Surgery, Flinders Medical Centre. Visiting Specialist Surgeon, Repatriation General Hospital. Chairman of RACS Training Board in HPB and Upper GI Surgery. Deputy Chairman, RACS Basic Surgical Skills Sub-Committee. Member, RACS Board of Basic Surgical Training and RACS Board of General Surgery. Coopted GSA Section of Upper GI/HPB Surgery Representative since May 2001.

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**2. PRINCIPAL ACTIVITIES**

The principal activities of the company during the year were to promote and represent the interests of Specialist General Surgeons in Australia, including associated specialties. This included advising outside organisations and government bodies on all matters relating to General Surgery, as well as Continuing Professional Development (CPD) in all areas of General Surgery. There was no significant change in the nature of that activity during the year.

**3. RESULTS OF OPERATIONS**

The net operating result for the year ended 31 December 2003 was a loss of (\$1,237) (2002: surplus \$7,082).

The company is exempt from income tax (Division 50 of the Income Tax Assessment Act 1997) and no provision for income tax is included in these accounts.

**4. REVIEW OF OPERATIONS**

In this financial year the company commenced negotiations on a service agreement with the Royal Australasian College of Surgeons (RACS) for General Surgery activities in Australia and New Zealand, with a particular focus on Advanced Surgical Training and Provisional Fellowship Training.

The major undertaking for the year involved a comprehensive survey of over 1,800 General Surgeons and Advanced Trainees in General Surgery throughout Australia and New Zealand. The survey was developed in conjunction with the RACS Board in General Surgery and the New Zealand Association of General Surgeons (NZAGS), and aimed to canvass views on pertinent issues such as Training in General Surgery and General Surgical Practice.

The company combined with the RACS Queensland State Committee to hold an Annual Scientific Meeting in Townsville in October. A full-day programme was coordinated for Advanced Trainees in General Surgery, which included practical experience in the use of ultrasound for surgeons. A decrease in revenue from subscriptions, combined with increased expenses associated with the Survey of General Surgery, contributed towards the deficit for the year.

**5. DETAILS OF SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

No significant change in the state of affairs of the company occurred during the year.

**6. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS**

The Board of Directors will continue to work with RACS to develop service and governance agreements for General Surgery, with a particular focus on the activities and service delivery associated with Provisional Fellowship Training. A face-to-face Board of Management meeting was recommended for early 2004, to address issues such as the election of state representatives, succession planning, changes to the GSA Constitution, the Service Agreement with RACS, and the election of new Office Bearers.

The company will continue to work with RACS to implement changes to the 3+2 training programme for Advanced Trainees in General Surgery, based on results from the 2003 Survey of General Surgery. Finally, membership drives will be targeted at younger Fellows and those Advanced Trainees in General Surgery who have completed their training in 2003.

**7. DIVIDENDS**

The company is limited by guarantee. The Memorandum of the Constitution precludes the payment of a dividend.

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**8. SIGNIFICANT AFTER BALANCE DATE EVENTS**

Since the end of the financial year the Directors are not aware of any matter or circumstances not otherwise dealt with in the report of accounts that has significantly affected or may significantly affect the operations of the company, the result of those operations or the state of affairs of the company in subsequent financial years.

**9. ENVIRONMENTAL REGULATIONS**

The company's operations are not subject to any significant environmental regulations under either Federal Government, State or Territory legislation.

**10. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

By way of coverage for all Directors and officers of the company, the company has paid a premium in respect of a contract insuring those Directors and officers against liability. In accordance with normal practice, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of the premiums paid are confidential.

**11. MEETINGS OF DIRECTORS**

Name of Director	Number of meetings entitled to attend	Number of meetings attended
Malycha, P (President)	5	5
Maguire, E (Vice President)	5	4
Linacre, R (Sec/Treasurer)	5	2
Baxter, I	5	1
Christophi, C (Appointed 1 October 2003)	2	0
Danne, P	5	1
Gani, J (Appointed 26 May 2003)	3	3
Gough, I	5	3
Mackie, W	5	3
Pitcher, M	5	3
Poole, G (Retired 1 March 2003)	1	0
Sexton, M (Appointed 1 March 2003)	4	2
Shannon, K	5	5
Shedda, S (Appointed 19 February 2003)	5	4
Thompson, I (Retired 1 October 2003)	4	2
Truskett, P	5	5
Ung, O	3	2
Wall, D	5	3
Watson, D (Retired 26 May 2003)	2	2

**12. DIRECTORS' BENEFITS**

Since the end of the previous financial year no Director has received or become entitled to receive a benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts by reason of a contract made by the company or a related corporation with a Director or with a firm of which he is a member, or with a company in which he has a substantial interest.

This report is made in accordance with a resolution of the Board of Directors.

Chairman (President)  
21 January 2005

**GENERAL SURGEONS AUSTRALIA  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 \$	2002 \$
Revenue from ordinary activities			
Members' subscriptions		60,829	65,965
Sales – GSA Ties		35	35
Advertising Income		36	-
Cost of Sales - GSA Ties		(19)	(74)
		<hr/>	<hr/>
		60,881	65,926
Other income	2	1,283	970
		<hr/>	<hr/>
Total revenue from ordinary activities		62,164	66,896
Commercial activities			
GSA ASM 2002		-	(2,644)
RACS ASC 2002		-	(1,562)
RACS ASC 2003		(5,068)	-
Canberra Meeting - June 2003		(1,243)	-
Associations - IFSES Membership		-	(3,588)
External professional services		(6,650)	(3,000)
Remuneration and related costs		(32,908)	(30,954)
Administrative expenses		(10,748)	(9,523)
Finance and other charges		(5,869)	(8,385)
Depreciation/write off of assets	3	(915)	(158)
		<hr/>	<hr/>
Total changes in members' funds	4	(1,237)	7,082
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2003**

	Notes	2003 \$	2002 \$
<b>CURRENT ASSETS</b>			
Cash assets		54,168	58,493
Receivables	5	15,839	11,728
Other receivables		391	853
Inventories	6	3,127	3,145
		<u>73,525</u>	<u>74,219</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Plant and equipment	7	1,701	316
		<u>1,701</u>	<u>316</u>
<b>TOTAL NON CURRENT ASSETS</b>			
		<u>75,226</u>	<u>74,535</u>
<b>TOTAL ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Payables	8	9,518	7,591
		<u>9,518</u>	<u>7,591</u>
<b>TOTAL CURRENT LIABILITIES</b>			
		<u>9,518</u>	<u>7,591</u>
<b>TOTAL LIABILITIES</b>			
		<u>65,708</u>	<u>66,944</u>
<b>NET ASSETS</b>			
<b>MEMBERS' FUNDS</b>			
Accumulated surplus	4	65,708	66,944
		<u>65,708</u>	<u>66,944</u>
<b>TOTAL MEMBERS' FUNDS</b>			
		<u><u>65,708</u></u>	<u><u>66,944</u></u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 Inflows/ (Outflows) \$	2002 Inflows/ (Outflows) \$
Cash flows from operating activities			
- Receipts from members and customers		58,515	72,644
- Payments to suppliers and employees		(60,541)	(65,228)
Net cash (used in)/provided by operating activities	11(b)	<u>(2,026)</u>	<u>7,416</u>
Cash flows from investing activities			
- Payment for plant and equipment		(2,300)	-
Net cash (used in) investing activities		<u>(2,300)</u>	<u>-</u>
Cash flows from financing activities		-	-
Net cash (used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(4,326)	7,416
Cash at the beginning of the year		58,493	51,077
Cash at the end of the year	11(a)	<u><u>54,168</u></u>	<u><u>58,493</u></u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by General Surgeons Australia are stated to assist in a general understanding of these financial statements. These policies have been consistently applied except as otherwise indicated.

The financial report constitutes a general purpose financial report which has been drawn up in accordance with Accounting Standards and other authorities pronouncements of the Australian Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

**(a) Basis of accounting**

The financial report has been prepared on the historical cost basis and except where stated, does not take into account current valuations of non-current assets.

The carrying amounts of non-current assets does not exceed the net amounts that are expected to be recovered through cash inflows and outflows arising from their continued use and subsequent disposal. The expected net cash flows included in determining the recoverable amounts have not been discounted to their present values.

**(b) Depreciation of plant and equipment**

Depreciation is provided on the straight-line basis, at rates which will fully depreciate assets over their estimated useful lives to the company. Profits and losses on disposal of plant and equipment are taken into account in determining the result for the year.

<u>Class of asset</u>	<u>Rate of depreciation</u>
Computer hardware/software	25% - 33%

**(c) Income tax**

The company is not liable for income tax as it is a non-profit organisation within the meaning of Division 50 of the Income Tax Assessment Act 1997.

**(d) Limited by guarantee**

General Surgeons Australia is a company limited by guarantee. The amount of capital which is capable of being called up in the event of and for the purpose of the winding up of the company is limited to \$1.00 per member.

**(e) Accounts receivable**

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

**(f) Accounts payable**

Accounts payable represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Membership subscriptions

Membership subscriptions are brought to account when invoiced on an annual basis throughout the membership period.

Meetings/Workshops

Meeting & Workshop revenue is not recognised until the meeting or workshop has been held.

**(h) Conferences/seminars**

Conferences/seminars are an outsourced activity. Net income/expense has been recognised in the current financial year.

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 \$	2002 \$
<b>2. OTHER INCOME</b>		
Interest	1,283	970
	<u>1,283</u>	<u>970</u>
	<u><u>1,283</u></u>	<u><u>970</u></u>
<b>3. EXPENSES AND LOSSES/(GAINS)</b>		
Surplus/(deficit) from ordinary activities includes the following specific expenses and losses/(gains):		
Expenses:		
Depreciation/amortisation - plant and equipment	915	158
	<u>915</u>	<u>158</u>
<b>4. MEMBERS' FUNDS</b>		
<b>Accumulated surplus / (deficit)</b>		
Balance at beginning of the financial year	66,944	59,862
Total changes in funds	(1,237)	7,082
	<u>65,708</u>	<u>66,944</u>
Balance at end of the financial year	<u><u>65,708</u></u>	<u><u>66,944</u></u>
<b>5. RECEIVABLES</b>		
Trade debtors	15,839	11,728
	<u>15,839</u>	<u>11,728</u>
	<u><u>15,839</u></u>	<u><u>11,728</u></u>
Trade debtors consist of invoices to Members prior to 31 December 2003 for Membership Subscriptions relating to the 2002/2003 financial year.		
<b>6. INVENTORIES</b>		
Ties – at cost	3,127	3,145
	<u>3,127</u>	<u>3,145</u>
	<u><u>3,127</u></u>	<u><u>3,145</u></u>

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 \$	2002 \$
<b>7. PLANT AND EQUIPMENT</b>		
Plant and equipment - at cost	2,774	632
Accumulated depreciation	(1,073)	(316)
	<u>1,701</u>	<u>316</u>
Total plant and equipment	<u><u>1,701</u></u>	<u><u>316</u></u>

**Reconciliations**

Reconciliations of the carrying amount of plant and equipment at the beginning and end of the current financial year is set out below:

**Plant and equipment at cost**

Carrying amount at 1 January	316	474
Additions	2,300	-
Depreciation	(915)	(158)
Carrying amount at 31 December	<u><u>1,701</u></u>	<u><u>316</u></u>

**8. PAYABLES**

Trade accounts payable	7,083	4,392
Other	2,435	3,199
	<u>9,518</u>	<u>7,591</u>

**9. AUDITORS' REMUNERATION**

Amounts received or due and receivable by the auditors for: Auditing services	6,650	3,000
	<u>6,650</u>	<u>3,000</u>

**10. REMUNERATION OF DIRECTORS**

Total income received or due and receivable by Directors	<u>-</u>	<u>-</u>
--	----------	----------

The non-executive Directors of the company serve voluntarily and do not receive any income for their services.

Average number of employees during the financial year	1	1
---	---	---

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**11. STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks net of outstanding bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
Cash	54,168	58,493
	<u>54,168</u>	<u>58,493</u>

**(b) Reconciliation of net cash provided/(used in) operating activities to operating surplus**

Operating surplus	(1,237)	7,082
Depreciation	915	158
Changes in assets and liabilities:		
(Increase)/decrease in trade debtors	(4,111)	277
(Increase)/decrease in inventories	18	75
(Increase)/decrease in other assets	462	5,471
Increase/(decrease) in accounts payable	2,691	(8,846)
Increase/(decrease) in provision for employee entitlements	(764)	3,199
Net cash (used in)/provided by operating activities	<u>(2,026)</u>	<u>7,416</u>

**12. SEGMENT INFORMATION**

General Surgeons Australia is involved in the promoting of the interests of General Surgeons predominantly in Australia.

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**13. FINANCIAL INSTRUMENTS**

**Interest rate risk**

The entity's exposure to interest rate risk and the weighted average interest rate for classes of financial assets and liabilities is set out below:

2003	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
<b>Financial assets:</b>					
Cash	-	54,168	-	-	54,168
Receivables	15,839	-	-	-	15,839
	<u>15,839</u>	<u>54,168</u>	<u>-</u>	<u>-</u>	<u>70,007</u>
Interest rates	-	2.25%	-	-	
<b>Financial liabilities:</b>					
Creditors	7,083	-	-	-	7,083
	<u>7,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,083</u>
Interest rates	-	-	-	-	
Net financial assets	<u>8,756</u>	<u>54,168</u>	<u>-</u>	<u>-</u>	<u>62,924</u>
2002	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
<b>Financial assets:</b>					
Cash	-	58,493	-	-	58,493
Receivables	11,728	-	-	-	11,728
	<u>11,728</u>	<u>58,493</u>	<u>-</u>	<u>-</u>	<u>70,221</u>
Interest rates	-	2.6%	-	-	
<b>Financial liabilities:</b>					
Creditors	4,392	-	-	-	4,392
	<u>4,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,392</u>
Interest rates	-	-	-	-	
Net financial assets	<u>7,336</u>	<u>58,493</u>	<u>-</u>	<u>-</u>	<u>65,829</u>

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

**13. FINANCIAL INSTRUMENTS (CONT'D)**

**Credit risk exposure**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

**Financial instruments on statement of financial position**

The credit risk on financial assets, excluding investments of the entity which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The entity is not materially exposed to any individual debtor.

**Net fair values of financial assets and liabilities**

The carrying amounts of bank accounts, term deposits, bank bills, accounts receivables and payables, funds held in trust all approximate net fair value.

**14. CONTINGENT MATTERS SUBSEQUENT TO BALANCE DATE**

There are no contingent matters to report.

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' DECLARATION**

In the opinion of the Directors of General Surgeons Australia:

- (a) the accompanying financial report and notes are in accordance with the Corporations Act 2001, comply with the Accounting Standards and give a true and fair view of the Company's financial position as at 31 December 2003, and of its performance for year ended on that date; and
- (b) at the date of this declaration, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Chairman (President)  
21 January 2005

**INDEPENDENT AUDIT REPORT TO MEMBERS OF  
THE AUSTRALIAN SOCIETY OF SPECIALIST GENERAL SURGEONS**

**Scope**

**The Financial Report and Directors' Responsibility**

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the director's declaration for The Australian Society of Specialist General Surgeons, for the year ended 31 December 2003.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We have conducted an independent audit in order to express an opinion to the members of The Australian Society of Specialist General Surgeons. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- ◆ examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- ◆ assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Audit Opinion**

In our opinion, the financial report of The Australian Society of Specialist General Surgeons is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of The Australian Society of Specialist General Surgeons financial position as at 31 December 2003 and of its performance for the year ended on that date, and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

PKF  
Chartered Accountants

27 January 2005  
Melbourne

J Pasias  
Partner