

**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 2004**

**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 2004**

<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
Note 15	Adoption of International Financial Reporting Standards	18-19
<b>Directors' declaration</b>		<b>20</b>
<b>Independent auditors' report to the members</b>		<b>21</b>

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

Your Directors submit the following report for the financial year ended 31 December 2004.

**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)  
(Retired 6 May 2004)**

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. Member of RACS Court in General Surgery 1992-2002; Senior Examiner 2000-2002. Member of RACS South Australia State Committee. 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  
(President)  
(Appointed 24 January 2001:  
President from 16 June 2004)**

RFD, KHS (President), MBBS (Queensland), FRCS (England), FRCS (Edinburgh), FRACS, FACTM, PhD (Stamford Hill, UK). Lt. Col. Army Reserve (current). General Surgeon with sub-specialist interests in Breast, Endocrine, and Laparoscopic Surgery. Professor of Surgery, Bond University. Senior surgeon, The Townsville Hospital. Immediate Past Chair RACS Queensland State Committee 2002-2004. Member of RACS Court in General Surgery 1995-2003. GSA Vice President and coopted GSA Queensland State Representative since May 2000. RACS Speciality Councillor since June 2004. Elected GSA Queensland State Representative in May 2004.

**Truskett, Mr Philip Gregory  
(Vice President)  
(Appointed 14 May 2002:  
Vice President from 16 June 2004)**

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. Elected GSA New South Wales State Representative in May 2004.

**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. Elected GSA Tasmanian State Representative in May 2004.

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

**Baxter, Mr Ian Thomas**  
(Retired 6 May 2004)

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.

**Cade, Mr Richard James**  
(Appointed 6 May 2004)

MBBS, FRACS. General Surgeon with sub-specialist interest in Upper GI/HPB Surgery. Member of RACS Section of Upper GI/HPB Surgery, and RACS Endosurgery Group. Senior Examiner, RACS Court in General Surgery. GSA Court of Examiners Representative (Ex-officio).

**Christophi, Prof. Christopher**

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) since October 2003.

**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.

**Foster, Mr Hamish Cromie McArthur**  
(Appointed 6 May 2004)

MBBS, B.SC(MED), FRCS, FACS, M.S., FRACS. General Surgeon with Sub-specialist interests in Head & Neck, Breast, and Colorectal Surgery. Member of RACS Section of General Surgery, RACS Section of Upper GI/HPB Surgery, RACS Endosurgery Group, RACS Military Medicine Group, RACS Medico-Legal Group, and RACS Section of Breast Surgery. Coopted GSA Queensland State Representative.

**Gani, Mr Jonathan Stephen**

M.B. CH.B, FRCS, FRACS, MD. 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 since May 2003.

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

**Gough, Prof Ian Ronald**  
(Retired 6 May 2004)

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.

**Mann, Assoc Prof Gregory Bruce**  
(Appointed 6 May 2004)

MBBS, PhD., FRACS. General Surgeon with sub-specialist interest in Surgical Oncology. Member of RACS Section of Breast Surgery. Member and Chairman of RACS Surgical Oncology Group. Coopted GSA Surgical Oncology Group Representative.

**Mosse, Mr Charles**  
(Appointed 6 May 2004)

MBBS, FRACS. General Surgeon. Member of RACS Section of Upper GI/HPB Surgery. Coopted GSA Younger Fellows Representative and GSA Australian Capital Territory Representative.

**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. Elected GSA Victorian State Representative in May 2004.

**Sexton, Mr Michael Anthony**

M.B. CH.B, FRACS. General Surgeon with sub-specialist interest in Colorectal Surgery. 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 since March 2003.

**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.

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

**Shedda, Dr Susan Michelle**

MBBS. Advanced Trainee in General Surgery with sub-specialist interest in Colorectal Surgery. Coopted ATGSA Representative since February 2003.

**Ung, Mr Owen Allan**

MBBS (Queensland), FRACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery. Executive member and Immediate past Chair, RACS Section of Breast Surgery. Clinical Services Director of NSW Breast Cancer Institute. Head of Breast Surgery Unit, Deputy Chair of Department of Surgery, and President of the Westmead Association at Westmead Hospital. Chair of Breast Group of the Clinical Oncology Society of Australia (COSA). Clinical Associate Professor (University of Sydney). Coopted GSA Section of Breast Surgery Representative since May 2002.

**Wall, Mr Daryl Robert**

MBBS (First Class Honours), FRACS (74). General Surgeon with sub-specialist interest in Transplant Surgery. Director of Surgery, Princess Alexandra Hospital. Senior Liver Transplant Surgeon, Associate Professor of Surgery, Department of Surgery, University of Queensland. Member of RACS Court of Examiners in General Surgery and RACS Section of General Surgery. Chairman, RACS Trauma Regional Sub-Committee. Chairman, National Road Trauma Advisory Committee. Australian Sports Medal. Coopted GSA Section of General Surgery Representative since May 2000.

**Wetzig, Mr Neil Robert**  
(Appointed 6 May 2004)

MBBS, FRACS, FRCS (England). General Surgeon with sub-specialist interest in Breast and Endocrine Surgery. Senior VS / Unit Chairman Breast & Endocrine Unit, Princess Alexandra Hospital. Senior VS Breast Unit, Wesley Private Hospital and Mater Private Hospital. Member of Surgical Panel, Wesley Breast Clinic. VS / Designated Surgeon BreastScreen Brisbane South. Chairman, RACS Section of Endocrine Surgery. RACS Representative, Quality Management Committee, BreastScreen Queensland. Co-Chairman RACS SNAC Trial Management Committee. Past Chairman, RACS Section of Breast Surgery. Clinical Senior Lecturer, Department of Surgery (UQ). Chairman Queensland Co-operative Oncology Group. Executive Member Queensland Co-operative Oncology Group. Editorial Board World Journal of Surgery. Past GSA Section of Breast Surgery Representative. Coopted GSA Section of Endocrine Surgery Representative.

**Wilson, Mr Thomas Graham**  
(Appointed 6 May 2004)

MBBS, FRACS. General Surgeon with sub-specialist interests in Upper GI/HPB and Transplantation Surgery. Member of RACS Section of Upper GI/HPB Surgery, RACS Section of Transplantation Surgery, and RACS Endosurgery Group. Elected GSA South Australian State Representative in May 2004.

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**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 2004 was a loss of (\$17,245) (2003: loss \$1,237).

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 continued to work with RACS to develop service and governance agreements for General Surgery. Following from the results of the GSA Survey of General Surgery in 2003, major changes to the RACS Advanced Surgical Training Programme were implemented. These include a new 4-year training programme, with provision for optional post-Fellowship sub-specialty experience. A successful face-to-face Board of Management meeting was held in March 2004 in Melbourne. Issues discussed included changes to the GSA Constitution, which allow for duly qualified surgeons (FRACS and non-FRACS) who are recognised as and practice as specialist general surgeons in Australia to become Ordinary Members. In April 2004, GSA was represented at The Association of Surgeons of Great Britain and Ireland (ASGBI) Annual Scientific Meeting by Mr Peter Malycha. Strong links have been forged between the two organisations, and formalisation of the relationship will help in the facilitation of post-Fellowship experience in Britain, Australia and New Zealand. An election of State Representatives was held in May 2004, and new Office Bearers were elected in June 2004. A decrease in revenue from subscriptions, combined with increased expenses associated with the Board of Management and ASGBI Meetings, 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 finalise the Service Agreement for General Surgery with RACS, which could include the adoption of several functions of the RACS Board in General Surgery. The possibility of holding a Scientific Meeting in mid-2005 in conjunction with the Provincial Surgeons Association will be explored. GSA will continue to promote Continuing Professional Development opportunities for General Surgeons, such as the Risk Management Masterclass. GSA will further develop the working relationship with ASGBI, with particular focus on post-Fellowship experience for new FRACS recipients.

**7. DIVIDENDS**

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

**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.

**GENERAL SURGEONS AUSTRALIA  
DIRECTORS' REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**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) (Retired 6 May 2004)	2	2
Maguire, E (President) (from 16 June 2004)	5	4
Truskett, P (Vice President) (from 16 June 2004)	5	5
Linacre, R (Sec/Treasurer)	5	3
Baxter, I (Retired 6 May 2004)	2	0
Christophi, C	5	0
Cade, R (Appointed 6 May 2004)	5	4
Danne, P	5	3
Foster, H (Appointed 6 May 2004)	2	1
Gani, J	5	4
Gough, I (Retired 6 May 2004)	2	1
Mackie, W	5	2
Mann, G (Appointed 6 May 2004)	3	1
Mosse, C (Appointed 6 May 2004)	3	1
Pitcher, M	5	4
Sexton, M	5	1
Shannon, K	5	5
Shedda, S	5	1
Ung, O	5	5
Wall, D	5	5
Wetzig, N (Appointed 6 May 2004)	3	0
Wilson, T (Appointed 6 May 2004)	3	3

**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)

15 April 2005

**GENERAL SURGEONS AUSTRALIA  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
Revenue from ordinary activities			
Members' subscriptions		50,120	60,829
Sales – GSA Ties		35	35
Advertising Income		218	36
Administration Services Income		700	-
GSA ASM 2003		636	-
Cost of Sales - GSA Ties		(37)	(19)
		<u>51,672</u>	<u>60,881</u>
Other income	2	1,270	1,283
		<u>52,942</u>	<u>62,164</u>
Commercial activities			
RACS ASC 2003		-	(5,068)
Canberra Meeting - June 2003		-	(1,243)
RACS ASC 2004		(24)	-
Board Meeting Melbourne - March 2004		(7,313)	-
ASGBI ASC UK - April 2004		(5,765)	-
External professional services	9	(6,200)	(6,650)
Remuneration and related costs		(33,738)	(32,908)
Administrative expenses		(9,488)	(10,748)
Finance and other charges		(6,740)	(5,869)
Depreciation/write off of assets	3	(919)	(915)
		<u>(17,245)</u>	<u>(1,237)</u>
Total changes in members' funds	4	<u>(17,245)</u>	<u>(1,237)</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets		50,883	54,168
Receivables	5	2,184	15,839
Other receivables		147	391
Inventories	6	3,090	3,127
<b>TOTAL CURRENT ASSETS</b>		<u>56,304</u>	<u>73,525</u>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	7	782	1,701
<b>TOTAL NON CURRENT ASSETS</b>		<u>782</u>	<u>1,701</u>
<b>TOTAL ASSETS</b>		<u>57,086</u>	<u>75,226</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	8,621	9,520
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,621</u>	<u>9,520</u>
<b>TOTAL LIABILITIES</b>		<u>8,621</u>	<u>9,520</u>
<b>NET ASSETS</b>		<u>48,465</u>	<u>65,710</u>
<b>MEMBERS' FUNDS</b>			
Accumulated surplus	4	48,465	65,710
<b>TOTAL MEMBERS' FUNDS</b>		<u>48,465</u>	<u>65,710</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 Inflows/ (Outflows) \$	2003 Inflows/ (Outflows) \$
Cash flows from operating activities			
- Receipts from members and customers		66,842	58,515
- Payments to suppliers and employees		(70,127)	(60,540)
Net cash (used in)/provided by operating activities	11(b)	<u>(3,285)</u>	<u>(2,025)</u>
Cash flows from investing activities			
- Payment for plant and equipment		-	(2,300)
Net cash (used in) investing activities		<u>-</u>	<u>(2,300)</u>
Cash flows from financing activities			
Net cash (used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(3,285)	(4,325)
Cash at the beginning of the year		<u>54,168</u>	<u>58,493</u>
Cash at the end of the year	11(a)	<u><u>50,883</u></u>	<u><u>54,168</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 2004**

**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 2004**

**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 2004**

	2004 \$	2003 \$
<b>2. OTHER INCOME</b>		
Interest	1,270	1,283
	<u>1,270</u>	<u>1,283</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	919	915
	<u>919</u>	<u>915</u>
<b>4. MEMBERS' FUNDS</b>		
<b>Accumulated Surplus</b>		
Balance at beginning of the financial year	65,710	66,947
Total changes in funds	(17,245)	(1,237)
	<u>48,465</u>	<u>65,710</u>
Balance at end of the financial year	<u>48,465</u>	<u>65,710</u>
<b>5. RECEIVABLES</b>		
Trade debtors	2,184	15,839
	<u>2,184</u>	<u>15,839</u>
	<u>2,184</u>	<u>15,839</u>
Trade debtors consist of invoices to Members prior to 31 December 2004 for Membership Subscriptions relating to the 2003/2004 financial year.		
<b>6. INVENTORIES</b>		
Ties – at cost	3,090	3,127
	<u>3,090</u>	<u>3,127</u>
	<u>3,090</u>	<u>3,127</u>

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>7. PLANT AND EQUIPMENT</b>		
Plant and equipment - at cost	2,932	2,774
Accumulated depreciation	(2,150)	(1,073)
	<u>782</u>	<u>1,701</u>
Total plant and equipment	<u><u>782</u></u>	<u><u>1,701</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	1,701	316
Additions	-	2,300
Depreciation	(919)	(915)
	<u>782</u>	<u>1,701</u>
Carrying amount at 31 December	<u><u>782</u></u>	<u><u>1,701</u></u>

**8. PAYABLES**

Trade accounts payable	7,178	7,085
Other	1,443	2,435
	<u>8,621</u>	<u>9,520</u>

**9. AUDITORS' REMUNERATION**

Amounts received or due and receivable by the auditors for:

Auditing services	6,200	6,650
	<u>6,200</u>	<u>6,650</u>

**10. REMUNERATION OF DIRECTORS**

Total income received or due and receivable by Directors	<u>-</u>	<u>-</u>
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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
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**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**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>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	50,883	54,168
	<u>50,883</u>	<u>54,168</u>

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

Operating deficit	(17,245)	(1,237)
Depreciation	919	915
Changes in assets and liabilities:		
(Increase)/decrease in trade debtors	13,655	(4,111)
(Increase)/decrease in inventories	37	18
(Increase)/decrease in other assets	244	462
Increase/(decrease) in accounts payable	95	2,692
Increase/(decrease) in provision for employee entitlements	(990)	(764)
Net cash (used in)/provided by operating activities	<u>(3,285)</u>	<u>(2,025)</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 2004**

**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:

2004	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
<b>Financial assets:</b>					
Cash	-	50,883	-	-	50,883
Receivables	2,184	-	-	-	2,184
	<u>2,184</u>	<u>50,883</u>	<u>-</u>	<u>-</u>	<u>53,067</u>
Interest rates	-	3.1%	-	-	
<b>Financial liabilities:</b>					
Creditors	7,178	-	-	-	7,178
	<u>7,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,178</u>
Interest rates	-	-	-	-	
Net financial assets	<u>(4,994)</u>	<u>50,883</u>	<u>-</u>	<u>-</u>	<u>45,889</u>
<b>2003</b>					
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>

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**13. FINANCIAL INSTRUMENTS (CONTINUED)**

**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.

**15. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Australian equivalents to International Financial Reporting Standards (AIFRS) will be adopted in the financial report for the year ending 30 June 2006 and the comparative information presented in that report for the year ending 30 June 2005. In preparation for the transition, opening balances as at 1 July 2004 for the comparative year ending 30 June 2005 will be converted to AIFRS in accordance with new accounting standard AASB 1 "First Time Adoption of Australian International Financial Reporting Pronouncements".

The transition to Australian equivalents of IFRSs is being managed by General Surgeons with expert technical advice being provided by PKF Chartered Accountants.

The key differences in accounting policies expected to arise from adoption of AIFRS are listed as follows:

**Inventories**

Inventories will continue to be measured at the lower of cost and net realisable value under the new AASB 102. All items of inventory are subject to an impairment test. In the event that the circumstances that lead to an impairment write-down no longer exist or are favourable a reversal of the write-down through the statement of financial performance is required to be effected.

**Property, Plant & Equipment**

AASB 116 "Property Plant & Equipment" will allow the carrying amounts of property plant and equipment to include the costs of dismantling and removing items of property, plant and equipment at the conclusion of a lease term or similar arrangement. This amount will adjust the current carrying amount of certain items of property plant and equipment on initial adoption of AIFRS and will be depreciated over the remaining useful life of that related asset.

**GENERAL SURGEONS AUSTRALIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**15. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)**

Any consideration which is deferred is recognised as the net present value of that amount using an appropriate discount rate.

Property, plant and equipment is subject to an impairment test when there is an indication that impairment exists by reference to internal and external market factors. Any item of property, plant & equipment which is impaired must be written down to its recoverable amount. The amount of the impairment write down for assets carried at cost will be expensed through the statement of financial performance.

Items of property, plant and equipment measured at fair value will still be carried as such, however the offsets of balances in the Asset Revaluation Reserve under the new standards will be determined on an "asset by asset" basis rather than the current "class by class" treatment. This means that a change to profit or loss will occur where an impairment write down is necessary and there is no existing balance for that asset in the asset revaluation reserve.

**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 2004, 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, appearing to be 'D. McGuire', written over a large, loopy circular scribble.

Chairman (President)  
15 April 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 2004.

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 ethical pronouncements and the Corporations Act 2001.

**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 2004 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

22 April 2005  
Melbourne

J Pasias  
Partner