

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 2007

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 2007**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

Your Directors submit the following report for the financial year ended 31 December 2007.

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:

**Truskett, Mr Philip Gregory
(President)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Upper-Gastrointestinal, Hepatobiliary, and Trauma Surgery. Member of RACS Early Management of Severe Trauma Committee since 2001. Member of RACS Care of the Critically Ill Surgical Patient Committee since 2002. Member of RACS International Committee since 2006. Member of RACS Infection Control Committee since 2004. Member of RACS Safe Hours Working Party since 2006. Member of RACS Emergency Surgery Working Party since July 2007. Member of RACS GP Procedural Working Party since September 2007. Ex-Officio member of RACS Board in General Surgery since 2004. Member of RACS Court of Examiners in General Surgery since 2004. Coopted GSA NSW State Representative May 2002-2004. Chair, RACS NSW State Committee since 2006. Elected GSA New South Wales State Representative since May 2004. GSA Vice President 2004-2006. GSA President since July 2006.

**Campbell, Mr Graeme John
(Vice President)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Rural Surgery, Breast Surgery, and Skin Melanoma. Member of RACS Board in General Surgery and RACS Victorian Board in General Surgery since 2005. Member of RACS Divisional Group of Rural Surgery (DGRS) Executive Committee since 2003. Member of RACS Rural Craft Group Audit Steering Committee since 2006. Member of RACS Care of the Critically Ill Surgical Patient Committee since May 2007. Member of RACS Rural Trauma Committee since September 2007. Member of RACS GP Procedural Working Party since September 2007. Member of RACS Section of Breast Surgery and Victorian Hand Surgery Society. Secretary of RACS Victorian State Committee since 2006. Coopted GSA DGRS Representative and GSA Victorian State Committee Representative since July 2006. Vice President since July 2006.

**Pitcher, Ms Meron Edith
(Secretary/Treasurer)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Breast Surgery and Surgical Oncology. 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. Chair, RACS Victorian State Committee 2002-2004. Member of Victorian Board in General Surgery since 2005. Member of Radiation Safety Guidelines Working Party since 2006. Member of RACS Professional Development Committee since June 2007. GSA Professional Development and Standards Board Representative since 2004. Coopted GSA Victorian State Representative May 2002-2004. Elected GSA Victorian State Representative since May 2004. GSA Secretary/Treasurer since July 2005.

1. BOARD OF DIRECTORS (CONT'D)

Cox, Dr Michael Robert

MBBS, MS, FRACS. General Surgeon with sub-specialist interests in Upper-Gastrointestinal, Hepatobiliary, and Obesity Surgery. Professor of Surgery, Nepean Hospital. Member of RACS Section of Upper GI/HPB Surgery. Member of Australian Medical Association. Member of RACS Surgical Education and Training Working Party since May 2006. Member of RACS Court of Examiners in General Surgery since 2004. Member of RACS Board of Specialist Surgical Training since 2005. Chair, RACS Board of General Surgery 2005-2007. GSA Board in General Surgery Representative (Ex-officio) 2006-2007. Coopted GSA New South Wales State Representative since July 2007.

Danne, Assoc Prof Peter David

MBBS, FACS, FRACGP, M.D., FACS, FRACS. General Surgeon with sub-specialist interests in Colorectal and Trauma Surgery. Inaugural Director of Trauma Services and Trauma Unit, Royal Melbourne Hospital 1998-2003. Member of the Ministerial Task Force on Trauma and Emergency Services 1997-1999. Chair, RACS Main Trauma Committee 1999-2005, Trauma-Regional Chairmen Sub-Committee, and Trauma -Executive Sub-Committee since 2001. Member of RACS Trauma-Education & Curriculum Development Sub-Committee, Trauma-Systems Performance Improvement & Registries Sub-Committee, and Trauma-Verification Sub-Committee since 2001. Member of RACS DSTC Course Ad Hoc Committee since 2001. Member of National Trauma Register Consortium since 2001. Member of Disaster Preparedness Working Party since 2005. Past Chair and Member of RACS Victorian State Committee. Coopted GSA Trauma Group Representative since May 2002.

**Donovan, Mr Michael Peter
(Appointed 11 July 2007)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Hepatobiliary, Upper-Gastrointestinal, and Breast Surgery. RACS Basic Surgical Training Supervisor (Queensland) since 2006. Coopted GSA ASC Brisbane 2009 Representative.

Foster, Mr Hamish Cromie McArthur

MBBS, B.Sc., MS, FRCS, FACS, FICS, FRACS. General Surgeon with sub-specialist interests in Head & Neck, Breast, Colorectal, and Trauma Surgery. Member of Pan Pacific Surgical Association. 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, RACS Trauma Group, and RACS Section of Breast Surgery. Past Director of General Surgery, Royal Darwin Hospital. Past Associate Professor of Surgery, NT Clinical School. Chair, RACS Military Surgery Executive since 2005. Previous coopted GSA Queensland State Representative 2004, and Northern Territory Representative 2005. Coopted Military Surgery and Regional Surgery Representative since May 2006.

Gani, Mr Jonathan Stephen

M.B. CH.B, FRCS, FRACS, MD. General Surgeon with sub-specialist interests in Upper-Gastrointestinal, Hepatobiliary, and Colorectal Surgery. Member of RACS Bariatric Surgery Steering Committee since 2006. Member of RACS Court of Examiners in General Surgery since February 2007. Chair and Member of RACS Section of Upper GI/HPB Surgery since 2003. Coopted GSA Section of Upper GI/HPB Surgery Representative since May 2003.

1. BOARD OF DIRECTORS (CONT'D)

Mackie, Mr William Stewart

MBBS, FRACS. General Surgeon. Member of Australian Medical Association. Member of RACS Endosurgery Group. Member of RACS Access to Elective Surgical Care Working Party since 2004. Member of RACS Australia Day Surgery Council Committee since May 2007. Member and Treasurer of RACS Divisional Group of Rural Surgery since 2001. Chair, RACS Rural Surgery Group. Coopted GSA Rural Surgery Group Representative since May 2002.

Maguire, Prof. Errol John

AM, RFD, KCHS, MBBS (Queensland), FRCS (England), FRCS (Edinburgh), FRACS, FACTM, PhD (Stamford Hill, UK). Lt. Col. Army Reserve (retired). General Surgeon with sub-specialist interests in Breast, Endocrine, and Laparoscopic Surgery. Senior surgeon, The Townsville Hospital (retired 2005). Senior Staff Surgeon (part-time), Gold Coast Hospital since 2005. Immediate Past Chair RACS Queensland State Committee 2002-2004. Member of RACS Court in General Surgery 1995-2003. GSA Vice President 2000-2004. Coopted GSA Queensland State Representative May 2000-2004. Member of Australian and New Zealand Audit of Surgical Mortality Steering Committee since 2005. Elected GSA Queensland State Representative since May 2004. GSA President 2004-2006. RACS Speciality Councillor for General Surgery since June 2004.

Mann, Assoc Prof G Bruce

MBBS, PhD., FRACS. General Surgeon with sub-specialist interests in Surgical Oncology, Breast Surgery, Skin Melanoma, Upper Gastrointestinal and Hepatobiliary Surgery. Member of Australian Medical Association and Australian Association of Surgeons. Member of RACS Section of Breast Surgery. Member of RACS Victorian Board in General Surgery since 2006. Chair of RACS Surgical Oncology Group since 2004. Coopted GSA Surgical Oncology Group Representative since May 2004.

Oliver, Mr David John

MBBS, FRACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery. Member of RACS Section of Breast Surgery, and RACS Section of Endocrine Surgery. Member of Australian Medical Association. Member of National Breast Cancer Audit Clinical Advisory Committee since 2005. Member of RACS Breast Audit Committee since February 2007. Chair, RACS Section of Breast Surgery since 2005. Coopted GSA Section of Breast Surgery Representative since July 2006.

**Peters, Dr Matthew
(Appointed 5 September 2007)**

MBBS, BSc. Advanced General Surgical trainee (Queensland). Member of RACS Trainees' Association since 2005. Joint coopted GSA Trainees' Association representative.

1. BOARD OF DIRECTORS (CONT'D)

Pyke, Dr Christopher Martin
(Appointed 11 July 2007)

PhD, FRACS, FACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery. Member of Australian Medical Association. Member of ANZ Chapter American College of Surgeons. Member of RACS Board in General Surgery since 2003. Chair, RACS Queensland Regional Subcommittee Board in General Surgery from 2002-2007. Chair, Fundamentals of Laparoscopic Surgery Advisory Group from 2006-2007. Member of National Breast Cancer Audit Clinical Advisory Committee since 2005. Member of RACS Clinical Skills Advisory Group since 2006. Member of RACS Board of Specialist Surgical Training since 2007. Member of RACS IMG Interview Committee since 2007. Member of RACS Surgical Education and Training Working party since 2007. Chair (Aus), RACS IMG Applications for Interview Committee since 2007. Member of RACS Section of Endocrine Surgery Executive from 2006-2007. Deputy Chair, RACS Section of Breast Surgery Executive since 2007. Chair, RACS Board of General Surgery since 2007. GSA Board in General Surgery Representative (Ex-officio).

Sayed-Hassen, Mr Akhtar Hussein

M.B. CH.B, FRACS. General Surgeon with sub-specialist interest in Upper Gastrointestinal Surgery. Member of RACS Section of Upper GI/HPB Surgery. Member of RACS Victorian Board in General Surgery since 2005. Member of RACS Victorian State Committee since 2006. Coopted GSA ASC Hong Kong 2008 Representative since July 2006.

Serpell, Prof Jonathan William

MBBS, FACS, FRACS. General Surgeon with sub-specialist interests in Endocrine and Breast Surgery and Skin Melanoma. Member of RACS Section of Endocrine Surgery, RACS Section of Breast Surgery, and RACS Section of Academic Surgery. Member of ANZ Chapter American College of Surgeons. Member RACS Court of Examiners in General Surgery since 2002. Chair, RACS Section of Endocrine Surgery since 2006. Coopted GSA Section of Endocrine Surgery Representative since July 2006.

Shannon, Mr Kerwin Frank

MBBS, FRACS. General Surgeon with sub-specialist interests in Head & Neck, Trauma, and Endocrine Surgery, Skin Melanoma, and Surgical Oncology. Member of RACS SST Hospital Supervisors – General since 2001. Member of RACS NSW Regional Board in General Surgery since 2001. Coopted GSA Head & Neck Group Representative since June 2000.

Sweeney, Mr James Leslie

MBBS, FRACS. General Surgeon with sub-specialist interest in Colorectal Surgery. Previous Chair, RACS Section of Colorectal Surgery. Coopted GSA Section of Colorectal Surgery Representative 2001-2002. Member of RACS Section of Colon and Rectal Surgery. Member of Australian Medical Association. Member of RACS South Australia Board in General Surgery since 2005. Ex-Officio member of RACS Board in General Surgery since 2006. Senior Examiner, RACS Court in General Surgery since 2006. GSA Court of Examiners Representative (Ex-officio) since July 2006.

Theophilus, Dr Mary
(Appointed 5 September 2007)

MBBS. Advanced General Surgical trainee (Western Australia). Member of RACS Board of Specialist Surgical Training since 2006. Member of RACS Trainees' Committee since 2006. Joint coopted GSA Trainees' Association representative.

1. BOARD OF DIRECTORS (CONT'D)

Vallance, Mr Stephen
(Appointed 7 May 2007)

MBCHB, FRACS, FRCS (Eng), FRCS (Edin), MD. General Surgeon with sub-specialist interest in Vascular Surgery. Member of RACS Divisional Group of Rural Surgery (DGRS) since 2003. Member of RACS New Zealand National Board since 2007. President of New Zealand Association of General Surgeons (NZAGS) since 2007. Coopted GSA NZAGS Representative.

Van Rij, Prof Adrianus (Andre) Marie
(Retired 7 May 2007)

M.D., M.B. CH.B, B.Med.Sc., FRACS. General Surgeon with sub-specialist interest in Vascular Surgery. Member of New Zealand Medical Association, Australia & New Zealand Society of Vascular Surgery. Professor of Surgery, University of Otago. Associate Dean of Research, Dunedin School of Medicine. Past President, New Zealand Society of Vascular Surgery. RACS New Zealand Censor. Member of RACS Section of Upper GI/HPB Surgery, RACS Section of Academic Surgery, and RACS Division of Vascular Surgery. Member of RACS Surgical Audit Committee since 2001. Member of RACS Surgical Competence and Performance Working Party since 2005. Member of Rowan Nicks Committee since 2002. President of New Zealand Association of General Surgeons (NZAGS) 2005-2007. Coopted GSA NZAGS Representative 2005-2007.

Wall, Mr Daryl Robert

AM, MBBS (First Class Honours), FRACS. General Surgeon with sub-specialist interest in Transplantation, Trauma, Upper Gastrointestinal, and Hepatobiliary 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 since 1999. Member of RACS Section of General Surgery. Member of DSTC Course Ad Hoc Committee since 2006. Chair, RACS Trauma Regional Sub-Committee. Chair, National Road Trauma Advisory Committee. Coopted Member of RACS Queensland State Committee since 2006. Australian Sports Medal. Coopted GSA Section of General Surgery Representative since May 2000.

Wilson, Mr Thomas Graham

MBBS, FRACS. General Surgeon with sub-specialist interests in Upper Gastrointestinal, Hepatobiliary, and Obesity Surgery. Member of RACS Section of Upper GI/HPB Surgery, RACS Section of Transplantation Surgery, and RACS Endosurgery Group. Member of RACS Court of Examiners in General Surgery since 2005. Past Chair RACS South Australian State Committee 2000-2002. Chair of Conjoint Committee for Recognition of Training in Gastrointestinal Endoscopy. Head of Upper GI & HPB Surgical Unit, Flinders Medical Centre. Elected GSA South Australian State Representative since May 2004.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

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 2007 was a deficit of \$30,313 (2006: surplus \$1,195).

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 Board of Directors met with all stakeholders in General Surgery to develop a five-year Strategic Plan. The key function of the organisation is to ensure the provision of high quality, comprehensive Specialist General Surgical services to the Australian community, through the promotion of specialist training, continuing professional development, and audit for its members.

Major strategic goals for the organisation for 2007-2011 include: assuming responsibility for Specialist General Surgical training, to the level of Fellowship; promoting and supporting education and training programs that produce Specialist General Surgeons of the highest professional standard; providing GSA members with valuable benefits and services that support their professional lives as Specialist General Surgeons; and, promoting GSA as the authority for Specialist General Surgery in Australia, and having the Society recognised as such by government, health groups, and the wider community.

In August 2007, a Memorandum of Understanding (MoU) was signed with the Royal Australasian College of Surgeons. The MoU paves the way for GSA to negotiate access to funding and an increased role in General Surgery training from 2008 onwards.

The Company also began planning for a stand-alone scientific meeting for its members and trainees. The meeting, entitled 'Acute Care and Oncology for the General Surgeon' will be held at the Hyatt Regency, Coolum Queensland from 26-28 September 2008.

In line with the strategic imperatives of the organisation, the Company developed a website for its members, which includes a valuable 'Find a Surgeon' service for the general public. All GSA members listed with the service have demonstrated evidence of appropriate participation and compliance with Continuing Professional Development (CPD). This initiative enables members of the community to be assured that their surgeon has met minimum standards for recertification.

The Company also continued its strong involvement in promoting CPD opportunities for its members, including Risk Management workshops, Definitive Surgical Trauma Care (DSTC) courses, and Laparoscopic Skills Workshops in surgical techniques such as Antireflux Surgery, Inguinal Hernia Repair, and Suturing & Tissue Approximation Techniques.

Other surgical education opportunities promoted to members included the 3rd International Laparoscopic Colorectal Symposium, the Peter MacCallum Cancer Centre Colorectal Cancer Meeting, the 4th World Congress on Abdominal Compartment Syndrome, the Controversies in Transplant Surgery meeting, the SWAN XVI Trauma Conference, the XXII International Congress of The Transplantation Society, and the International College of Surgeons Pacific Regional Meeting.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

4. REVIEW OF OPERATIONS (CONT'D)

GSA also promoted the Annual Scientific Meetings of the New Zealand Association of General Surgeons (NZAGS), the Association of Surgeons of Great Britain and Ireland (ASGBI), and the Society of American Gastrointestinal and Endoscopic Surgeons (SAGES). Sponsorship was provided for the key-note speaker at the Provincial Surgeons Association (PSA) Annual Scientific Meeting in Whyalla in November. GSA continued to strengthen its relationship with NZAGS, ASGBI, and PSA, and continued to work with these groups to promote the interests of General Surgeons and surgical trainees.

Revenue from subscriptions and advertising increased in this financial period, however operating costs were also increased. Recognition of employee leave entitlements and costs associated with developing the five-year Strategic Plan 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

In line with the strategic imperatives of the organisation, the Board of Directors will continue its negotiations with the Royal Australasian College of Surgeons for access to funding and to assume responsibility for Specialist General Surgical training, to the level of Fellowship. A Members' Area will be developed as part of the GSA website, which will allow the Company to provide valuable benefits and services that support the professional lives of its members.

Planning for the 2008 GSA Annual Scientific Meeting will continue, with particular focus on the development of an educational program aimed specifically at trainees. Planning will commence for the 2009 GSA Annual Scientific Meeting, to be held in conjunction with International Surgical Week in Adelaide. The Company will continue to develop a Working Party to review therapeutic procedures on the Medicare Benefits Schedule. Promotion of other professional development activities for GSA members will also continue.

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.

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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2007**

11. MEETINGS OF DIRECTORS

Name of Director	Number of meetings entitled to attend *	Number of meetings attended *
Truskett, P (President)	7	7
Campbell, G (Vice President)	7	6
Pitcher, M (Sec/Treasurer)	7	6
Cox, M	6	5
Danne, P	7	5
Donovan, M (Appointed 11 July 2007)	3	2
Foster, H	6	3
Gani, J	6	2
Mackie, W	6	1
Maguire, E	6	3
Mann, G B	7	5
Oliver, D	6	1
Peters, M (Appointed 5 September 2007)	2	1
Pyke, C (Appointed 11 July 2007)	3	2
Sayed-Hassen, A	6	1
Serpell, J	6	1
Shannon, K	6	2
Sweeney, J	6	2
Theophilus, M (Appointed 5 September 2007)	2	0
Vallance, S (Appointed 7 May 2007)	5	3
Van Rij, A (Retired 7 May 2007)	1	1
Wall, D	6	3
Wilson, T	7	4

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.

13. AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out on page 25 and forms part of the Director's Report for the year ended 31 December 2007.

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

Chairman (President)
29 April 2008

**GENERAL SURGEONS AUSTRALIA
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 \$	2006 \$
Revenue			
Members' subscriptions		57,484	56,371
Sale of goods		70	140
Advertising income		127	64
Research Fund income		-	10,000
Cost of Sales - GSA Ties		(74)	(93)
		<u>57,607</u>	<u>66,482</u>
Other income	2	<u>1,343</u>	<u>1,172</u>
		58,950	67,654
Expenses from Commercial activities:			
RACS ASC 2007		(2,596)	-
RACS ASC 2006		-	(2,768)
Executive Meeting Melbourne – November 2006		-	(2,459)
Strategic Planning Meeting – February 2007		(15,077)	-
International Doctors' Health Conf – October 2007		(589)	-
External professional services expense	10	(6,000)	(5,000)
Employee benefits expense		(48,600)	(35,765)
Administrative expense		(13,302)	(18,097)
Finance costs		(2,529)	(2,226)
Depreciation expense	3	(570)	(144)
		<u>(30,313)</u>	<u>1,195</u>
(Deficit)/Surplus for the period		<u><u>(30,313)</u></u>	<u><u>1,195</u></u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	4	26,432	42,781
Trade and other receivables	5	2,716	4,164
Inventories	6	2,849	2,923
TOTAL CURRENT ASSETS		<u>31,997</u>	<u>49,868</u>
NON CURRENT ASSETS			
Plant and equipment	7	852	145
TOTAL NON CURRENT ASSETS		<u>852</u>	<u>145</u>
TOTAL ASSETS		<u>32,849</u>	<u>50,013</u>
CURRENT LIABILITIES			
Trade and other payables	8	9,659	8,455
Provision for employee benefits	9	11,945	-
TOTAL CURRENT LIABILITIES		<u>21,604</u>	<u>8,455</u>
TOTAL LIABILITIES		<u>21,604</u>	<u>8,455</u>
NET ASSETS		<u>11,245</u>	<u>41,558</u>
MEMBERS' FUNDS			
Accumulated surplus		<u>11,245</u>	<u>41,558</u>
TOTAL MEMBERS' FUNDS		<u>11,245</u>	<u>41,558</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Accumulated Surplus	Total Equity
	2007	2007
	\$	\$
Balance at 1 January 2007	41,558	41,558
Net (Deficit) for the year	(30,313)	(30,313)
	<u>11,245</u>	<u>11,245</u>
Balance at 31 December 2007	<u><u>11,245</u></u>	<u><u>11,245</u></u>

	Accumulated Surplus	Total Equity
	2006	2006
	\$	\$
Balance at 1 January 2006	40,363	40,363
Net Surplus for the year	1,195	1,195
	<u>41,558</u>	<u>41,558</u>
Balance at 31 December 2006	<u><u>41,558</u></u>	<u><u>41,558</u></u>

**GENERAL SURGEONS AUSTRALIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 Inflows/ (Outflows) \$	2006 Inflows/ (Outflows) \$
Cash flows from operating activities			
- Receipts from members and customers		59,129	66,610
- Payments to suppliers and employees		(69,310)	(61,761)
- Interest received		1,343	1,172
- Interest expense		(6,234)	(5,521)
Net cash (used in) provided by operating activities	12(b)	<u>(15,072)</u>	<u>500</u>
Cash flows from investing activities			
- Payment for plant and equipment		(1,277)	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash held		(16,349)	500
Cash and cash equivalents at the beginning of the year		<u>42,781</u>	<u>42,281</u>
Cash and cash equivalents at the end of the year	12(a)	<u><u>26,432</u></u>	<u><u>42,781</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 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Surgeons Australia is a Company limited by guarantee incorporated in Victoria, Australia. The registered office and principal place of business is c/- Royal Australasian College of Surgeons, 'College of Surgeons Gardens', Spring Street, Melbourne, Victoria. The principal activities of the Company 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. The financial statements are presented in Australian dollars. The report was approved for issue by the Directors on the date the Declaration by Directors was signed.

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 Authoritative pronouncements of the Australian Standards Board, Issues Interpretations 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 do 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 been discounted to their present values.

The preparation of financial statements in conformity with Australian Accounting Standards 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. Management does not consider that any of the judgements or estimations adopted have had a significant impact on the financial report.

(b) Plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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.

Class of Asset
Computer hardware/software

Rate of Depreciation
25% - 33%

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Plant and equipment (continued)

At each reporting date the Company reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Directors are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

(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.

(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.

(i) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Statement of Compliance

During the period 2004-2007, the AASB used the term Australian equivalents to International Financial Reporting Standards (A-IFRS) to refer to standards which are based on the International Financial Reporting Standards (IFRS). However, in 2007 the AASB decided to remove references to A-IFRS and use the term Australian Accounting Standards (AAS). The financial report complies with Australian Accounting Standards, which include A-IFRS. Compliance with A-IFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with IFRS.

(k) Inventories

Finished goods are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at reporting date using the Weighted Average Costs basis.

Cost comprises all costs of purchase.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of the employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided' by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred and no longer controlled by the Company.

A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impact of new or revised Australian Accounting Standards or Interpretation that are not yet effective

Certain new Australian Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2007 reporting period. Management of the Company has given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and does not believe they will have any material impact on the financial statements.

	2007	2006
	\$	\$
2. OTHER INCOME		
Interest	1,343	1,172
	<u>1,343</u>	<u>1,172</u>
	<u><u>1,343</u></u>	<u><u>1,172</u></u>
3. SURPLUS / (DEFICIT) FROM OPERATIONS		
Surplus/(deficit) from operating activities includes the following specific expenses and losses/(gains):		
Expenses:		
Depreciation/amortisation - plant and equipment	570	144
	<u>570</u>	<u>144</u>
	<u><u>570</u></u>	<u><u>144</u></u>
4. CASH & CASH EQUIVALENTS		
Cash at bank	26,353	42,530
Cash on hand	79	251
	<u>26,432</u>	<u>42,781</u>
	<u><u>26,432</u></u>	<u><u>42,781</u></u>
5. RECEIVABLES		
Trade debtors	2,618	3,850
Other receivables	98	314
	<u>2,716</u>	<u>4,164</u>
	<u><u>2,716</u></u>	<u><u>4,164</u></u>
Trade debtors consist of invoices to Members prior to 31 December 2007 for Membership Subscriptions relating to the 2006/2007 financial year.		
6. INVENTORIES		
Ties – at cost	2,849	2,923
	<u>2,849</u>	<u>2,923</u>
	<u><u>2,849</u></u>	<u><u>2,923</u></u>

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
7. PLANT AND EQUIPMENT		
Plant and equipment - at cost	4,642	3,365
Accumulated depreciation	(3,790)	(3,220)
	<u>852</u>	<u>145</u>
Total plant and equipment	<u><u>852</u></u>	<u><u>145</u></u>
Reconciliation of movements		
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	145	289
Additions	1,277	-
Depreciation	(570)	(144)
	<u>852</u>	<u>145</u>
Carrying amount at 31 December	<u><u>852</u></u>	<u><u>145</u></u>
8. PAYABLES		
Trade accounts payable	7,545	6,228
Other	2,114	2,227
	<u>9,659</u>	<u>8,455</u>
9. PROVISION FOR EMPLOYEE BENEFITS		
Provision for Annual Leave	5,643	-
Provision for Long Service Leave	6,302	-
	<u>11,945</u>	<u>-</u>
10. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	6,000	5,000
	<u>6,000</u>	<u>5,000</u>
11. 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.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

12. 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:

	2007	2006
	\$	\$
Cash at Bank	26,353	42,530
Petty Cash	79	251
	<u>26,432</u>	<u>42,781</u>

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

Operating (deficit)/surplus	(30,313)	1,195
Depreciation	570	144
Changes in assets and liabilities:		
Decrease in trade debtors	1,448	35
Decrease in inventories	74	93
Increase/(Decrease) in accounts payable	1,204	(967)
Increase in provision for employee entitlements	11,945	-
Net cash (used in)/provided by operating activities	<u>(15,072)</u>	<u>500</u>

13. 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 2007**

14. 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:

2007	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
Financial assets:					
Cash	79	26,353	-	-	26,432
Receivables	2,618	-	-	-	2,618
	<u>2,697</u>	<u>26,353</u>	<u>-</u>	<u>-</u>	<u>29,050</u>
Interest rates	-	4.80%	-	-	
Financial liabilities:					
Creditors	7,545	-	-	-	7,545
	<u>7,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,545</u>
Interest rates	-	-	-	-	
Net financial assets	<u>(4,848)</u>	<u>26,353</u>	<u>-</u>	<u>-</u>	<u>21,505</u>
2006					
2006	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
Financial assets:					
Cash	251	42,530	-	-	42,781
Receivables	3,850	-	-	-	3,850
	<u>4,101</u>	<u>42,530</u>	<u>-</u>	<u>-</u>	<u>46,631</u>
Interest rates	-	4.10%	-	-	
Financial liabilities:					
Creditors	6,228	-	-	-	6,228
	<u>6,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,228</u>
Interest rates	-	-	-	-	
Net financial assets	<u>(2,127)</u>	<u>42,530</u>	<u>-</u>	<u>-</u>	<u>40,403</u>

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

14. 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.

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risks (including fair value interest rate risk and cash flow interest rate risks), credit risk, and liquidity risk. An evaluation of the nature and extent of risks arising from financial instruments to which the Company is exposed at the reporting date follows:

(a) Market Risk

(i) Currency Risk

The Company's cash and receivables are all dominated in Australian dollars and are not subject to foreign exchange risk.

(ii) Price Risk

The Company has no financial instruments that are subject to fluctuation in market prices.

(iii) Interest Rate Risk

The Company has no borrowings. Surplus cash is invested in a Corporate Transaction Account (Refer to Note 14 for details of interest rate exposures).

(b) Credit Risk

The Company implements strict credit recovery controls which minimise the risk of non-recovery of trade receivables. The company is not materially exposed to any individual customer.

(c) Liquidity Risk

The Company maintains sufficient cash assets and low amounts of liability. Liquidity risk is low.

16. CONTINGENT LIABILITIES AND COMMITMENTS

There are no matters to report, relating to contingent assets or liabilities, or any capital commitments.

17. SUBSEQUENT EVENTS

There are no events subsequent to balance date that require disclosure in the financial report.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 22 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2007 and of the performance for the financial year ended on that date of the Company and the economic entity.
2. In the sole director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable for the reasons set out in Note 1 to the financial statements.

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'Michael Jones', is written over a horizontal line.

Chairman (President)
29 April 2008

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GENERAL SURGEONS AUSTRALIA****Report on the Financial Report**

We have audited the accompanying financial report of General Surgeons Australia, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of General Surgeons Australia are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion the financial report of General Surgeons Australia is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of General Surgeons Australia's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



PKF
Chartered Accountants



J A PASIAS
Partner

29 April 2008
Melbourne

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29 April 2008

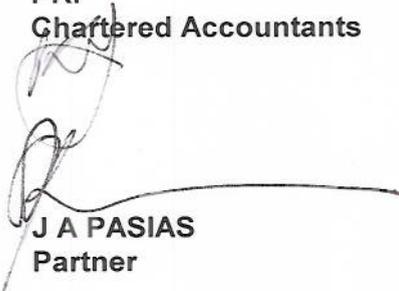
AUDITOR'S INDEPENDENCE DECLARATION

To: The Directors
General Surgeons Australia

As lead engagement partner for the audit of the financial report of the General Surgeons Australia for the year ended 31 December 2007 I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF
Chartered Accountants



J A PASIAS
Partner

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