

**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 2011**

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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 2011**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

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:

Campbell, Mr Graeme John

MBBS, FRACS. General Surgeon with sub-specialist interests in Rural Surgery, Breast Surgery, and Skin Melanoma. Member of and RACS Victorian Board in General Surgery from 2005-2007. Member of RACS Divisional Group of Rural Surgery (DGRS) Committee since 2003. Member of RACS Rural Craft Group Audit Steering Committee 2006-2010. Member of RACS Care of the Critically Ill Surgical Patient Committee since 2007. Member of RACS Rural Trauma Committee since 2007. Member of RACS GP Procedural Working Party since 2007. Member of RACS Section of Breast Surgery and Victorian Hand Surgery Society. Secretary of RACS Victorian State Committee from 2006-2008. Ex-Officio member of RACS Victorian State Committee since 2008. Member of RACS Professional Development and Standards Board Executive since 2008. Member of RACS ASC Planning and Review Committee since 2010. Member of RACS Post Fellowship Education and Training Committee since 2010. Member of RACS Council since 2007. Chair, RACS Fellowship Services Committee since 2008. Chair, RACS Communications Working Party since 2010. Member of RACS Board in General Surgery since June 2010. Member of MOSES Steering Committee since 2010. Coopted GSA DGRS Representative and GSA Victorian State Committee Representative from 2006- 2010. GSA Vice President from July 2006-June 2010. Elected GSA Victorian State Representative since May 2010. GSA President since June 2010.

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 from 2006-2007. Member of RACS Court of Examiners in General Surgery since 2004. Member of RACS Board of Specialist Surgical Training from 2005-2007. Member of RACS Board in General Surgery from 2005-2010; Chair from 2005-2007. GSA Board in General Surgery Representative (Ex-officio) 2006-2007. Coopted GSA New South Wales State Representative from July 2007-May 2010. Elected GSA New South Wales Representative from May 2010. GSA Vice President since June 2010.

Donovan, Mr Michael Peter

MBBS, FRACS. General Surgeon with sub-specialist interests in Hepatobiliary, Upper-Gastrointestinal, and Breast Surgery. RACS Basic Surgical Training Supervisor (Queensland) from 2006-2007. Member of RACS Queensland Regional Subcommittee of General Surgery since 2008. Coopted GSA ASC Brisbane 2010 Representative from 2007-2010. Elected GSA Queensland State Representative since May 2010. GSA Secretary/Treasurer since June 2010.

1. BOARD OF DIRECTORS (CONT'D)

Baker, Dr Sam Patrick

MBBS, FRACS. General Surgeon with sub-specialist interest in Rural, Skin Melanoma, Trauma, Hepatobiliary, Upper-Gastrointestinal, Burns, Colorectal, Endocrine, Obesity, and Oncology Surgery. Member of RACS FLS Advisory Group from 2006-2007. RACS Surgical Training Supervisor (Queensland) from 2006 to 2008. Member of RACS Section of Trauma Surgery since 2006. Member of RACS Queensland Trauma Committee since 2005. Member of RACS Heritage and Archives Committee from 2007-2010. Member of RACS Younger Fellows Committee since 2010. Member of RACS Audit Committee since 2010. Member of RACS Education Board since 2010. Member of RACS Resources Committee since 2010. Member of RACS Investment Committee since 2010. Chair of RACS Property Committee since 2007. Member of RACS ASC Planning and Review Committee since 2010. Member of RACS Communications Working Party since 2010. Ex-Officio member of RACS Queensland State Committee from 2008-2010. Member of RACS Professional Standards Committee since 2008. Member of RACS Council since 2008. GSA Professional Development and Standards Board Representative since 2008. Ex-Officio GSA RACS Speciality Councillor for General Surgery since June 2008.

Christophi, Prof Christopher (Retired 13 December 2011)

MBBS, FACS, FRCS, FRACS. General Surgeon with sub-specialist interest in Hepato-Biliary Surgery. Member of ANZ Chapter American College of Surgeons. Chairman, RACS Victorian Board of General Surgery from 2000-2005. Chairman, RACS Board of General Surgery from 2003-2005. Member of RACS Court of Examiners from 1995-2003. Chairman, RACS Provisional Training Board in General Surgery from 2005-2007. Member of RACS Academy of Surgical Educators Committee since 2010. Member and Chairman of RACS Section of Upper GI/HPB Surgery since 2006. GSA Board in General Surgery Representative (Ex-officio) from 2003-2005. Coopted GSA Section of Upper GI/HPB Surgery Representative from July 2008 to December 2011.

Foster, Mr Hamish Cromie McArthur (Retired 13 December 2011)

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 from May 2006 to December 2011.

1. BOARD OF DIRECTORS (CONT'D)

Saunders, Mr Alan Charles

MBBS, FRACS. General and Vascular Surgeon with sub-specialist interest in Transplant Surgery. Unit Head, Vascular/Transplantation Surgery at Monash Medical Centre, and Supervisor of training. Member of AusAID General Surgery service at Dili National Hospital, East Timor in 2002 and 2004. Member of RACS Section of Transplantation Surgery. Member of Australian & New Zealand Society of Vascular Surgery. Member of RACS IMG Interview Committee 2008-2010. Member of RACS Victorian State Committee from 2004-2006. Chair, Victorian Regional Subcommittee, Board in General Surgery from 2005-2007. Member of RACS Board in General Surgery since 2003; Chair since 2010. GSA Board in General Surgery Representative (Ex-officio) 2010-2011. GSA Transplantation Representative since May 2011.

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 of RACS Victorian Board in General Surgery from 2000-2006. Members of RACS Board of Basic Surgical Training from 2002-2006. Chair of RACS Clinical Exam bank Subcommittee from 1994-2005. Member RACS Court of Examiners in General Surgery since 2002; Senior Examiner since 2010. Member of RACS Examinations Committee in 2005. Chair, RACS Section of Endocrine Surgery since 2006. President, Australian and New Zealand Endocrine Surgeons. Coopted GSA Section of Endocrine Surgery Representative since July 2006.

Shannon, Mr Kerwin Frank (Retired 13 December 2011)

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 from June 2000 to December 2011.

Tan, Dr Jeremy Tian-Hui

MBBS, FRACS. General Surgeon with sub-specialist interests in Trauma, Hepatobiliary, Upper-Gastrointestinal, Colorectal, Obesity, and Oncology Surgery. RACS Surgical Training Supervisor (Western Australia). Coopted GSA ASC Perth 2010 Representative from 2008-2010. Elected GSA Western Australian Representative since May 2010.

Turner, Prof Richard Clive

MBBS, B Med Sc, FRACS. General surgeon with sub-specialist interests in Rural, Trauma, Upper GI/HPB, Obesity, Colorectal and Minimally Invasive Surgery. Multi-disciplinary interests include Academic Surgery, Professional Development and Research. Interest in epidemiology, as it relates to surgical diseases and procedures. Professor of Surgery, University of Tasmania School of Medicine since 2010. Previous Associate Professor in Surgery at James Cook University, Cairns. Member of RACS Queensland Regional Subcommittee of the Board in General Surgery from 2005-2008. Member of RACS Rural Trauma Committee since 2006. Chair, Northern Australia Surgeons Network Steering Committee from 2007-2010. Deputy Chair of RACS Physiology Bank Subcommittee since 2008. Member of RACS Examinations Committee since 2008. Member of RACS Court of Examiners in General Surgery since 2008. Member of RACS Board in General Surgery since 2007. GSA elected Tasmanian State Representative since May 2010.

1. BOARD OF DIRECTORS (CONT'D)

Wall, Assoc Prof 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 Anatomy Bank Subcommittee from 2001-2002. Member of RACS Trauma Committee since 2007. Member of RACS Court of Examiners in General Surgery from 1999-2007. Member of RACS Section of General Surgery. Member of DSTC Course Ad Hoc Committee since 2006. Member of RACS Trauma Sub-Committee since 1992; Chair since 2010. Member of National Road Trauma Advisory Committee since 2001. 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 2004. Past Chair RACS South Australian State Committee 2000-2002. Coopted Member of RACS South Australian State Committee since 2008. Member of RACS South Australian Board in General Surgery since 2005. Previous 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 from May 2004-May 2010. Co-opted GSA South Australian State Representative since May 2010.

Young, Assoc Prof Christopher John (Appointed 31 May 2011)

MBBS, MS, FRACS. General Surgeon with sub-specialist interest in Colorectal Surgery. Chair, New South Wales Regional Subcommittee, Board in General Surgery from 2005-2010. Member of RACS Board in General Surgery since 2005; Chair since 2011. GSA Board in General Surgery Representative (Ex-officio) since May 2011.

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, and to administer the Surgical Education and Training (SET) Program in General Surgery in Australia. This included advising outside organisations and government bodies on all matters relating to General Surgery and General Surgery training, 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 2011 was a surplus of \$92,782 (2010: surplus \$157,558).

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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. SHORT TERM AND LONG TERM OBJECTIVES OF THE COMPANY

In accordance with the Strategic Plan for 2007-2011, General Surgeons Australia had as its major objectives:

1. To assume responsibility for Specialist General Surgical training, to the level of Fellowship of RACS;
2. To promote and support education and training programs that produce Specialist General Surgeons of the highest professional standard;
3. To ensure that Specialist General Surgeons maintain the highest standards of professional competence;
4. To provide GSA members with valuable benefits and services that support their professional lives;
5. To promote research into Specialist General Surgical disorders;
6. To develop an autonomous, well-functioning society for Specialist General Surgeons, while maintaining mutually beneficial relationships with other specialty societies, interest groups, and professional bodies;
7. To promote the reputation of Specialist General Surgery in the Australian community;
8. To promote GSA as the authority for Specialist General Surgery in Australia, and to have the Society recognised as such by government, health groups, and the wider community;
9. To develop efficient and economical administrative processes for the management of GSA and its resources; and,
10. To implement processes that provide a secure financial position for GSA.

In 2011, the Directors of the Company reviewed these objectives and developed a Strategic Plan for the period 2012-2015, grouped into six Key Result Areas:

1. Member Benefits and Services
 - To provide GSA members with valuable benefits and services that support their professional lives as specialist General Surgeons.
2. Education and Training
 - To provide and foster education and training to the level of Fellowship in General Surgery and beyond.
3. Continuing Medical Education
 - To provide a Continuing Medical Education (CME) program consistent with the highest standards of General Surgical practice.
4. Surgical Research
 - To promote high quality research in the specialty of General Surgery.
5. Professional and Community Liaison
 - To establish GSA as the peak body for specialist General Surgery in Australia.
6. Administration and Resource Management
 - To maintain an efficient and sustainable organisation to manage the resources of GSA.

5. PERFORMANCE MEASUREMENT

The Board of Directors meets regularly to review and monitor the performance of the Company. This group is complemented by representatives from associated sub-specialty societies and interest groups, as well as trainee and young surgeon representatives.

In 2011 the Directors continued working towards meeting the primary strategic objectives of the Company, particularly through the promotion, development, and support of education and training programs for Trainees and members. A highlight of the Company's achievements has been the development of the Management of Surgical Emergencies course, with the first commercial course held in September 2011, as well as the development of a modular online learning program.

A key indicator of success in the area of Education and Training has been successive increases in the number of applicants to the SET Program in General Surgery over the past three years, with a 5% increase in applications received in 2011. Another key indicator for the Company has been the continued growth in membership - particularly amongst young surgeons - with an increase of 26% over the past three years.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. REVIEW OF OPERATIONS

In this financial year, the Board of Directors continued their work in meeting the objectives of the GSA Strategic Plan and the Service Agreement signed with the Royal Australasian College of Surgeons (RACS), for the administration of the Surgical Education & Training (SET) Program in General Surgery in Australia.

In May 2011, the Board engaged an external consultant to review the organisational structure, staff salary packages, and position descriptions. As a result of the review, a new organisational structure was developed with clearly identified reporting lines, and a number of positions were reclassified and retitled. In April 2011, GSA employed a part-time Administrative Officer to support the SA/WA Regional Office, and in May 2011 a full-time Executive Officer was also employed to support the VIC/TAS Regional Office as a result of the existing incumbent receiving a promotion. This took the number of full-time, part-time, and casual staff employed by GSA to twelve.

Activities undertaken by GSA in 2011 as part of the Service Agreement with the RACS included management of the Board in General Surgery (BiGS), selection into the SET Program in General Surgery for 2012, program review and development, hospital accreditation, and delivery of both national and regional education and training activities.

The online General Surgery Selection Application was further developed in 2011 and now includes the capacity for regional administrators to input interview scores, automation of all standard correspondence to candidates, online acceptance of offers, and online tracking of offers accepted and declined. The introduction of these functions greatly improved the efficiency and timeliness of communication to candidates for the 2011 selection process.

In total, 363 applications were received, of which 244 applicants were ranked as eligible for selection. From this group, 173 offers were made, and 118 new Trainees were appointed to the SET Program in General Surgery for 2012. Fifteen applicants were appointed but deferred commencement until 2013. In March 2011, Selection Information Workshops were held in Melbourne, Adelaide, Sydney, Perth and Brisbane for all potential applicants. Successful applicants attended nationally run SET Orientation Workshops, held in Melbourne, Sydney, Brisbane, Adelaide, and Perth in late November and early December.

Three editions of the electronic Trainee and Supervisor Newsletters were published in 2011. GSA also developed and introduced a Supervisors' Manual to assist in clarifying not only the roles and responsibilities of surgical supervisors, but also to provide detailed explanations on each section of the SET Program in General Surgery Regulations.

In July 2011, GSA implemented a new web-based Trainee and General Surgeons Management System, known as TMS. The database was rolled out to all staff in July and has resulted in improved data integrity, data capturing, and processes relating to the management of the SET Program in General Surgery. The TMS will enable online submission of mid- and end-of-term assessments for Trainees, as well as other formative assessments, together with the ability to maintain logbook data, and create a training portfolio. The logbook data will also assist with hospital inspections and reviewing logbook numbers for hospital posts. A transcript of SET Program requirements will be permanently accessible for Trainees and Supervisors, and members and Trainees will be able to access online discussion forums.

In an attempt to improve the delivery of educational resources for Trainees, GSA trialled the introduction of online educational webcasts in 2011, with the first sessions recorded in Victoria in September, October, and November. The aim of the project is to provide an extensive online educational resource for Trainees, particularly those located in rural and regional areas who are unable to physically attend regular educational sessions. The sessions are available in three formats, including PDF presentations, audio (MP3) files, and webcasts.

In February and May 2011, GSA and the BiGS held two education workshops, aimed at reviewing the requirements regarding the Surgical Science Examinations package for Trainees, and the development of online learning modules for the SET Program in General Surgery. The program will cover new and existing components of General Surgery training, including Surgical Management, Clinical Anatomy, Operative Equipment & Safety, Research, and Ethos of General Surgery. The modules will be designed to cultivate further a culture of self-directed learning for Trainees, and will be used to assess core skills and knowledge required for General Surgical practice, as well as readiness to sit the Fellowship Examination.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. REVIEW OF OPERATIONS (CONT'D)

In September 2011, the SCORE Working Party met in Darwin and undertook an extensive review of modules originally developed by the RACS in January 2000. The Working Party also commenced work on developing learning objectives and assessments for modules aimed at Trainees in the early-SET years. These modules include The Operating Theatre, Trauma, Critical Care, Skin, Peri-Operative Care, Nutrition, Haematology, and the Acute Abdomen. The BiGS anticipates that the new modules will replace the Specialty Specific component of the Surgical Science Examinations package.

In 2011, GSA and the BiGS co-ordinated physical and paper-based inspections of hospitals in Queensland (two), South Australia (ten), Northern Territory (one), Victoria (twenty), Tasmania (two), New South Wales (three), and Western Australia (eight), as part of the quinquennial re-inspection and accreditation process for the SET Program in General Surgery.

As part of the delivery of regional education and training activities, the General Surgery Course run in New South Wales comprised 16 sessions covering various aspects of General Surgery, with 15-20 Trainees in attendance at each session. The Exam Preparation Course held in New South Wales Teaching Hospitals was attended by 22 Trainees, and was designed to assist Trainees sitting the Clinical and Vivas components of the Fellowship Examination.

In Queensland, the Core Course in General Surgery comprised 20 sessions run over ten months. Sixteen of these sessions were held at the Royal Brisbane and Women's Hospital, with an average of 19 Trainees in attendance. A Trial Viva Session was held at the Queensland Regional Office and one Exam Debrief was held at the Royal Brisbane Hospital. Two Anatomy School sessions were held at the University of Queensland Medical School, with an average attendance of 20 Trainees. Peripheral hospitals were connected to the Core Course presentation sessions via video-conference, and this facility was sponsored by Queensland Health. Presentations from each session were uploaded to the GSA website and could be accessed by all General Surgery Trainees, regardless of Training region. At each of the presentation sessions, two Fellows were invited to attend as Panel Judges. The 2011 Core Course Program was sponsored by Johnson & Johnson Medical.

In South Australia, the Long Course Tutorials program was held over 11 months. The program comprised Vivas, Pathology tutorials, and presentations by Trainees on a nominated topic, facilitated by a consultant. On average, 25 Trainees and International Medical Graduates (IMGs) were in attendance at each session. The South Australian Short Course (preparation for Fellowship Examination) was held over 12 weeks, and included trial Clinical Viva sessions in major hospitals, and practice written questions. Skills Courses in Advanced Laparoscopic Hernia, Advanced Laparoscopic Skills, Advanced Surgical Stapling, and Energy Sources in Surgery were again held in April, August, and November. In Western Australia, the monthly Teaching Program (WARTS) covered a variety of topics, and was attended by 31 Trainees on average. The SA Paper Day held in August 2011 was attended by 32 delegates, and attracted sponsorship from six industry partners.

In Victoria, the Fellowship Examination Preparation Course was held over two weeks in March 2011 with 43 Trainees and IMGs in attendance. The course included didactic lectures, clinical demonstrations, and workshops aimed at senior Trainees. Forty-one Trainees attended the Surgical Science Examination Preparation Course held in March 2011. Other activities included eight Saturday Education Sessions, held from April to December, with an average attendance of 60 Trainees per session. The GSA Trainees' Weekend was held in Hobart in July 2011, with a total of 37 Trainees attending.

GSA again held two national Trainees' Days this year focussing on Upper Gastrointestinal Surgery (May 2011, Adelaide) and Trauma (September 2011, Darwin). The May program was attended by 124 Trainees with a number of excellent local speakers, and was followed by an educational dinner session providing an overview of the Fellowship Examination.

The 2011 Annual Scientific Meeting (ASM) was held at the Darwin Convention Centre from 16-18 September, with the theme "Trauma: Lessons from the Leading Edge". The program included 21 invited speakers from the Northern Territory, Australian Capital Territory, New South Wales, Queensland, Victoria, New Zealand, Singapore, and Greece. The 2011 ASM program included the Trainees' Day program on Trauma, a two-day scientific program, two sponsored workshops on "Effective Management of Adverse Events and Patient Complaints" and "The Risks of Failed Patient Tracking", as well as two RACS workshops for Fellows (SAT SET and Keeping Trainees on Track). Prior to the ASM, the National Critical Care & Trauma Response centre held a two-day Surgical Disaster Course at the Royal Darwin Hospital, which was attended by 21 Fellows, senior Trainees and Trauma Nurses.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. REVIEW OF OPERATIONS (CONT'D)

Unfortunately due to a combination of distance and the impact of the Global Financial Crisis, delegate and industry numbers were down slightly on the previous year (116 surgeons; 95 Trainees; 33 industry representatives).

The Management of Surgical Emergencies (MOSES) course was held in Melbourne in April 2011 and in Darwin in September 2011. The MOSES program comprises a variety of teaching methods, including lectures, small group work, scenarios, and case discussions and is targeted at a maximum of 16 Trainees and/or IMGs per course.

In February 2012, the Company was invited to take part in a major review of Medicare Benefits Schedule item numbers for Colonoscopy. GSA also continued to promote and support a large number of professional development, education, and training opportunities for its members through the website, Events Calendar, and regular Newsletters.

In April 2011, the Directors agreed to invest surplus funds from the previous financial year with both the RACS and ANZ Bank, with the long-term aim of funding annual grants and scholarships for Trainees. In September 2011, the RACS agreed to transfer an additional \$129,081 to the GSA portfolio, representing surplus funds from the previous RACS Section of General Surgery, which has now been dissolved.

In October 2011, the Directors held a two-day Strategic Planning Workshop to review the objectives of the Company and to develop a Strategic Plan for the period 2012-2015. The revised Strategic Plan groups the objectives of GSA into six Key Result Areas including Member Benefits and Services, Education and Training, Continuing Medical Education, Surgical Research, Professional and Community Liaison, and Administration and Resource Management.

Employment costs for this financial period increased, as did expenses related to the delivery of activities under the Service Agreement, particularly courses, Selection, and the development of TMS. Revenue from hospital inspection fees, administration, advertising, and the 2011 GSA Annual Scientific Meeting all decreased, however revenue from investments, the Service Agreement, General Surgery Selection, membership subscriptions, regional courses, and MOSES increased in this financial period and contributed towards the surplus for the year.

7. DETAILS OF SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

8. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

In October 2011, the Directors held a two-day Strategic Planning Workshop to review the objectives of the Company and to develop a Strategic Plan for the period 2012-2015. The revised Strategic Plan groups the objectives of GSA into six Key Result Areas including Member Benefits and Services, Education and Training, Continuing Medical Education, Surgical Research, Professional and Community Liaison, and Administration and Resource Management.

Goals have been developed under each of the Key Result Areas, and a number of priorities for the 2012 financial year have been identified, including a review of the GSA website, the implementation of SCORE, the establishment of a GSA Research Subcommittee with appropriate administrative support, development of Public Education and Patient Information sheets, development of a Position Paper on Handover of General Surgical Patients, an improved social media presence, and a review of the GSA Constitution, Board structure, and governance model.

In 2012, GSA will continue with the expansion of activities delivered as part of the Service Agreement with the RACS, particularly with regards to data management and the development of online learning modules. Another major focus for GSA and the Board in General Surgery will be the assumption of responsibility for International Medical Graduate (IMG) training, post initial Clinical Assessment by the RACS. To that end, an additional Service Agreement will be pursued for the 2013 training year, to provide improved administrative and educational support to IMGs in the General Surgery stream.

Projected revenue in 2012 from the RACS Service Agreement is approximately \$1,276,000. The first instalment will be paid in February 2012, and the second instalment will be invoiced in June 2012 following adjustments to final trainee numbers. Projected revenue from membership subscriptions, regional courses, and Selection fees is approximately \$480,000.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

8. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS (CONT'D)

Further development of the TMS database will occur in 2012, including the launch of discussion forums. A dedicated ASM website will also be developed, to provide potential delegates with more information about the event as well as online registration.

GSA will again run Selection Workshops in Melbourne, Sydney, Adelaide, Brisbane, and Perth in March 2012, with successful applicants required to attend regional SET Orientation Workshops later in the year. Four commercial MOSES programs are scheduled to be held in Adelaide, Melbourne, Hobart, and Brisbane in 2012. GSA Trainees' Days will be held in Kuala Lumpur in May 2012 (Hepatobiliary Surgery) and Hobart in September 2012 (Breast and Endocrine Surgery).

Planning for the 2012 GSA Annual Scientific Meeting will continue, with the meeting to be held at Wrest Point in Hobart from 21-23 September 2012. The theme of the meeting is "Building the Future of Cancer Care", with a focus on topics such as multidisciplinary teams, colorectal and liver cancers, systems of cancer care, and aggressive surgery for metastatic disease. Several educational activities for Fellows are planned prior to the Annual Scientific Meeting, including a Breast Ultrasound Workshop, a Financial Planning Workshop, and a Cancer Communication Skills Workshop.

Existing regional education activities will continue in New South Wales, Queensland, South Australia, and Western Australia. The Saturday Education Sessions will not run in Victoria, however an educational tutorial program will be run at several hospitals throughout the year. The Victorian Fellowship Examination Preparation Course will undergo a restructure, with educational sessions to be primarily hospital based. The GSA Trainees' Weekend will be held on in July 2012 in Daylesford, Victoria. Recording of regional Educational Sessions will roll out to all states, with files to be available for Trainees in PDF, audio, and webcast format. It is anticipated that these recordings will form an extensive educational resource, and improve equity of access for rural and regional trainees, and IMGs.

9. DIVIDENDS

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

10. 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.

On 24 February 2012, the Company received the amount of \$659,411 from the Royal Australasian College of Surgeons representing the first instalment of the Service Agreement funding for the administration of the General Surgery training program.

11. ENVIRONMENTAL REGULATIONS

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

12. 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 2011**

13. MEETINGS OF DIRECTORS

Name of Director	Number of meetings entitled to attend	Number of meetings attended
Campbell, G (Vice President to 1 June 2010; President from 1 June 2010)	7	7
Cox, M (Vice President from 1 June 2010)	7	6
Donovan, M (Appointed 7 May 2010; Sec/Treasurer from 1 June 2010)	7	7
Baker, S	7	4
Christophi, C (Retired 13 December 2011)	6	0
Foster, H (Retired 13 December 2011)	6	1
Saunders, A	7	4
Serpell, J	6	1
Shannon, K (Retired 13 December 2011)	6	0
Tan, J	7	2
Turner, R	7	3
Wall, D	6	4
Wilson, T	7	5
Young, C (Appointed 31 May 2011)	5	2

14. 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.

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

The Auditor's Independence Declaration is set out on page 29 and forms part of the Director's Report for the year ended 31 December 2011.

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

Chairman (President)
6 March 2012

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
Revenue			
Members' subscriptions		97,140	92,885
Advertising income		3,364	5,068
Administration income		450	1,200
GSA ASM 2010 income		-	51,023
ISW2010 income		-	14,600
GSA Trainees Day - May 2010		-	8,945
GSA Trainees Day - May 2011		15,840	-
Service Agreement income		1,087,405	990,566
Hospital Inspection income		19,931	72,500
Selection income		207,328	190,300
Regional Training Courses income		116,392	79,391
MOSES income		7,000	-
Cost of Sales - GSA Ties		(747)	(37)
		-----	-----
		1,554,103	1,506,441
Other income - interest	2	42,782	43,008
Income on investments		104,959	-
		-----	-----
		1,701,844	1,549,449
Expenses from Commercial activities:			
RACS ASC 2012		(8,500)	-
RACS ASC 2011		(5,012)	(5,773)
RACS ASC 2010		-	(5,334)
GSA ASM 2011		(22,191)	(160)
GSA ASM 2010		-	(2,507)
GSA Trainees Day - September 2011		(41,559)	-
GSA Trainees Day - May 2011		(14,816)	(680)
GSA Trainees Day - September 2010		-	(40,897)
GSA Trainees Day - May 2010		-	(13,988)
COSA Trainees' Weekend - November 2010		-	(17,778)
MOSES - September 2010		(44,716)	(34,249)
Selection		(115,905)	(125,048)
Regional Training Courses		(95,372)	(65,352)
External professional services expense	11	(8,500)	(8,500)
Employee benefits expense		(769,746)	(728,580)
Administrative expense		(462,203)	(325,055)
Finance costs		(9,795)	(7,957)
Depreciation expense	3	(10,747)	(10,033)
		-----	-----
Surplus for the year		92,782	157,558
		=====	=====
Other comprehensive income		-	-
		-----	-----
Total comprehensive income for the year		92,782	157,558
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	416,927	727,273
Trade and other receivables	5	5,994	65,631
Financial assets at fair value through profit and loss	8	507,459	-
Inventories	6	6,039	241
		-----	-----
TOTAL CURRENT ASSETS		936,419	793,145
		-----	-----
NON CURRENT ASSETS			
Plant and equipment	7	10,569	19,417
		-----	-----
TOTAL NON CURRENT ASSETS		10,569	19,417
		-----	-----
TOTAL ASSETS		946,988	812,562
		-----	-----
CURRENT LIABILITIES			
Trade and other payables	9	33,207	21,139
Provision for employee entitlements	10	122,025	68,306
		-----	-----
TOTAL CURRENT LIABILITIES		155,232	89,445
		-----	-----
NON CURRENT LIABILITIES			
Provision for employee entitlements	10	23,460	47,603
		-----	-----
TOTAL NON CURRENT LIABILITIES		23,460	47,603
		-----	-----
TOTAL LIABILITIES		178,692	137,048
		-----	-----
NET ASSETS		768,296	675,514
		=====	=====
MEMBERS' FUNDS			
Accumulated surplus		768,296	675,514
		-----	-----
TOTAL MEMBERS' FUNDS		768,296	675,514
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Accumulated Surplus	Total Members' Funds
	2011	2011
	\$	\$
Balance at 1 January 2011	675,514	675,514
Other comprehensive income	-	-
Total comprehensive income for the year	92,782	92,782
	-----	-----
Balance at 31 December 2011	768,296	768,296
	=====	=====

	Accumulated Surplus	Total Members' Funds
	2010	2010
	\$	\$
Balance at 1 January 2010	517,956	517,956
Other comprehensive income	-	-
Total comprehensive income for the year	157,558	157,558
	-----	-----
Balance at 31 December 2010	675,514	675,514
	=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 Inflows/ (Outflows) \$	2010 Inflows/ (Outflows) \$
Cash flows from operating activities			
- Receipts from members and customers		1,750,723	1,512,353
- Payments to suppliers and employees		(1,552,674)	(1,361,732)
- Interest received		42,782	43,008
- Interest expense		(9,795)	(7,957)
		-----	-----
Net cash provided by operating activities	13(b)	231,036	185,672
		-----	-----
Cash flows from investing activities			
- Payment for plant and equipment		(1,899)	(9,680)
- Payment for investments		(539,483)	-
		-----	-----
Net cash used in investing activities		(541,382)	(9,680)
		-----	-----
Net increase in cash held		(310,346)	175,992
Cash and cash equivalents at the beginning of the year		727,273	551,281
		-----	-----
Cash and cash equivalents at the end of the year	13(a)	416,927	727,273
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

INTRODUCTION

The financial report is for the entity General Surgeons Australia as an individual entity. General Surgeons Australia is a Company limited by guarantee, incorporated and domiciled in Victoria, Australia. The financial statements are presented in Australian dollars and amounts are rounded to the nearest dollar. 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 report was approved for issue by the Directors on the date the Declaration by Directors was signed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by General Surgeons Australia are stated to assist in a general understanding of this financial report. The accounting 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, Australian Accounting Interpretations and the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) Overall Policy

The financial report has been prepared on a going concern and accruals basis, is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

(b) Significant Judgements and Key Assumptions

No significant judgements have been made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the Directors consider have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) 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 statement of comprehensive income during the financial period in which they are incurred.

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

Rate of Depreciation

Computer hardware/software

33%

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and equipment (continued)

Depreciation of plant and equipment

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.

(d) 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.

(e) Trade and other receivables

All trade and other receivables 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 receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(f) Trade and other payables

Trade and other payables 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.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Service agreement income

Service agreement income is brought to account when invoiced on a bi-annual basis.

(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 statement of financial position 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 Statement of Cash Flows, 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 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) 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.

(l) Investments and Other Financial Assets

Investments and other financial assets, are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or
- (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

(l) Investments and Other Financial Assets (continued)

the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

(m) New and Revised Accounting Standards and Interpretations

All the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the annual reporting period beginning on 1 January 2011 have been adopted by General Surgeons Australia in accordance with accounting policies described above. The directors have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements of the Company.

	2011	2010
	\$	\$
2. OTHER INCOME		
Interest	42,782	43,008
Income on investments	104,959	-
	-----	-----
	147,741	43,008
	=====	=====
3. SURPLUS FROM OPERATIONS		
Surplus from operating activities includes the following specific expenses and losses:		
Expenses:		
Rental expense	54,358	45,630
Depreciation - plant and equipment	10,747	10,033
Employee benefits expense	713,523	673,331
Defined contribution plan expenses	56,224	55,249
	-----	-----
	834,852	784,243
	=====	=====
4. CASH AND CASH EQUIVALENTS		
Cash at bank	416,482	726,289
Cash on hand	445	984
	-----	-----
	416,927	727,273
	=====	=====
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	7,355	4,855
Other receivables	(1,361)	60,776
	-----	-----
	5,994	65,631
	=====	=====

Trade receivables consist of invoices to Members prior to 31 December 2011 for Membership Subscriptions relating to the 2011 financial year.

There are no balances within receivables that contain assets that are past due but not impaired. It is expected these balances will be received when due. There are no impaired assets.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. INVENTORIES

Ties & Scarves – at cost	6,039	241
	-----	-----
	6,039	241
	=====	=====

7. PLANT AND EQUIPMENT

Plant and equipment - at cost	43,174	41,275
Accumulated depreciation	(32,605)	(21,858)
	-----	-----
	10,569	19,417
	-----	-----
Total plant and equipment	10,569	19,417
	=====	=====

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	19,417	19,770
Additions	1,899	9,680
Depreciation	(10,747)	(10,033)
	-----	-----
Carrying amount at 31 December	10,569	19,417
	=====	=====

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

RACS Small Scale Offering	359,740	-
ANZ Pool Investment	147,719	-
	-----	-----
	507,459	-
	=====	=====

Reconciliation

Opening fair value	-	-
Additions	539,483	-
Revaluation increments	(32,024)	-
	-----	-----
Closing fair value	507,459	-
	=====	=====

9. TRADE AND OTHER PAYABLES

Trade payables	29,136	19,720
Other	4,071	1,419
	-----	-----
	33,207	21,139
	=====	=====

10. PROVISION FOR EMPLOYEE ENTITLEMENTS

CURRENT		
Provision for annual leave	65,367	49,428
Provision for long service leave	56,658	18,878
	-----	-----
	122,025	68,306
NON CURRENT		
Provision for long service leave	23,460	47,603
	-----	-----
	23,460	47,603
	-----	-----
TOTAL	145,485	115,909
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
11. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	8,500	8,500
	-----	-----
	8,500	8,500
	=====	=====

12. RELATED PARTIES

(a) Names of directors and key management personnel

The names of persons who held the position of director during the year ended 31 December 2011 were:

Campbell, Mr Graeme John
 Baker, Dr Sam Patrick
 Christophi, Prof Christopher (to 31 December 2011)
 Cox, Dr Michael Robert
 Donovan, Mr Michael Peter
 Foster, Mr Hamish Cromie McArthur (to 31 December 2011)
 Saunder, Mr Alan Charles
 Serpell, Prof Jonathan William
 Shannon, Mr Kerwin Frank (to 31 December 2011)
 Tan, Dr Jeremy Tian-Hui
 Turner, Prof Richard Clive
 Wall, Assoc Prof Daryl Robert
 Wilson, Mr Thomas Graham
 Young, Assoc Prof Christopher John (from 31 May 2011)

(b) Director's Remuneration

Total income received or due and receivable by Directors	-	-
	=====	=====

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

(c) Key Management Personnel Compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, director and controlling the activities of General Surgeons Australia.

The aggregate compensation of the key management personnel of the Company is set out below:

Short term employment benefits	183,685	167,144
Post employment benefit	16,532	15,043
	-----	-----
	200,217	182,187
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

2011 **2010**
\$ \$

13. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

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 statement of financial position as follows:

Cash at bank	416,482	726,289
Cash on hand	445	984
	416,927	727,273
	416,927	727,273

(b) Reconciliation of net cash provided by operating activities to operating surplus

Operating surplus	92,782	157,558
Depreciation	10,747	10,033
Unrealised loss on investment - other	32,025	-
Changes in assets and liabilities:		
Decrease in trade and other receivables	59,636	5,912
(Increase) / Decrease in inventories	(5,798)	37
Increase / (Decrease) in trade and other payables	12,067	(19,117)
Increase in provision for employee entitlements	29,577	31,247
	231,036	185,672
Net cash provided by operating activities	231,036	185,672

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

14. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Company's principal financial instruments comprise receivables, payables and cash at bank. The main risks arising from these financial instruments are interest rate risk, credit risk and liquidity risk.

The following table sets out the carrying amount, by maturity of the financial instruments exposed to credit risk and interest rate risk as at 31 December 2011 and 31 December 2010:

2011	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
Financial assets:					
Cash and cash equivalents	445	416,482	-	-	416,927
Trade and other receivables	5,994	-	-	-	5,994
Financial assets at fair value through profit and loss	-	507,459	-	-	507,459
	----- 6,439	----- 923,941	----- -	----- -	----- 930,380
Weighted average interest rates	-	4.74%	-	-	
Financial liabilities:					
Trade and other payables	33,207	-	-	-	33,207
	----- 33,207	----- -	----- -	----- -	----- 33,207
Weighted average interest rates	-	-	-	-	
Net financial assets	----- (26,768)	----- 923,941	----- -	----- -	----- 897,173
2010					
2010	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
Financial assets:					
Cash and cash equivalents	984	726,289	-	-	727,273
Trade and other receivables	65,631	-	-	-	65,631
	----- 66,615	----- 726,289	----- -	----- -	----- 792,904
Weighted average interest rates	-	5.92%	-	-	
Financial liabilities:					
Trade and other payables	21,139	-	-	-	21,139
	----- 21,139	----- -	----- -	----- -	----- 21,139
Weighted average interest rates	-	-	-	-	
Net financial assets	----- 45,476	----- 726,289	----- -	----- -	----- 771,765

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

14. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Risk Exposures and Responses

(i) Interest rate risk

The Company's exposure to market interest rates relates primarily to cash at bank.

The Company's policy is not to actively manage interest income but to place surplus cash in interest bearing bank account.

Sensitivity analysis

At 31 December 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net results and net assets would have been affected as follows:

Possible Movements:	Net Results Higher / (Lower)		Net Assets Higher / (Lower)	
	2011	2010	2011	2010
	\$	\$	\$	\$
+1.0% (100 basis points)	9,239	4,303	9,239	4,303
-1.0% (100 basis points)	(9,239)	(4,303)	(9,239)	(4,303)

(ii) Price risk

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

(iii) Currency risk

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

(iv) Credit risk exposures

The credit risk on financial assets of the Company, which have been recognised on the statement of financial position, is generally the carrying amount, net of any allowance for doubtful debts.

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.

(v) Liquidity risk

The Company maintains sufficient cash assets and low amounts of liability. The Company's expose to liquidity risk is generally minimal.

(c) Net fair value of Financial Assets and Liabilities

The carrying amounts of bank accounts, accounts receivables and accounts payables are all approximate net fair value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

15. CONTINGENT LIABILITIES AND COMMITMENTS

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

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

16. SUBSEQUENT EVENTS

On 24 February 2012, the Company received the amount of \$659,411 from the Royal Australasian College of Surgeons representing the first instalment of the Service Agreement funding for the administration of the General Surgery Training program.

17. MEMBERS' 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. At 31 December 2011 the number of financial members was 555 (2010: 531).

18. OPERATING LEASE

Total future minimum lease payments under non-cancellable operating lease payable:

	2011	2010
	\$	\$
Less than one year	40,586	37,721
Between one and five years	7,949	37,721
	-----	-----
	48,535	75,442
	=====	=====

There are office premises under various lease agreements with expiry dates ranging from 12 months to 24 months.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' DECLARATION**

In the opinion of the directors of the General Surgeons Australia:

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2011 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) 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 read 'J. S. ...', is written over a faint, illegible printed name.

Chairman (President)
6 March 2012



Chartered Accountants
& Business Advisers

**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 statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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

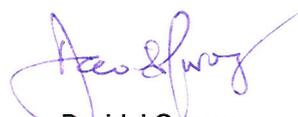
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of General Surgeons Australia, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

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

- (i) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and


PKF
8 March 2011
Melbourne


David J Garvey
Partner

Tel: 61 3 9603 1700 | Fax: 61 3 9602 3870 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 14, 140 William Street | Melbourne | Victoria 3000 | Australia
GPO Box 5099 | Melbourne | Victoria 3001

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Chartered Accountants
& Business Advisers

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001**

**To: The Directors
General Surgeons Australia**

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

**D J Garvey
Partner
PKF**

6 March 2012
Melbourne

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