

**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 2012**

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 2012**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

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:

**Cox, Dr Michael Robert
President**

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 2004-2011. 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. GSA Vice President June 2010-June 2012. GSA President since June 2012. Elected January 2006.

**Donovan, Mr Michael Peter
Vice-President**

MBBS, FRACS. General Surgeon with sub-specialist interests in Endocrine, Upper-Gastrointestinal and Bariatric Surgery. RACS Basic Surgical Training Supervisor (Queensland) from 2006-2007. Member of RACS Queensland Regional Subcommittee of General Surgery 2008-2012. Member of RACS Court of Examiners in General Surgery since 2012. Coopted GSA ASC Brisbane 2010 Representative from 2007-2010. GSA Secretary/Treasurer June 2010-June 2012. GSA Vice President since June 2012. Elected May 2010.

**Sayed-Hassen, Mr Akhtar
Hussein
Treasurer
(Appointed 5 June 2012)**

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 State Committee since 2006. Member and Chair of RACS Victorian Board in General Surgery since 2005. Coopted GSA ASC Hong Kong 2006-2008. GSA Treasurer since June 2012. Elected May 2012.

**Baker, Dr Sam Patrick
(Retired 8 May 2012)**

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 June 2008-May 2012.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 interests in Rural Surgery, Breast Surgery, and Colorectal Surgery. Member of RACS Divisional Group of Rural Surgery (DGRS) Committee 2003-2011. Member of RACS Care of the Critically Ill Surgical Patient Committee since 2007. Secretary of RACS Victorian State Committee from 2006-2008. Ex-Officio member of RACS Victorian State Committee since 2008. Member of RACS Council since 2007. Chair, RACS Fellowship Services Committee 2008-2011. Chair RACS Professional Standards Committee since 2011. GSA Vice President 2006-2010. GSA President June 2010-June 2012. Director, Surgant Pty Ltd. Director, Scottbourne Pty Ltd.
- Collinson, Mr Trevor Graham
(Appointed 5 June 2012)** MBBS, FRACS. General Surgeon with sub-specialist interests in Breast, Colorectal, and Endocrine Surgery, Endoscopy & Colonoscopy, and Advanced Laparoscopic Surgery. Research interests in Sentinel node biopsy (for Masters of Surgery), laparoscopic procedures, fundoplication, and abdominal wall reconstruction. General Surgery Convener ASC Adelaide 2011; coopted member of GSA Board of Management 2010-2011. Elected May 2012.
- Premaratne, Mr Wijaya Gamini
(Appointed 5 June 2012)** MBBS, FRCS (Eng), FRACS. Masters of Surgery, University of Colombo (Sri Lanka). General Surgeon with sub-specialist interests in Thyroid and Parotid Surgery, Advanced Laparoscopy, and Colonoscopy / Endoscopy. Research interests in Acute Diverticulitis and primary healing of abdominal incisions. Head of the Academic Department of Surgery Caboolture clinical school since 2009, Director of surgery since 1993 and member QBIGS since 1999. Member of RACS Queensland Regional Subcommittee since 2007. Elected May 2012.
- 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 2010-2011. GSA Board in General Surgery Representative (Ex-officio) 2010-2011. GSA Transplantation Representative May 2011-June 2012. RACS Specialty Elected Councillor for General Surgery since February 2012. Elected May 2011.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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:

**Serpell, Prof Jonathan William
(Retired 8 May 2012)**

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 July 2006-May 2012.

**Tan, Dr Jeremy Tian-Hui
(Retired 8 May 2012)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Trauma, Hepatobiliary, Upper-GI, 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 May 2010-May 2012.

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 2009. 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. Elected May 2010.

**Wall, Assoc Prof Daryl Robert
(Retired 8 May 2012)**

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 2000-2012.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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:

**Wilson, Mr Thomas Graham
(Retired 8 May 2012)**

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 May 2010-May 2012.

**Young, Assoc Prof Christopher
John
(Retired 8 May 2012)**

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) May 2011-May 2012.

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 2012 was a surplus of \$303,530 (2011: surplus \$92,782).

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 2012**

4. SHORT TERM AND LONG TERM OBJECTIVES OF THE COMPANY

In October 2011, the Directors reviewed the objectives of the Company and developed a Strategic Plan for the period 2012-2015, grouped into six Key Result Areas. Each Key Results Area outlines short and longer term priorities as follows:

1. Member Benefits and Services

To provide GSA members with valuable benefits and services that support their professional lives as specialist General Surgeons.

Short Term Priorities

- Commence advocacy for remuneration of General Surgeons.
- Develop Certificate of Membership.
- Develop letterhead logo for use by members.
- Review current website member content and "Find-a-Surgeon" public section.
- Develop an annual GSA position paper on an aspect of acute surgery.

Longer Term Priorities

- Develop a process to recognise significant contributions to General Surgery and to GSA.
- Develop an online WIKI available to GSA members.
- Develop a process for recognition of international surgical societies.
- Introduce co-badged meetings in association with sub-specialties.

2. Education and Training

To provide and foster education and training to the level of Fellowship in General Surgery and beyond.

Short Term Priorities

- Assume responsibility of International Medical Graduates (IMGs) training post Clinical Assessment by 2012.
- Optimise training posts and input into accreditation standards and frequency, including placement of a Trainee representative on hospital inspection teams.
- Implement SEAM.
- Develop a Position Description for surgical supervisors.

Longer Term Priorities

- Consider the application of formative training assessment tools, including DOPS and Mini-CEX, beyond SET 1.
- Create annual educational awards for both workplace and GSA level outstanding service/teaching.
- Create a database of post-Fellowship positions and foster placement and cooperation with other sub-specialties.
- Develop post-FRACS opportunities for General Surgery.
- Acquire current information regarding General Surgery workforce data.

3. Continuing Medical Education

To provide a Continuing Medical Education (CME) program consistent with the highest standards of General Surgical practice.

Longer Term Priorities

- Develop online education resources with in-built self-assessment tools with the facility for comparison to peers/feedback.
- Establish a Centre for Evidence Based Surgery.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

4. SHORT TERM AND LONG TERM OBJECTIVES OF THE COMPANY (CONT'D)

4. Surgical Research

To promote high quality research in the specialty of General Surgery.

Short Term Priorities

- Establish the GSA Research Subcommittee with administrative support to implement research strategies in 2012.
- Establish GSA scholarships for Trainee surgeons and international travel scholarships for prize winning research presented at the GSA Annual Scientific Meeting (ASM).

Longer Term Priorities

- Establish workshops for research methods and reporting for Trainees and Fellows.
- Through the training accreditation guidelines, encourage hospitals to appoint research/data managers to co-ordinate research. Implement in the next revision of the accreditation document.

5. Professional and Community Liaison

To establish GSA as the peak body for specialist General Surgery in Australia.

Short Term Priorities

- Develop Public Education and Patient Information sheets and publish on the GSA website.
- Develop a Position Paper on Handover of General Surgical Patients.

Longer Term Priorities

- Convene a joint ASM between GSA and NZAGS.
- Develop a public relations policy and media presence.
- Form the "Council of Presidents of General Surgical Societies".
- Develop governance models for representation on international bodies relevant to General Surgery.

6. Administration and Resource Management

To maintain an efficient and sustainable organisation to manage the resources of GSA.

Short Term Priorities

- Review the GSA Constitution.
- Review Board structure and company directorship.
- Create a new tool for staff performance and development planning and review.
- Develop succession and contingency plans.
- Develop social media presence.
- Optimise the tax status of GSA.

5. PERFORMANCE MEASUREMENT

The Board of Directors meets regularly to review the performance of the Company, including monitoring performance against Key Performance Indicators (KPIs) outlined in the 2012-2015 Strategic Plan.

In 2012, 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 in 2012 was the governance and Constitution review undertaken early in the year, which provides a more robust structure for the ongoing efficient and sustainable management of the organisation. Some of the key indicators of success measured in 2012 include:

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

5. PERFORMANCE MEASUREMENT (CONT'D)

INDICATOR	TARGET	2012 RESULTS
Membership	<ul style="list-style-type: none"> Membership increase >5% p.a. 	<ul style="list-style-type: none"> 55 new members = 7% overall increase
Member satisfaction	<ul style="list-style-type: none"> 80% of members satisfied or better 	<ul style="list-style-type: none"> Survey results: 92.9% satisfied or better
Selected Trainees	<ul style="list-style-type: none"> Retention >90% 	<ul style="list-style-type: none"> 86% retention in 2012 (4% = <i>Transfer to Other Specialty</i>)
SAT SET attendance	<ul style="list-style-type: none"> 80% of supervisors 	<ul style="list-style-type: none"> 94 General Surgery supervisors (72%) completed SAT SET
Trainee satisfaction	<ul style="list-style-type: none"> 75% of Trainees satisfied or better 	<ul style="list-style-type: none"> Survey results: 95% satisfied or better
Fellowship Examination pass rate	<ul style="list-style-type: none"> 80% by second attempt 	<ul style="list-style-type: none"> 72% by second attempt
GSA ASM	<ul style="list-style-type: none"> 50% growth of practicing surgeons at GSA ASM in 3 years 	<ul style="list-style-type: none"> 2012 ASM: 61% of delegates were surgeons (<i>excluding Trainees' Day registration</i>) 2011 ASM: 55% of delegates were surgeons
Scholarships	<ul style="list-style-type: none"> All scholarships awarded annually 	<ul style="list-style-type: none"> Two Pacific Island Travel Grants awarded John Ham, Noel Newton & Hernia Prizes awarded
Website	<ul style="list-style-type: none"> Increased hits on Patient Information section of the GSA website 	<ul style="list-style-type: none"> 2011: 297 hits 2012: 394 hits (33% increase) (<i>via Google Analytics</i>)
Performance and development reviews	<ul style="list-style-type: none"> Conducted annually on 100% of staff 	<ul style="list-style-type: none"> Goal setting process developed; staff will be measured on 3 job specific, 1 development, and 1 stretch goal
Budget performance	<ul style="list-style-type: none"> +/- 5% of budget annually 	<ul style="list-style-type: none"> Total expenditure 11% under budget Investment income 62% over budget

6. REVIEW OF OPERATIONS

In this financial year, the Board conducted a review of the governance requirements of the Society and concluded that the existing composition of the Board was too large and prescriptive, and the requirement that Directors could only hold office for two years before standing for re-election did not contribute towards continuity and stability. The Board also reviewed the number and composition of the Society's committees to ensure that it had access to the appropriate level of expertise and representation.

The Board considered that the new model would enhance the good governance of the Society, providing a fully elected Board, greater stability and commitment, and flexibility in the appointment of appropriate committees. The revised Constitution was approved by the membership of GSA at the Annual General Meeting in May 2012, held in Kuala Lumpur.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

6. REVIEW OF OPERATIONS (CONT'D)

In 2012, the Board of Directors also continued their work in meeting the requirements of 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. This included the ongoing management of the Board in General Surgery (BiGS), selection into the SET Program in General Surgery for 2013, ongoing program review and development, hospital accreditation, and the delivery of both national and regional education and training activities.

In an attempt to improve the delivery of educational resources for Trainees, GSA introduced an online educational webcasts program, with 117 webcasts recorded in 2012. The webcast project aims to provide an extensive online educational resource for Trainees, particularly those located in rural and regional areas who are unable to attend regular educational sessions. The sessions are available to Trainees in three formats, including PDF presentations, audio (MP3) files, and webcasts.

The webcast recordings took place as part of the delivery of regional education and training activities, including the General Surgery Course run in New South Wales, the Core Course program in Queensland, the Long Course Tutorials program in South Australia, and the monthly WARTS teaching program in Western Australia.

In addition to the above regional activities, GSA again coordinated the delivery of Fellowship Examination Preparation Courses in New South Wales, South Australia, and Victoria, a Surgical Science Examination Preparation Course in Victoria, the SA Paper Day held in Adelaide in June 2012, and the GSA Trainees' Weekend held in Daylesford, Victoria in July 2012.

GSA delivered four commercial courses for the Management of Surgical Emergencies (MOSES) program, held in Adelaide, Melbourne, Hobart, and Brisbane in 2012. The Company also held two national Trainees' Days, this year focussing on HPB Surgery (May 2012, Kuala Lumpur) and Breast & Endocrine Surgery (September 2012, Hobart).

The 2012 Annual Scientific Meeting (ASM) was held at Wrest Point, Hobart from 21-23 September, with the theme "Building the Future of Cancer Care". The program included 17 invited local and national speakers and two international keynote speakers from Malaysia (Datuk Dr Noor Hisham Abdullah) and New Zealand (Mr Jonathan Koea). The 2012 ASM program comprised the Trainees' Day program on Breast & Endocrine Surgery, a two-day scientific program, and two sponsored workshops including "Seven Strategies for Successful General Surgeons" and "Vascular Accessing - PICC or Port". The program also included a full-day "Clinical Ultrasound for Breast & Endocrine Surgeons" workshop, comprising didactic lectures and a practical workshop, and a full-day Cancer Communications Workshop entitled "Talking to Patients when Bad Things Happen: How to Teach Trainees to Manage Risk".

An expanded and improved promotion strategy was introduced for the 2012 ASM, with extremely successful results. Across the three days, delegate and industry numbers increased markedly on the previous year's ASM in Darwin, with 151 surgeons/medical professionals, 150 Trainees, and 14 industry sponsors participating in the meeting.

In 2012, GSA processed 421 applications to the SET Program in General Surgery, via the online General Surgery Selection Application, an increase of 16.3% on the previous year. Eight applicants did not meet minimum eligibility criteria; 413 candidates proceeded to the Referee Report stage, and 364 candidates proceeded to the Interview stage of the Selection process. Interviews were held in Sydney, Melbourne, Brisbane, Perth and Adelaide between 9-17 June 2012, with a total of 118 new Trainees appointed to the program to commence in 2013. GSA again held SET Orientation Workshops in Perth, Sydney, Adelaide, Melbourne, and Brisbane from 19-29 November 2012.

As well as three editions of the GSA Newsletter, the electronic Trainee and Supervisor Newsletters were further modified to deliver in eblast format, thereby reducing costs. GSA continued to promote and support a large number of professional development, education, and training opportunities for its members through the website and Events Calendar.

GSA continued work with the RACS Board in General Surgery to develop an online modular education program, entitled Surgical Education & Assessment Modules (SEAM). In August 2012, GSA engaged eWorks to act as the instructional designer for online delivery of SEAM, with the content for two pilot modules further developed in 2012 - The Operating Theatre, and Acute Abdomen. The modules are 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 2012**

6. REVIEW OF OPERATIONS (CONT'D)

In 2012, the Board of Directors and members of the RACS Board in General Surgery continued negotiations with the RACS to assume responsibility for the administrative management of IMGs, post initial clinical assessment by the College. GSA received in-principle agreement for the development of a Service Agreement for the 2013 training year. The amount of funding to be transferred to GSA for delivery of those administrative services is still to be determined.

In May 2012, the Directors agreed to invest surplus funds totalling \$200,000 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 July 2012, GSA appointed a part-time permanent Administrative Officer in Melbourne, taking the total number of full-time, part-time, and casual staff employed by GSA to thirteen. Employment costs for this financial period increased, as did legal fees and expenses related to the delivery of activities under the Service Agreement, particularly Selection, the development of online learning modules for the SEAM project, and the redevelopment of the GSA and ASM websites. The GSA ASM recorded a surplus in 2012. Revenue from investments, the Service Agreement, General Surgery Selection, membership subscriptions, regional courses, and MOSES all increased in this financial period and contributed towards the surplus for the year.

7. DETAILS OF SIGNIFICANT CHANGES IN STATE OF AFFAIRS

At the Annual General Meeting on 8 May 2012, the membership of the Company approved a revised Constitution, which included a new governance model. The number of Directors was reduced from 14 to eight, with all Directors to be elected (i.e. no ex-officio members). Each Director may stand for election and re-election three times, so that the maximum period of time a person can hold office is 9 years.

8. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

In December 2012, the Directors signed a new five-year contract for the delivery of the SET Program in General Surgery in Australia. This Partnering Agreement resulted from over 12 months negotiation between the RACS and the nine Surgical Specialties, and replaces the Service Agreements originally developed in 2007.

In 2013, GSA will continue with the expansion of activities delivered as part of the new Partnering Agreement with the RACS, particularly with regards to the development of online learning modules and assuming responsibility for the administrative management of IMGs, post initial clinical assessment by the RACS.

GSA will also assume full control of the delivery of the ASM, with all conference management services to be brought in-house. This will result in a saving of over \$25,000 in conference management fees. ASM delegates will now be able to register and pay online via the dedicated GSA ASM website, which will simplify the administrative process and provide improved service for members and Trainees. Delegates will also be able to register online for other GSA events, such as MOSES and the GSA Trainees' Days, via the relaunched GSA website.

Further development of the TMS database will occur in 2013, including the launch of an Events module to record attendance at regional and national training sessions, including Exam Preparation Courses, MOSES, and the GSA Trainees' Days.

GSA will replace the regional Selection Workshops with an online Selection Application Guide, which will result in potential savings of approximately \$20,000. Successful applicants will still be required to attend regional SET Orientation Workshops later in the year. Four commercial MOSES programs are scheduled to be held in Melbourne, Sydney (two courses), and Brisbane in 2013. GSA Trainees' Days will be held in Auckland in May 2013 (Surgical Oncology) and Sydney in September 2013 (Abdominal Wall and Hernia Surgery).

Planning for the 2013 GSA Annual Scientific Meeting will continue, with the meeting to be held at The Westin, Sydney from 27-29 September 2013. The theme of the meeting is "Abdominal Wall Reconstruction", with a focus on topics such as congenital and acquired abdominal wall defects, current techniques and latest surgical technologies, basic sciences including functional anatomy and pathophysiology of hernias, meshes, wound management, and the future of bioengineered abdominal walls. Four keynote international speakers will participate in the meeting, as well as an esteemed cohort of local and national speakers. In 2013, the format of the ASM will change to include a full three-day scientific program, preceded by the Trainees' Day on Thursday. Sponsored workshops for Fellows will be included on the Friday program, to run concurrently with the scientific program.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

Existing regional education activities will continue in New South Wales, Queensland, South Australia, and Western Australia. The GSA webcast program will be upgraded in 2013, to provide synced video recordings of presentations across all states, with the exception of South Australia. Regular updates will be sent to Trainees and IMGs to advise them of available educational resources, and to improve equity of access for rural and regional Trainees and IMGs in particular.

Two pilot modules for the SEAM program will be released in 2013, with four modules to be introduced in 2014 - The Operating Theatre, Acute Abdomen, Haematology, and Skin. A further four modules will be developed in 2014, with a full rollout of the SEAM program anticipated in 2015.

Projected revenue in 2013 from the RACS Partnering Agreement is approximately \$1,512,000. The bulk of this revenue will be invoiced in February 2013, with a smaller second instalment due in July 2013, following adjustments to final trainee numbers. Projected revenue from membership subscriptions, regional and national courses, and Selection fees is approximately \$656,000.

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 28 February 2013, the Company received the amount of \$1,266,527 from the Royal Australasian College of Surgeons representing the first instalment of the Partnering 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.

13. MEETINGS OF DIRECTORS

Name of Director	Number of meetings entitled to attend	Number of meetings attended
Campbell, G (President to 5 June 2012)	6	5
Cox, M (Vice President to 5 June 2012; President from 5 June 2012)	6	5
Donovan, M (Treasurer to 5 June 2012; Vice President from 5 June 2012)	6	5
Sayed-Hassen, A (Appointed 5 June 2012; Treasurer from 5 June 2012)	4	2
Baker, S (Retired 8 May 2012)	2	0
Collinson, T (Appointed 5 June 2012)	4	3
Premaratne, W G (Appointed 5 June 2012)	4	3
Saunders, A	6	2
Serpell, J (Retired 8 May 2012)	2	0
Tan, J (Retired 8 May 2012)	2	1
Turner, R	6	2
Wall, D (Retired 8 May 2012)	2	1
Wilson, T (Retired 8 May 2012)	2	1
Young, C (Retired 8 May 2012)	2	0

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 30 and forms part of the Director's Report for the year ended 31 December 2012.

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



Chairman (President)
27 March 2013

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 \$	2011 \$
Revenue			
Members' subscriptions		126,366	97,140
Advertising income		1,364	3,364
Administration income		700	450
GSA Trainees Day - May 2011		-	15,840
GSA Trainees Day - May 2012		10,123	-
Service Agreement income		1,131,800	1,087,405
Hospital Inspection income		121,500	19,931
Selection income		255,008	207,328
Regional Training Courses income		142,941	116,392
MOSES income		54,200	7,000
2012 GSA ASM Surplus		18,677	-
Merchandise		635	-
Cost of Sales - GSA Ties		(597)	(747)
		-----	-----
		1,862,717	1,554,103
Other revenue - interest	2	36,871	42,782
Income on investments	2	84,731	104,959
		-----	-----
		1,984,319	1,701,844
Expenses from Commercial activities:			
RACS ASC 2013		(6,407)	-
RACS ASC 2012		(492)	(8,500)
RACS ASC 2011		-	(5,012)
GSA ASM		(49,348)	(22,191)
GSA Trainees Day - September 2011		-	(41,559)
GSA Trainees Day - May 2011		-	(14,816)
GSA Trainees Day - May 2012		(54,149)	-
MOSES		(80,312)	(44,716)
Selection		(99,301)	(115,905)
Regional Training Courses		(85,531)	(95,372)
Research & Travel Grants		(6,772)	(7,856)
PSA Education Grants		(9,000)	-
Employee benefits expense	3	(776,644)	(770,446)
Administrative expense		(467,481)	(453,649)
Finance costs		(11,622)	(9,795)
External professional services expense		(24,213)	(8,500)
Depreciation expense	3	(9,517)	(10,747)
		-----	-----
Surplus for the year		303,530	92,782
		=====	=====
Other comprehensive income		-	-
		-----	-----
Total comprehensive income for the year		303,530	92,782
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	4	440,723	416,927
Trade and other receivables	5	21,642	5,994
Financial assets at fair value through profit and loss	8	792,191	507,459
Inventories	6	5,441	6,039
		-----	-----
TOTAL CURRENT ASSETS		1,259,997	936,419
		-----	-----
NON CURRENT ASSETS			
Plant and equipment	7	6,338	10,569
		-----	-----
TOTAL NON CURRENT ASSETS		6,338	10,569
		-----	-----
TOTAL ASSETS		1,266,335	946,988
		-----	-----
CURRENT LIABILITIES			
Trade and other payables	9	44,903	33,207
Provision for employee entitlements	10	116,492	122,025
		-----	-----
TOTAL CURRENT LIABILITIES		161,395	155,232
		-----	-----
NON CURRENT LIABILITIES			
Provision for employee entitlements	10	33,114	23,460
		-----	-----
TOTAL NON CURRENT LIABILITIES		33,114	23,460
		-----	-----
TOTAL LIABILITIES		194,509	178,692
		-----	-----
NET ASSETS		1,071,826	768,296
		=====	=====
MEMBERS' FUNDS			
Accumulated surplus		1,071,826	768,296
		-----	-----
TOTAL MEMBERS' FUNDS		1,071,826	768,296
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Accumulated Surplus	Total Members' Funds
	2012	2012
	\$	\$
Balance at 1 January 2012	768,296	768,296
Other comprehensive income	-	-
Total comprehensive income for the year	303,530	303,530
	-----	-----
Balance at 31 December 2012	1,071,826	1,071,826
	=====	=====

	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
	=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 Inflows/ (Outflows) \$	2011 Inflows/ (Outflows) \$
Cash flows from operating activities			
- Receipts from members and customers		1,847,068	1,750,723
- Payments to suppliers and employees		(1,643,234)	(1,552,674)
- Interest received		36,871	42,782
- Interest expense		(11,622)	(9,795)
		-----	-----
Net cash provided by operating activities	13(b)	229,083	231,036
		-----	-----
Cash flows from investing activities			
- Payment for plant and equipment		(5,287)	(1,899)
- Payment for investments		(200,000)	(539,483)
		-----	-----
Net cash used in investing activities		(205,287)	(541,382)
		-----	-----
Net increase/(decrease) in cash held		23,796	(310,346)
Cash and cash equivalents at the beginning of the year		416,927	727,273
		-----	-----
Cash and cash equivalents at the end of the year	13(a)	440,723	416,927
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 profit or loss 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.

<u>Class of Asset</u>	<u>Rate of Depreciation</u>
Computer hardware/software	33%

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 2012**

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 2012**

(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 2012 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.

	2012	2011
	\$	\$
2. OTHER REVENUE		
Interest	36,871	42,782
Income on investments	84,731	104,959
	-----	-----
	121,602	147,741
	=====	=====
3. SURPLUS FROM OPERATIONS		
Surplus from operating activities includes the following specific expenses and losses:		
Expenses:		
Rental expense	65,460	54,358
Depreciation - plant and equipment	9,517	10,747
Employee benefits expense	716,553	713,523
Defined contribution plan expenses	60,091	56,224
	-----	-----
	851,621	834,852
	=====	=====
4. CASH AND CASH EQUIVALENTS		
Cash at bank	440,283	416,482
Cash on hand	440	445
	-----	-----
	440,723	416,927
	=====	=====
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	5,930	7,355
Other receivables	15,712	(1,361)
	-----	-----
	21,642	5,994
	=====	=====

Trade receivables consist of invoices to Members prior to 31 December 2012 for Membership Subscriptions relating to the 2012 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 2012**

	2012	2011
6. INVENTORIES		
Ties & Scarves – at cost	5,441	6,039
	-----	-----
	5,441	6,039
	=====	=====
7. PLANT AND EQUIPMENT		
Plant and equipment - at cost	48,461	43,174
Accumulated depreciation	(42,123)	(32,605)
	-----	-----
	6,338	10,569
	-----	-----
Total plant and equipment	6,338	10,569
	=====	=====
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	10,569	19,417
Additions	5,286	1,899
Depreciation	(9,517)	(10,747)
	-----	-----
Carrying amount at 31 December	6,338	10,569
	=====	=====
8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		
RACS Small Scale Offering	526,011	359,740
ANZ Pool Investment	266,180	147,719
	-----	-----
	792,191	507,459
	=====	=====
Reconciliation		
Opening fair value	507,459	-
Additions	200,000	539,483
Revaluation increments	84,732	(32,024)
	-----	-----
Closing fair value	792,191	507,459
	=====	=====
9. TRADE AND OTHER PAYABLES		
Trade payables	19,919	29,136
Other	24,984	4,071
	-----	-----
	44,903	33,207
	=====	=====
10. PROVISION FOR EMPLOYEE ENTITLEMENTS		
CURRENT		
Provision for annual leave	53,353	65,367
Provision for long service leave	63,139	56,658
	-----	-----
	116,492	122,025
NON CURRENT		
Provision for long service leave	33,114	23,460
	-----	-----
	33,114	23,460
	-----	-----
TOTAL	149,606	145,485
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
11. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	9,000	8,500
	-----	-----
	9,000	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 2012 were:

Baker, Dr Sam Patrick (to 8 May 2012)
 Campbell, Mr Graeme John
 Collinson, Mr Trevor Graham (from 5 June 2012)
 Cox, Dr Michael Robert
 Donovan, Mr Michael Peter
 Premaratne, Mr Wijaya Gamini (from 5 June 2012)
 Saunder, Mr Alan Charles
 Sayed-Hassen, Mr Akhtar Hussein (from 5 June 2012)
 Serpell, Prof Jonathan William (to 8 May 2012)
 Tan, Dr Jeremy Tian-Hui (to 8 May 2012)
 Turner, Prof Richard Clive
 Wall, Assoc Prof Daryl Robert (to 8 May 2012)
 Wilson, Mr Thomas Graham (to 8 May 2012)
 Young, Assoc Prof Christopher John (to 8 May 2012)

(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	219,636	183,685
Post employment benefit	19,767	16,532
	-----	-----
	239,403	200,217
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

2012 **2011**
\$ \$

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	440,283	416,482
Cash on hand	440	445
	440,723	416,927
	440,723	416,927

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

Operating surplus	303,530	92,782
Depreciation	9,517	10,747
Unrealised (gain)/loss on investment - other	(84,731)	32,025
Changes in assets and liabilities:		
(Increase) / Decrease in trade and other receivables	(15,648)	59,636
Decrease / (Increase) in inventories	598	(5,798)
Increase in trade and other payables	11,696	12,067
Increase in provision for employee entitlements	4,121	29,577
	229,083	231,036
Net cash provided by operating activities	229,083	231,036

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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 2012 and 31 December 2011:

Consolidated - 2012

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Financial assets:						
<i>Non-interest bearing</i>						
Cash and cash equivalents	-	440	-	-	-	440
Trade and other receivables	-	21,642	-	-	-	21,642
Financial assets at fair value Through profit and loss	-	792,191	-	-	-	792,191
		814,273	-	-	-	814,273
<i>Interest bearing - floating rate</i>						
Cash and cash equivalents	5.07	440,283	-	-	-	440,283
		440,283	-	-	-	440,283
Total assets		1,254,556	-	-	-	1,254,556
Financial liabilities:						
<i>Non-interest bearing</i>						
Trade and other payables		44,903	-	-	-	44,903
		44,903	-	-	-	44,903
Net financial assets		1,209,653	-	-	-	1,209,653

Consolidated - 2011

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Financial assets:						
<i>Non-interest bearing</i>						
Cash and cash equivalents	-	445	-	-	-	445
Trade and other receivables	-	5,994	-	-	-	5,994
Financial assets at fair value through profit and loss	-	507,459	-	-	-	507,459
		513,898	-	-	-	513,898
<i>Interest bearing - floating rate</i>						
Cash and cash equivalents	4.74	416,482	-	-	-	416,482
		416,482	-	-	-	416,482
Total assets		930,380	-	-	-	930,380

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

14. FINANCIAL INSTRUMENTS (CONTINUED)

	Weighted average interest rate %	1 year or less \$	Consolidated - 2011			Remaining contractual maturities \$
			Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	
Financial liabilities:						
<i>Non-interest bearing</i>						
Trade and other payables		33,207	-	-	-	33,207
		-----	-----	-----	-----	-----
		33,207	-	-	-	33,207
		=====	=====	=====	=====	=====
Net financial assets		897,173	-	-	-	897,173
		=====	=====	=====	=====	=====

(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 2012, 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		Net Assets	
	Higher / (Lower)		Higher / (Lower)	
	2012 \$	2011 \$	2012 \$	2011 \$
+1.0% (100 basis points)	4,403	4,165	4,403	4,165
-1.0% (100 basis points)	(4,403)	(4,165)	(4,403)	(4,165)

(ii) Price risk

The Company exposure to price risk relates to financial instruments held in pool investment funds. At year end, the Company's exposure to price risk would not have material impact on the operating results.

(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.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

14. FINANCIAL INSTRUMENTS (CONTINUED)

(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.

16. SUBSEQUENT EVENTS

On 28 February 2013, the Company received the amount of \$1,266,527 from the Royal Australasian College of Surgeons representing the first instalment of the Partnering 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 2012 the number of financial members was 580 (2011: 555).

18. OPERATING LEASE

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

	2012	2011
	\$	\$
Less than one year	8,352	40,586
Between one and five years	-	7,949
	-----	-----
	8,352	48,535
	=====	=====

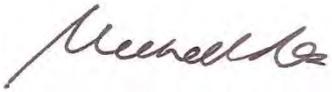
There are office premises under various lease agreements with expiry dates ranging from 12 months to 24 months.

**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 2012 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.

 27.3.13

Chairman (President)
27 March 2013

DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF GENERAL SURGEONS AUSTRALIA

As lead auditor of General Surgeons Australia for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

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



Alex Swansson

Partner

BDO East Coast Partnership

Melbourne, 27 March 2013

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 2012, 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 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 gives a true and fair view and 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 company'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 company'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:

- (a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in blue ink, appearing to read 'Alex Swansson', with the 'BDO' logo written above it.

Alex Swansson

Partner

Melbourne, 27 March 2013