

**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 2013**

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 2013**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

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. Current Appointments: Professor of Surgery, Nepean Clinical School, University of Sydney; Clinical Director of Surgery Nepean Blue Mountains Local Health District. 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**

MBChB, BA, FRCS, FRACS. General Surgeon with sub-specialist interest in Upper Gastrointestinal and HPB Surgery. Member of RACS Section of Upper GI/HPB Surgery. Member of RACS Victorian State Committee 2006-2010. Member and former Chair of RACS Victorian Board in General Surgery. Coopted GSA ASC Hong Kong Convener 2006-2008. Scientific Convener, 2014 Singapore ASC. Director of General Surgery, Eastern Health since 2012. Chairman, SEAM Working Party. GSA Treasurer since June 2012. Elected May 2012.

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. Elected July 2006.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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:

- Collinson, Mr Trevor Graham** B Arch (Hons), BM BS, MS, FRACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery, Endoscopy & Colonoscopy, and Advanced Laparoscopic Surgery. Research interests in Sentinel node biopsy (for Master of Surgery), laparoscopic procedures, fundoplication, and abdominal wall reconstruction. General Surgery Convener ASC Adelaide 2011; co-opted member of GSA Board of Management 2010-2011. Elected May 2012.
- Premaratne, Mr Wijaya Gamini** 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 2009.
- 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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013 was a surplus of \$511,746 (2012: surplus \$303,530).

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

4. 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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

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.

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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

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 2013, 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 2013 was the successful delivery of the first Annual Scientific Meeting (ASM) managed internally through the GSA Events Department, and not outsourced to a Professional Conference Organiser. The ASM was the most successful meeting held by GSA to date, with over 450 General Surgeons, Trainees, and International Medical Graduates attending the four days of the program.

Some of the key indicators of success measured in 2013 include:

INDICATOR	TARGET	2013 RESULTS
Membership	• Membership increase >5% p.a.	• 46 new members = 8% overall increase
Membership	• New membership amongst Fellows >10 years post FRACS >25%	• 49 new General Surgery Fellows in 2013; 31 of these joined GSA (63%)
Website Services	• Increased logins to Members' Area of GSA website	• 2013: 1,362 individual logins • 2012: 386 individual logins
Selected Trainees	• Retention >90%	• 90% retention in 2013 (4% Withdrawn; 6% Dismissed)
SAT SET attendance	• 80% of supervisors	• 94 General Surgery supervisors (67%) completed SAT SET
IMGs	• IMG Fellowship Examination pass rate equivalent to SET Trainees	• 40% of IMGs presenting in 2013 passed overall; 66% of SET Trainees presenting in 2013 passed overall
Fellowship Examination pass rate	• 80% by second attempt	• 75% by second attempt for those sitting in 2013
CPD compliance	• 100% compliance with existing RACS CPD	• 96.5% of GSA members compliant for 2012 CPD Program

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. PERFORMANCE MEASUREMENT (CONT'D)

INDICATOR	TARGET	2013 RESULTS
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"> 2013 ASM: 66% of delegates were surgeons 2012 ASM: 61% of delegates were surgeons 2011 ASM: 55% of delegates were surgeons
Scholarships	<ul style="list-style-type: none"> All scholarships awarded annually 	<ul style="list-style-type: none"> Five Pacific Island Travel Grants awarded John Ham, Noel Newton, CICD/ISDS & Hernia Prize awarded
Website	<ul style="list-style-type: none"> Increased hits on Patient Information section of the GSA website 	<ul style="list-style-type: none"> 2013: 424 hits, including Find a Surgeon 2012: 394 hits (via Google Analytics)
Performance and development reviews	<ul style="list-style-type: none"> Conducted annually on 100% of staff 	<ul style="list-style-type: none"> Job specific, development, and stretch goals implemented and measured for all staff
Budget performance	<ul style="list-style-type: none"> +/- 5% of budget annually 	<ul style="list-style-type: none"> Total expenditure 0.7% under budget
Compliance	<ul style="list-style-type: none"> Lodgement of Statutory Accounts four months after EOFY 	<ul style="list-style-type: none"> Form 388 lodged with ASIC on 5 April 2013

6. REVIEW OF OPERATIONS

The 2013 financial year saw GSA achieve a number of the organisation's major strategic goals, with the highlight being delivery of the enormously successful Annual Scientific Meeting (ASM) at The Westin Sydney in September. This was the first ASM delivered internally by the GSA Events Team, rather than outsourcing to a Professional Conference Organiser. The Board was extremely pleased to see a significant increase in the number of GSA members and Fellows attending the ASM, with 66% of delegates registering at the Consultant Surgeon rate.

The 2013 ASM ran from 25-27 September, with the theme "Abdominal Wall Reconstruction". The program attracted a record number of 545 delegate registrations, with 47 national and international speakers participating across the four days of the program. International keynote speakers included Professor Richard Satava and Dr William Cobb IV, both from the United States, and Dr David Clark from Queensland. The format for the ASM program was changed to move the Trainees' Day program to the Thursday, allowing a full two and half days of scientific sessions for the ASM.

A comprehensive sponsorship campaign saw the introduction of new levels of industry involvement in the 2013 ASM, with Johnson & Johnson Medical providing Principal Sponsorship, Atrium providing Major Sponsorship, and Cook Medical providing Supporting Sponsorship. A further 16 industry sponsors participated in the meeting at various levels.

The 2013 ASM included three sponsored masterclasses including 'Initial Experience with Biologic Mesh in Hernia Repair', 'Ventral Hernia Repair', and 'Advances in Abdominal Wall Hernia'. The program also included two sponsored financial workshops entitled 'Practice Managers Workshop: Understanding the Best Structure to Maximise Your Profits', and 'Securing Your Financial Future'.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. REVIEW OF OPERATIONS (CONT'D)

The GSA Research & Scholarships Committee reviewed a record number of 58 abstracts that were submitted for presentation at the ASM. The top 12 abstracts were selected for verbal presentation in the free-paper sessions, with an additional 18 abstracts selected for poster presentation. Prizes awarded for presentations included the John Ham Medal, Noel Newton Prize, Hernia Award, and Australian Chapter CICD/ISDS Prize.

The 2013 Pacific Island and South East Asian Travel Grants were awarded to a total of five recipients: Dr Rooney Jagilly from the Solomon Islands, Dr Kolini Vaea from Tonga, Dr Gilbert Oporto from the Philippines, Dr Than Min Htut from Myanmar, and Dr Kana Eorage from Papua New Guinea. The Board also awarded grants to eight General Surgery Trainees and one IMG in General Surgery who had demonstrated an interest in Rural Surgery, for registration at the 49th Annual Scientific Conference of Provincial Surgeons of Australia in Queenstown.

In March 2013, the Board of Directors approved a proposal for GSA to assume management of the Post-Fellowship Education and Training (PFET) Program in Transplantation Surgery, previously delivered through the RACS Section of Transplantation Surgery. GSA will seek accreditation of the program from the College's PFET Committee, as well as support from associated sub-specialty societies involved in Transplantation Surgery.

In 2013, the Board of Directors continued their work in meeting the requirements of the newly signed Partnering Agreement with the Royal Australasian College of Surgeons (RACS), for the administration of the Surgical Education & Training (SET) Program in General Surgery in Australia.

While the previous five year Service Agreement had included the provision of secretariat support by GSA to the Board in General Surgery (BiGS), in 2013 the Board continued negotiations with the New Zealand Association of General Surgeons (NZAGS) to develop a shared model for ongoing support for BiGS. The Board is pleased to report that in December 2013, revised Terms of Reference were approved for the BiGS and for the newly formed Project Management Committee. The Board is hopeful that the new model will continue to provide excellent customer service to members of the BiGS and General Surgery Trainees, whilst recognising the involvement of two separate societies in the delivery of the SET Program in General Surgery across Australia and New Zealand.

GSA continued to deliver online educational resources for Trainees in 2013, with 115 webcasts recordings of Regional Educational programs across New South Wales, Queensland, South Australia, and Western Australia. The Board also approved webcast recordings for the two national Trainees' Days and the 2013 GSA ASM, bringing the total number of recordings available to 182. 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 all Trainees and Members in three formats; PDF presentations, audio (MP3) files, and webcasts.

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 Sciences Examination Preparation Course in Victoria, the SA Registrar's Paper Day held in Adelaide in August 2013, and the GSA Trainees' Weekend held in Lorne, Victoria in November 2013.

GSA delivered three commercial courses in 2013 for the Management of Surgical Emergencies (MOSES) program, held in Sydney (2) and Brisbane (1). The Company also held two national Trainees' Days, this year focussing on Surgical Oncology (May 2013, Auckland) and Groin Hernia (September 2013, Sydney).

In 2013, GSA processed 408 applications to the SET Program in General Surgery, via the online General Surgery Selection Application. Five applicants did not meet minimum eligibility criteria; 403 candidates proceeded to the Referee Report stage, and 391 candidates proceeded to the Interview stage of the Selection process. Interviews were held in Sydney, Melbourne, Brisbane, Perth and Adelaide in June 2013. A total of 119 offers were made from Round 1 to Round 5 of Selection; 96 offers were accepted, 18 offers were declined, and 5 applicants requested deferral in 2014. GSA again held SET Orientation Workshops in Perth, Sydney, Adelaide, Melbourne, and Brisbane in November and December 2013.

GSA promoted a large number of professional development, education, and training opportunities for its Members and Trainees through the website Events Calendar and 'Latest News', as well as via the GSA Newsletter and Trainee Talk eBlasts. Members of the Board were also involved in the Department of Health and Aging (DOHA) Inguinal Hernia Review, which included a review of remuneration for open versus laparoscopic hernia repair, and conversion fees.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. REVIEW OF OPERATIONS (CONT'D)

GSA continued work with the RACS Board in General Surgery in developing content and assessment tools for the online modular education program, entitled Surgical Education & Assessment Modules (SEAM). In November 2013, GSA held a content writing workshop for the development of the SEAM for Anatomy, with content and assessment also finalised for The Operating Theatre, Acute Abdomen, and Haematology modules. 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.

In 2013, the Board of Directors finalised negotiations with the RACS to assume responsibility for the administrative management of International Medical Graduates (IMGs), post initial clinical assessment, from 1 January 2014. Agreement was also reached on the funding model to support the delivery of increased administrative support to IMGs in General Surgery.

In May 2013, the Directors agreed to invest surplus funds totalling \$200,000 from the previous financial year with both the RACS and ANZ Bank. The return on investments in 2013 was notable, with a 92% increase on returns from the previous financial year. The Board's long-term investment strategy includes the funding of annual grants and research scholarships for Trainees in General Surgery.

In March 2013, Marlene Valliere retired from her position as Executive Officer to the NSW/ACT Regional Subcommittee after 13 years combined service with GSA and the College. A farewell was held in the GSA Sydney office to acknowledge and thank Marlene for her dedication and service. The total number of full-time, part-time, and casual staff employed by GSA during the 2013 financial year was fourteen.

Employment costs for this financial period increased, as did expenses related to the delivery of activities under the Partnering Agreement, including Regional Education programs and webcast recordings, Research & Travel grants, further development of online learning modules for the SEAM project, office rental, and the refurbishment of the new GSA Head Office in Melbourne. The GSA ASM recorded a surplus in 2013. Revenue from investments, the Partnering Agreement, and membership subscriptions all increased in this financial period and contributed towards the surplus for the year.

7. DETAILS OF SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes occurred in the state of affairs of the Company during the year, other than those included under "Review of Operations".

8. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

In 2014, GSA will continue with the expansion of activities delivered as part of the Partnering Agreement with the RACS, particularly with regards to the development of online learning modules with a sub-specialty focus, for mid-SET and Fellowship Examination preparation. From 1 January 2014, GSA will assume responsibility for the administrative management of IMGs, post initial clinical assessment by the RACS.

The 2014 ASM will be held at the Perth Convention and Exhibition Centre from 26-28 September, with the theme of "Emergency Surgery: A New Paradigm". Two keynote international and national speakers will participate in the meeting, as well as an esteemed cohort of local and national speakers. Sponsored workshops for Fellows will again be included on the Friday and Saturday program, as well as two breakfast sessions.

The 2014 GSA Trainees' Days will focus on Upper Gastrointestinal Surgery (May, Singapore) and Colorectal Surgery (September, Perth). Three commercial MOSES programs are scheduled to be held in Melbourne, the Gold Coast, and Perth in 2014.

Further development of the TMS database will occur in 2014, including a module for management of IMG assessments and administration. Existing regional education activities will continue in New South Wales, Queensland, South Australia, and Western Australia. The GSA webcast program will continue in 2014, with approximately 126 sessions to be recorded. GSA will again provide webcast recordings of the Trainees' Days in Singapore and Perth, and the 2014 ASM. In 2014, webcast recordings will be available to all IMGs in General Surgery, as well as all General Surgery Trainees and GSA Members.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

The first two SEAM programs will be launched in Term 1, 2014 - Acute Abdomen and Haematology. Australian General Surgery Trainees will access SEAM via the GSA website, with satisfactory completion of modules recorded in the TMS database. SEAM programs for Anatomy and The Operating Theatre will be launched in Term 2, 2014. Work on content and assessment for the final four modules will be finalised in 2014, with the launch of the modules in 2015 for Term 1 (Nutrition and Peri-Operative Care) and Term 2 (Critical Care & Trauma, and Palliative Care & Rehabilitation).

GSA will continue to work with the BiGS and the SET Transition Working Party as they revise the selection requirements for entry into the SET Program in General Surgery, and the format of the Training Program. For a number of years, the BiGS has been concerned that trainees entering General Surgery have not been well prepared or performing at a standard that is required for surgical training. The changes to selection will address these concerns and will attempt to select candidates who are better suited to a career in General Surgery. The Board will monitor any financial impact of the proposed changes, including potential short-term reductions in SET Program and Selection revenue in the 2015 and 2016 training years.

GSA will hold a Strategic Planning Meeting in November 2014, to reflect on the key achievements and performance indicators of the Company over the past three years, and to develop new strategic priorities for 2016-2020. The Company will focus on identifying valuable benefits and services to support our Members in their professional lives as specialist General Surgeons.

Projected revenue in 2014 from the RACS Partnering Agreement is approximately \$1,664,000, with the bulk of revenue to be invoiced in February 2014, and a second instalment due in July 2014. An administration fee for the SEAM program will provide revenue of approximately \$87,000, to offset ongoing development costs and standard setting. Projected revenue from membership subscriptions, regional and national courses, MOSES, IMG administration, and Selection fees is approximately \$830,000.

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 20 February 2014, the Company received the amount of \$1,225,572 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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. MEETINGS OF DIRECTORS

Name of Director	Number of meetings entitled to attend	Number of meetings attended
Cox, M (President)	6	6
Donovan, M (Vice President)	6	6
Sayed-Hassen, A (Treasurer)	6	2
Campbell, G	6	2
Collinson, T	6	6
Premaratne, W G	6	4
Saunders, A	6	4
Turner, R	6	4

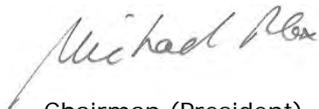
14. DIRECTORS' BENEFITS

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 28 and forms part of the Director's Report for the year ended 31 December 2013.

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



Chairman (President)
25 March 2014

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Revenue			
Members' subscriptions		138,256	126,366
Advertising income		1,810	1,364
Administration income		-	700
GSA Trainees Day - May 2012		-	10,123
GSA Trainees Day - May 2013		10,030	-
Partnering Agreement income		1,323,960	1,131,800
IMG Services income		1,125	-
Hospital Inspection income		128,700	121,500
Selection income		245,145	255,008
Regional Training Courses income		118,234	142,941
MOSES income		34,940	54,200
2012 GSA ASM Surplus		138	18,677
2013 GSA ASM income		400,702	-
2014 GSA ASM income		41,818	-
Merchandise		315	635
Cost of Sales - GSA Ties		(466)	(597)
		-----	-----
		2,444,707	1,862,717
Other revenue - interest	2	35,564	36,871
Income on investments	2	162,692	84,731
		-----	-----
		2,642,963	1,984,319
Expenses from Commercial activities:			
RACS ASC 2014		(9,207)	-
RACS ASC 2013		(1,524)	(6,407)
RACS ASC 2012		-	(492)
2015 GSA ASM		(5,284)	-
2014 GSA ASM		(27,002)	-
2013 GSA ASM		(348,962)	-
2012 GSA ASM		-	(49,348)
GSA Trainees Day - May 2012		-	(54,149)
GSA Trainees Day - May 2013		(23,374)	-
GSA Trainees Day - September 2013		(1,620)	-
MOSES		(50,198)	(80,312)
Selection		(97,149)	(99,301)
Regional Training Courses		(97,039)	(85,531)
Research & Travel Grants		(29,031)	(6,772)
PSA Education Grants		(5,400)	(9,000)
Employee benefits expense	3	(828,815)	(776,644)
Administrative expense		(573,692)	(467,481)
Finance costs		(13,170)	(11,622)
External professional services expense		(9,055)	(24,213)
Depreciation expense	3	(10,695)	(9,517)
		-----	-----
Surplus for the year		511,746	303,530
		=====	=====
Other comprehensive income		-	-
		-----	-----
Total comprehensive income for the year		511,746	303,530
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	4	582,242	440,723
Trade and other receivables	5	16,906	21,642
Financial assets at fair value through profit and loss	8	1,154,883	792,191
Inventories	6	4,975	5,441
		-----	-----
TOTAL CURRENT ASSETS		1,759,006	1,259,997
		-----	-----
NON CURRENT ASSETS			
Plant and equipment	7	14,031	6,338
		-----	-----
TOTAL NON CURRENT ASSETS		14,031	6,338
		-----	-----
TOTAL ASSETS		1,773,037	1,266,335
		-----	-----
CURRENT LIABILITIES			
Trade and other payables	9	49,173	44,903
Provision for employee entitlements	10	83,489	116,492
		-----	-----
TOTAL CURRENT LIABILITIES		132,662	161,395
		-----	-----
NON CURRENT LIABILITIES			
Provision for employee entitlements	10	56,803	33,114
		-----	-----
TOTAL NON CURRENT LIABILITIES		56,803	33,114
		-----	-----
TOTAL LIABILITIES		189,465	194,509
		-----	-----
NET ASSETS		1,583,572	1,071,826
		=====	=====
MEMBERS' FUNDS			
Accumulated surplus		1,583,572	1,071,826
		-----	-----
TOTAL MEMBERS' FUNDS		1,583,572	1,071,826
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Accumulated Surplus	Total Members' Funds
	2013 \$	2013 \$
Balance at 1 January 2013	1,071,826	1,071,826
Surplus for the year	511,746	511,746
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	511,746	511,746
	-----	-----
Balance at 31 December 2013	1,583,572	1,583,572
	=====	=====

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

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
- Receipts from members and customers		2,249,441	1,847,068
- Payments to suppliers and employees		(1,911,928)	(1,643,234)
- Interest received		35,564	36,871
- Interest expense		(13,170)	(11,622)
		-----	-----
Net cash provided by operating activities	13(b)	359,907	229,083
		-----	-----
Cash flows from investing activities			
- Payment for plant and equipment		(18,388)	(5,287)
- Payment for investments		(200,000)	(200,000)
		-----	-----
Net cash used in investing activities		(218,388)	(205,287)
		-----	-----
Net increase in cash held		141,519	23,796
Cash and cash equivalents at the beginning of the year		440,723	416,927
		-----	-----
Cash and cash equivalents at the end of the year	13(a)	582,242	440,723
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013**

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.

Partnering agreement income

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

(h) Conferences/Seminars

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 2013**

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 2013**

(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 2013 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.

	2013	2012
	\$	\$
2. OTHER REVENUE		
Interest	35,564	36,871
Income on investments	162,692	84,731
	-----	-----
	198,256	121,602
	=====	=====
3. SURPLUS FROM OPERATIONS		
Surplus from operating activities includes the following specific expenses and losses:		
Expenses:		
Rental expense	78,629	65,460
Depreciation - plant and equipment	10,695	9,517
Employee benefits expense	763,832	716,553
Defined contribution plan expenses	64,983	60,091
	-----	-----
	918,139	851,621
	=====	=====
4. CASH AND CASH EQUIVALENTS		
Cash at bank	581,721	440,283
Cash on hand	521	440
	-----	-----
	582,242	440,723
	=====	=====
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	8,181	5,930
Other receivables	8,725	15,712
	-----	-----
	16,906	21,642
	=====	=====

Trade receivables consist of invoices to Members prior to 31 December 2013 for Membership Subscriptions relating to the 2013 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 2013**

	2013	2012
6. INVENTORIES		
Ties & Scarves – at cost	4,975	5,441
	-----	-----
	4,975	5,441
	=====	=====
7. PLANT AND EQUIPMENT		
Plant and equipment - at cost	66,849	48,461
Accumulated depreciation	(52,818)	(42,123)
	-----	-----
	14,031	6,338
	-----	-----
Total plant and equipment	14,031	6,338
	=====	=====
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	6,338	10,569
Additions	18,388	5,286
Depreciation	(10,695)	(9,517)
	-----	-----
Carrying amount at 31 December	14,031	6,338
	=====	=====
8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		
RACS Small Scale Offering	744,695	526,011
ANZ Pool Investment	410,188	266,180
	-----	-----
	1,154,883	792,191
	=====	=====
Reconciliation		
Opening fair value	792,191	507,459
Additions	200,000	200,000
Revaluation increments	162,692	84,732
	-----	-----
Closing fair value	1,154,883	792,191
	=====	=====
9. TRADE AND OTHER PAYABLES		
Trade payables	25,502	19,919
Other	23,671	24,984
	-----	-----
	49,173	44,903
	=====	=====
10. PROVISION FOR EMPLOYEE ENTITLEMENTS		
CURRENT		
Provision for annual leave	51,592	53,353
Provision for long service leave	31,897	63,139
	-----	-----
	83,489	116,492
	-----	-----
NON CURRENT		
Provision for long service leave	56,803	33,114
	-----	-----
	56,803	33,114
	-----	-----
TOTAL	140,292	149,606
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
11. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	9,055	9,000
	-----	-----
	9,055	9,000
	=====	=====

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 2013 were:

Campbell, Mr Graeme John
Collinson, Mr Trevor Graham
Cox, Dr Michael Robert
Donovan, Mr Michael Peter
Premaratne, Mr Wijaya Gamini
Saunder, Mr Alan Charles
Sayed-Hassen, Mr Akhtar Hussein
Turner, Prof Richard Clive

(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	221,760	219,636
Post employment benefit	20,245	19,767
	-----	-----
	242,005	239,403
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2013 **2012**
\$ \$

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	581,721	440,283
Cash on hand	521	440
	-----	-----
	582,242	440,723
	=====	=====

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

Operating surplus	511,746	303,530
Depreciation	10,695	9,517
Unrealised (gain)/loss on investment - other	(162,692)	(84,731)
Changes in assets and liabilities:		
Decrease / (Increase) in trade and other receivables	4,736	(15,648)
Decrease in inventories	466	598
Increase in trade and other payables	4,270	11,696
(Decrease) / Increase in provision for employee entitlements	(9,314)	4,121
	-----	-----
Net cash provided by operating activities	359,907	229,083
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013 and 31 December 2012:

Consolidated - 2013

	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	-	521	-	-	-	521
Trade and other receivables	-	16,906	-	-	-	16,906
Financial assets at fair value Through profit and loss	-	1,154,883	-	-	-	1,154,883
		1,172,310	-	-	-	1,172,310
<i>Interest bearing - floating rate</i>						
Cash and cash equivalents	6.11	581,721	-	-	-	581,721
		581,721	-	-	-	581,721
Total assets		1,754,031	-	-	-	1,754,031
Financial liabilities:						
<i>Non-interest bearing</i>						
Trade and other payables		49,173	-	-	-	49,173
		49,173	-	-	-	49,173
Net financial assets		1,704,858	-	-	-	1,704,858

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

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. FINANCIAL INSTRUMENTS (CONTINUED)

	Weighted average interest rate %	1 year or less \$	Consolidated - 2012			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		44,903	-	-	-	44,903
		-----	-----	-----	-----	-----
		44,903	-	-	-	44,903
		=====	=====	=====	=====	=====
Net financial assets		1,209,653	-	-	-	1,209,653
		=====	=====	=====	=====	=====

(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 2013, 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)	
	2013 \$	2012 \$	2013 \$	2012 \$
+1.0% (100 basis points)	5,817	4,403	5,817	4,403
-1.0% (100 basis points)	(5,817)	(4,403)	(5,817)	(4,403)

(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 2013**

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 20 February 2014, the Company received the amount of \$1,225,572 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 2013 the number of financial members was 626 (2012: 580).

18. OPERATING LEASE

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

	2013	2012
	\$	\$
Less than one year	52,462	8,352
Between one and five years	186,297	-
	-----	-----
	238,723	8,352
	=====	=====

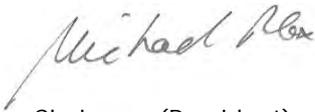
There are office premises under various lease agreements with expiry dates ranging from 12 months to 24 months.

**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 2013 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.



Chairman (President)
25 March 2014

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 2013, the statement of profit or loss and other 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 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:

- giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in blue ink, appearing to read 'Alex Swansson', written over a faint, light blue BDO logo.

Alex Swansson
Partner

Melbourne, 25 March 2014

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 2013, 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, 25 March 2014