

**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 2014**

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 2014**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 to 6 May 2014**

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 June 2012-May 2014. Elected January 2006.

**Donovan, Mr Michael Peter
Vice-President to 6 May 2014
President from 7 May 2014**

MBBS, FRACS. General Surgeon with sub-specialist interests in Endocrine, Laparoscopic, Upper-Gastrointestinal, and Bariatric Surgery. Member of Executive, Sunshine Coast Local Medical Association from 2005-2011. SMO, General Surgery at Nambour Hospital since 2002. VMO at Nambour Selangor Private Hospital since 2006. VMO Noosa Private Hospital since 2002. RACS Basic Surgical Training Supervisor (Queensland) from 2006-2007. Surgical Supervisor SET Program in General Surgery, Nambour General Hospital, from 2007-2014. Member of RACS Queensland Regional Subcommittee of the Board in General Surgery 2007-2014. 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 June 2012-May 2014. President since May 2014. Elected May 2010.

**Collinson, Mr Trevor Graham
Vice-President from 7 May
2014**

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. Visiting General Surgeon St Andrews Hospital, Stirling, Mt. Barker, Murray Bridge since 1997. General Surgery Convener ASC Adelaide 2011; co-opted member of GSA Board of Management 2010-2011. Vice President since May 2014. Elected May 2012.

**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. Treasurer since June 2012. Elected May 2012.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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. Elected July 2006.

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. External Examiner for MD Part 1 & 2 Examination, Postgraduate Institute of Medicine, University of Colombo, Sri Lanka since 1994. Member of RACS Queensland Regional Subcommittee of the Board in General Surgery from 2005-2013. 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; Nauru AUSAID Surgeon 2005-2014. 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. Member of GSA Transplantation Training Committee since 2014. RACS Specialty Elected Councillor for General Surgery since February 2012. Elected May 2009.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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:

Turner, Prof Richard Clive

MBBS, B Med Sc, PhD, 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 and Director of Hobart Clinical School, 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.

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 2014 was a surplus of \$446,328 (2013: surplus \$511,746).

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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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.

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 2014**

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 2014, 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 2014 was the successful delivery of the second Annual Scientific Meeting (ASM) managed internally through the GSA Events Department. Some of the key indicators of success measured in 2014 include:

INDICATOR	TARGET	2014 RESULTS
Membership	• Membership increase >5% p.a.	• 62 new members; 7% overall increase
Membership	• New membership amongst Fellows >10 years post FRACS >25%	• 63 new General Surgery Fellows in 2014; 33 of these joined GSA (52%)
Website Services	• Increased logins to Members' Area of GSA website	• 2014: 2,247 individual logins • 2013: 1,362 individual logins
Selected Trainees	• Retention >90%	• 93% retention in 2014 (1% Withdrawn: 2 Personal, 5 Transfer to Other Specialty; 6% Dismissed)
SAT SET attendance	• 80% of supervisors	• 92 General Surgery Supervisors (68%) completed SAT SET
Fellowship Examination pass rate	• 80% by second attempt	• Overall pass rate: 73% Of those that passed, 85% (61) passed within two attempts • Trainee pass rate: 75% IMG pass rate: 60%
CPD compliance	• 100% compliance with existing RACS CPD	• 100% of GSA members compliant for 2013 CPD Program

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. PERFORMANCE MEASUREMENT (CONT'D)

INDICATOR	TARGET	2014 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"> 2014 ASM: 52% of delegates were surgeons 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"> Two Pacific Island Travel Grants awarded John Ham, Noel Newton, CICD/ISDS, GSA Research Prize, GSA Poster Prize awarded
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 6.5% 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 3 April 2014 Australian Charities and Not-for-profits Commission Submission lodged 27 June 2014

6. REVIEW OF OPERATIONS

The Board is pleased to note the achievement of a number of major strategic goals in the 2014 financial year, particularly given the changing landscape in Surgical Education & Training (SET) throughout the year.

GSA held 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 2015-2018. The new Strategic Plan, to be approved in 2015, will focus on advocacy, employment support and career development for Members, expansion of educational services for the SET Program in General Surgery - particularly through online learning and assessment tools, support for General Surgeons in low-income countries, the fostering of professional relationships with relevant sub-specialty societies, and improved awareness and information on General Surgery for the Australian community and consumers.

This year, members of the GSA Board were involved in a number of reviews and projects related to General Surgery, including the ongoing Department of Health and Aging (DOHA) Inguinal Hernia Review, the National Elective Surgery Urgency Categorisation Guidelines, draft accreditation standards for Specialist Medical Training Sites, and AMA Roundtable discussions on excessive and exorbitant fees in surgery. The organisation also provided feedback and expert opinion on access and referral to colonoscopy in Australia, concerns about the provision of endoscopy services and allegations of over servicing, gastrostomy tubes guidelines, and credentialing in endoscopic procedures.

GSA continued to promote professional development, education, and training opportunities for our Members and Trainees via our website Events Calendar and 'Latest News', the GSA Newsletter, and Trainee Talk eBlasts. In 2014, GSA also introduced a Member Benefits Program for Members and Trainees, providing access to discounts on financial services and advice, insurance products, lifestyle services, car hire, dining, travel, and entertainment.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. REVIEW OF OPERATIONS (CONT'D)

The 2014 GSA Annual Scientific Meeting (ASM) was held at the Perth Convention and Exhibition Centre in September, attracting over 350 delegate registrations. The 2014 ASM, "Emergency Surgery: A New Paradigm", ran from 26-28 September with 42 national and international speakers participating across the four days of the program. Keynote speakers included Mr Iain Anderson - Director of Emergency Surgery at the Association of Surgeons of Great Britain and Ireland, Professor David Bartolo - Professor of Surgery at the University of Western Australia, and Mr Les Nathanson from the Royal Brisbane and Women's Hospital.

The 2014 ASM program included a number of very well attended educational workshops for consultants, presented by a range of our industry partners. The workshop program included 'Operative Management of Complex Gallbladder and the Incidental Bile Duct Stone', 'Maximising Your Cash Flow', 'Financial Strategies for Surgeons', and 'Advances in Ventral Hernia Repair'. A comprehensive sponsorship campaign was conducted to maintain industry involvement in the meeting. This year GSA again secured Johnson & Johnson Medical as Principal Sponsor, with Cook Medical providing Major Sponsorship, and Bongiorno National Network providing Supporting Sponsorship. A further 14 industry partners participated in the meeting at various levels.

A record number of abstracts were submitted for consideration by the GSA Research & Scholarships Committee, with 30 SET Trainees in General Surgery, 22 Interns/PGY2, six Medical Students, 23 Non-accredited Registrars, and 18 Fellows/IMGs, applying (99 abstracts in total). Twelve 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, and the Australian Chapter CICD/ISDS Prize. In 2014, two new prizes were introduced - the GSA Research Award valued at \$2,500, and the GSA Poster Award valued at \$500. The Excellence in Surgical Teaching Awards (ESTA) were also introduced in 2014, with five exceptional Surgical Supervisors or Trainers recognised at the 2014 GSA ASM. Nominations for the ESTA were made by Trainees across Australia, with the winners selected by the GSA Trainee Subcommittee.

The 2014 Pacific Island and South East Asian Travel Grants were awarded to Dr Zubaidah Nor Hanipah from Malaysia, and Dr Micky Olangi from the Solomon Islands. The Board also awarded educational grants to 11 General Surgery Trainees and IMGs in General Surgery who had demonstrated an interest in Rural Surgery, for registration at the 50th Annual Scientific Conference of the Provincial Surgeons of Australia in Darwin. The expansion of GSA's Event Management services in 2014 saw the organisation engaged by the Provincial Surgeons of Australia to deliver their 51st Annual Scientific Conference, which will be held in Lismore in October 2015.

In August 2014, the inaugural Selection process for the GSA Post-Fellowship Education and Training (PFET) Program in Transplantation Surgery was undertaken, with the first candidate appointed to the training program at Westmead Hospital NSW, commencing in 2015. GSA continued to work with the RACS PFET Committee to receive formal accreditation of the program, which is expected to be awarded in 2015.

From 1 January 2014, GSA assumed responsibility for the administrative management of all IMGs in General Surgery, post initial clinical assessment by the RACS. Substantial investment in the TMS database continued, including the development of a module for management of IMG assessments and administration.

In 2014, the Board of Directors continued their work in meeting the requirements of the Partnering Agreement with the RACS, for the administration of the SET Program in General Surgery in Australia. This included the continued expansion of activities delivered for Trainees, particularly work on the development of the online learning module program - Surgical Education & Assessment Modules (SEAM). The first two SEAM programs were launched in Term 1, 2014 - Acute Abdomen and Haematology, with the SEAM programs for Anatomy and The Operating Theatre launched in Term 2, 2104. Australian General Surgery Trainees access SEAM via the GSA website, with satisfactory completion of modules recorded in the TMS database.

GSA continued work with the RACS Board in General Surgery (BiGS) in developing content and assessment tools for SEAM, with workshops held in May and August 2014. In November 2014, GSA also coordinated the first Standard Setting workshop for SEAM Acute Abdomen and SEAM Haematology, with six subject matter experts participating in the Standard Setting process.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. REVIEW OF OPERATIONS (CONT'D)

In September 2014, the shared model for provision of secretariat support to the BiGS was introduced, with the New Zealand Association of General Surgeons to deliver support until May 2017. The revised Terms of Reference for the BiGS, and the introduction of the Project Management Committee, have ensured an ongoing commitment from both societies to excellence in customer service and support for members of the Board and General Surgery Trainees across Australia and New Zealand.

The GSA Educational Webcast program continued in 2014, with 165 webcasts recordings added from Regional Educational programs across New South Wales, Queensland, South Australia, and Western Australia, two national Trainees' Day programs held in Singapore and Perth, and the 2014 GSA ASM. The combined Educational Webcast program, which includes presentations from 2012 to 2014, was accessed over 8,000 times by GSA Members, Trainees, and IMGs in 2014. These statistics confirm that the program provides an invaluable online educational resource, particularly for those located in rural and regional areas.

As in previous years, GSA 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 July 2014, and the GSA Trainees' Weekend held in the Yarra Valley, Victoria in November 2014.

GSA delivered three commercial courses in 2014 for the Management of Surgical Emergencies (MOSES) program, held in Melbourne, the Gold Coast, and Perth. The Company also held two national Trainees' Days, focussing on Upper Gastrointestinal Surgery (May, Singapore) and Colorectal Surgery (September, Perth), with both programs achieving record attendance by General Surgery Trainees and IMGs.

In 2014, GSA processed a record 449 applications to the SET Program in General Surgery, via the online General Surgery Selection Application. Five applicants did not meet minimum eligibility criteria; 444 candidates proceeded to the Referee Report stage, and 375 candidates proceeded to the Interview stage of the Selection process. Interviews were held in Sydney, Melbourne, Brisbane, Perth, and Adelaide in June 2014.

In early 2014, the BiGS announced changes to the SET Program in General Surgery, following an extensive review of the calibre of candidates commencing training since 2008 and the experience required to become a successful General Surgeon. The changes to the program included a requirement for increased exposure to General Surgery prior to Selection, satisfactory demonstration of a range of procedural and professional activities, the removal of the SET1 training year, and the introduction of the RACS Surgical Science Generic Examination as an eligibility criterion from 2016 onwards.

With the introduction of the first phase of the SET Transition Project, a reduced total of 63 offers were made in 2014; 55 offers were accepted, 6 offers were declined, and 2 applicants requested deferral in 2015. Due to the reduced intake for 2015, GSA held SET Orientation Workshops in Sydney, Melbourne, and Brisbane only, during November and December 2014.

In May 2014, the Directors agreed to invest surplus funds totalling \$300,000 from the previous financial year with both the RACS Small Scale Offering and ANZ Bank OneAnswer portfolio. Unfortunately markets did not perform as strongly in 2014, with the return on investments 8% lower than returns in the previous financial year. The Board's long-term investment strategy continues to include the funding of annual grants and research scholarships.

The changes to the SET Program in General Surgery necessitated by the SET Transition Project resulted in a comprehensive review of administrative support requirements across Australia. As a direct result of the SET Transition, the Board approved a restructure of the support model in Queensland in August 2014. The total number of full-time and part-time staff employed by GSA during the 2014 financial year was thirteen.

Employment costs for this financial period increased, partially as a result of redundancy payments necessitated by the restructure of the Queensland administrative support model. Expenses related to the delivery of activities under the Partnering Agreement also increased, including Regional Education programs and webcast recordings, Selection, office rental, and website and database development. The GSA ASM recorded a surplus in 2014. Revenue from the Partnering Agreement, IMG Services, membership subscriptions, Selection, Courses, and GSA meetings all increased in this financial period and contributed towards the surplus for the year.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 2015, GSA will continue with the expansion of activities delivered as part of the Partnering Agreement with the RACS, with the finalisation of the first eight modules of the SEAM program and Standard Setting of all modules to be completed by the end of 2016. SEAM Nutrition and SEAM Critical Care & Trauma are scheduled for release in Term 1 2015, with SEAM Peri-Operative Care and SEAM Post-Operative Care to follow in Term 2, 2015.

As part of the new Strategic Plan, the GSA Board is committed to the development of the second part of the SEAM program, which will focus on organ-specific content aimed at mid-SET Trainees and those preparing for the RACS Fellowship Examination. The new Strategic Plan will also see the Company increase the services provided to IMGs in General Surgery, including peer support, Fellowship Examination preparation, and access to online educational resources.

The 2015 ASM will be held at Pullmans Cairns International 25-27 September, with the theme of "Complex General Surgery". Two keynote international speakers will participate in the meeting, as well as an esteemed cohort of local and national speakers. In an exciting development, GSA will combine the Friday program of the ASM with the Australian and New Zealand Hepatic, Pancreatic & Biliary Association (ANZHPBA), to deliver an attractive program that will appeal to members of both organisations.

The 2015 GSA Trainees' Days will focus on Trauma Surgery (May, Perth) and Vascular & Transplantation Surgery (September, Cairns). Three commercial MOSES programs are scheduled to be held in Melbourne, Perth, and Cairns in 2015.

The SET Transition Project will necessitate significant changes to the online Selection Application in 2015, and the Board will continue to monitor any financial impact from the SET Transition, including potential short-term reductions in SET Program and Selection revenue in the 2015 and 2016 training years.

In 2015, GSA will introduce an online application for Hospital Accreditations. The application will be launched to coincide with the inspection of 41 Hospitals in Victoria as part of the Quinquennial Hospital Accreditation process. GSA will also continue to accredit hospitals participating in the PFET Program in Transplantation Surgery.

Further development of the TMS database will occur in 2015 due to the SET Transition Project. Existing regional education activities will continue across Australia. The GSA webcast program will continue in 2015, with approximately 110 sessions to be recorded, and the 2015 GSA ASM and Trainees' Days in Perth and Cairns will also be recorded.

Projected revenue in 2015 from the RACS Partnering Agreement is approximately \$1,356,000, with the bulk of revenue to be invoiced in February 2015, and a second instalment due in July 2015. An administration fee for the SEAM program will provide revenue of approximately \$132,000, to offset ongoing development costs and standard setting. Projected revenue from membership subscriptions, regional and national courses, MOSES, IMG administration, PFET, Event Management services, and Selection fees is approximately \$650,000.

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 16 February 2015, the Company received the amount of \$1,276,782 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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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
Cox, M (President to 6 May 2014)	6	5
Donovan, M (Vice President to 6 May 2014; President from 7 May 2014)	6	6
Collinson, T (Vice President from 7 May 2014)	6	4
Sayed-Hassen, A (Treasurer)	6	4
Campbell, G	6	4
Premaratne, W G	6	3
Saunders, A	6	4
Turner, R	6	3

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

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 2014.

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

Chairman (President)
24 March 2015

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Revenue			
Members' subscriptions		146,738	138,256
Advertising income		3,425	1,810
Administration income		455	-
GSA Trainees Day - May 2013		-	10,030
GSA Trainees Day - May 2014		13,880	-
Partnering Agreement income		1,373,976	1,323,960
IMG Services income		39,125	1,125
Hospital Inspection income		146,100	128,700
Selection income		270,254	245,145
Regional Training Courses income		175,702	118,234
MOSES income		45,700	34,940
Post Fellowship Education & Training income		840	-
2012 GSA ASM Surplus		-	138
2013 GSA ASM income		-	400,702
2014 GSA ASM income		270,772	41,818
2015 GSA ASM income		11,727	-
Event Management income		14,500	-
Merchandise		200	315
Cost of Sales - GSA Ties		(102)	(466)
		-----	-----
		2,513,292	2,444,707
Other revenue - interest	2	45,098	35,564
Income on investments	2	103,288	162,692
		-----	-----
		2,661,678	2,642,963
Expenses from Commercial activities:			
RACS ASC 2015		(7,000)	-
RACS ASC 2014		(4,073)	(9,207)
RACS ASC 2013		-	(1,524)
2016 GSA ASM		(3,062)	-
2015 GSA ASM		(14,126)	(5,284)
2014 GSA ASM		(270,026)	(27,002)
2013 GSA ASM		-	(348,962)
Event Management services		(4,230)	-
GSA Trainees Days - 2014		(63,154)	-
GSA Trainees Days - 2013		-	(24,994)
MOSES		(59,426)	(50,198)
Selection		(117,643)	(97,149)
Regional Training Courses		(112,843)	(97,039)
Research & Travel Grants		(7,195)	(29,031)
PSA Education Grants		(6,600)	(5,400)
GSA Awards		(7,301)	-
Employee benefits expense	3	(856,365)	(828,815)
Administrative expense		(637,864)	(573,692)
Finance costs		(14,562)	(13,170)
External professional services expense		(20,533)	(9,055)
Depreciation expense	3	(9,346)	(10,695)
		-----	-----
Surplus for the year		446,328	511,746
		=====	=====
Other comprehensive income		-	-
		-----	-----
Total comprehensive income for the year		446,328	511,746
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	606,143	582,242
Trade and other receivables	5	18,808	16,906
Financial assets at fair value through profit and loss	8	1,558,171	1,154,883
Inventories	6	4,873	4,975
TOTAL CURRENT ASSETS		----- 2,187,995	----- 1,759,006
NON CURRENT ASSETS			
Plant and equipment	7	9,060	14,031
TOTAL NON CURRENT ASSETS		----- 9,060	----- 14,031
TOTAL ASSETS		----- 2,197,055	----- 1,773,037
CURRENT LIABILITIES			
Trade and other payables	9	19,977	49,173
Provision for employee entitlements	10	78,832	83,489
TOTAL CURRENT LIABILITIES		----- 98,809	----- 132,662
NON CURRENT LIABILITIES			
Provision for employee entitlements	10	68,346	56,803
TOTAL NON CURRENT LIABILITIES		----- 68,346	----- 56,803
TOTAL LIABILITIES		----- 167,155	----- 189,465
NET ASSETS		----- 2,029,900	----- 1,583,572
MEMBERS' FUNDS			
Accumulated surplus		----- 2,029,900	----- 1,583,572
TOTAL MEMBERS' FUNDS		----- 2,029,900	----- 1,583,572

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Accumulated Surplus	Total Members' Funds
	2014 \$	2014 \$
Balance at 1 January 2014	1,583,572	1,583,572
Surplus for the year	446,328	446,328
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	446,328	446,328
	-----	-----
Balance at 31 December 2014	2,029,900	2,029,900
	=====	=====

	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
	=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
- Receipts from members and customers		2,211,387	2,249,441
- Payments to suppliers and employees		(1,913,647)	(1,911,928)
- Interest received		45,098	35,564
- Interest expense		(14,562)	(13,170)
		-----	-----
Net cash provided by operating activities	13(b)	328,276	359,907
		-----	-----
Cash flows from investing activities			
- Payment for plant and equipment		(4,375)	(18,388)
- Payment for investments		(300,000)	(200,000)
		-----	-----
Net cash used in investing activities		(304,375)	(218,388)
		-----	-----
Net increase in cash held		23,901	141,519
Cash and cash equivalents at the beginning of the year		582,242	440,723
		-----	-----
Cash and cash equivalents at the end of the year	13(a)	606,143	582,242
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 Australian Charities and Not-for-profits Commission Act 2012.

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.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and equipment (continued)

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

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 2014**

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 2014**

(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) Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
- Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

(n) 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 2014 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.

	2014	2013
	\$	\$
2. OTHER REVENUE		
Interest	45,098	35,564
Income on investments	103,288	162,692
	-----	-----
	148,386	198,256
	=====	=====
3. SURPLUS FROM OPERATIONS		
Surplus from operating activities includes the following specific expenses and losses:		
Expenses:		
Rental expense	95,218	78,629
Depreciation - plant and equipment	9,346	10,695
Employee benefits expense	788,073	763,832
Defined contribution plan expenses	68,292	64,983
	-----	-----
	960,929	918,139
	=====	=====
4. CASH AND CASH EQUIVALENTS		
Cash at bank	605,320	581,721
Cash on hand	823	521
	-----	-----
	606,143	582,242
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	5,225	8,181
Other receivables	13,583	8,725
	-----	-----
	18,808	16,906
	=====	=====

Trade receivables consist of invoices to Members prior to 31 December 2014 for Membership Subscriptions relating to the 2014 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.

6. INVENTORIES		
Ties & Scarves – at cost	4,873	4,975
	-----	-----
	4,873	4,975
	=====	=====

7. PLANT AND EQUIPMENT		
Plant and equipment - at cost	71,224	66,849
Accumulated depreciation	(62,165)	(52,818)
	-----	-----
	9,060	14,031
	-----	-----
Total plant and equipment	9,060	14,031
	=====	=====

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	14,031	6,338
Additions	4,375	18,388
Depreciation	(9,346)	(10,695)
	-----	-----
Carrying amount at 31 December	9,060	14,031
	=====	=====

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		
RACS Small Scale Offering	953,484	744,695
ANZ Pool Investment	604,687	410,188
	-----	-----
	1,558,171	1,154,883
	=====	=====

Reconciliation

Opening fair value	1,154,883	792,191
Additions	300,000	200,000
Revaluation increments	103,288	162,692
	-----	-----
Closing fair value	1,558,171	1,154,883
	=====	=====

Refer to note 15 for further information on fair value measurement.

9. TRADE AND OTHER PAYABLES		
Trade payables	13,079	25,502
Other	6,898	23,671
	-----	-----
	19,977	49,173
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 \$	2013 \$
10. PROVISION FOR EMPLOYEE ENTITLEMENTS		
CURRENT		
Provision for annual leave	47,544	51,592
Provision for long service leave	31,288	31,897
	-----	-----
	78,832	83,489
	-----	-----
NON CURRENT		
Provision for long service leave	68,346	56,803
	-----	-----
	68,346	56,803
	-----	-----
TOTAL	147,178	140,292
	=====	=====
11. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	10,500	9,055
	-----	-----
	10,500	9,055
	=====	=====

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 2014 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 senior persons having authority and responsibility for planning, directing and controlling the core activities of General Surgeons Australia.

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

Short term employment benefits	316,160	221,760
Post employment benefit	29,675	20,245
	-----	-----
	345,834	242,005
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2014 **2013**
\$ \$

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	605,320	581,721
Cash on hand	823	521
	-----	-----
	606,143	582,242
	=====	=====

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

Operating surplus	446,328	511,746
Depreciation	9,346	10,695
Unrealised (gain) on investment - other	(103,288)	(162,692)
Changes in assets and liabilities:		
(Increase) / Decrease in trade and other receivables	(1,902)	4,736
Decrease in inventories	102	466
(Decrease) / Increase in trade and other payables	(29,195)	4,270
Increase / (Decrease) in provision for employee entitlements	6,885	(9,314)
	-----	-----
Net cash provided by operating activities	328,276	359,907
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 2014 and 31 December 2013:

2014

	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	-	823	-	-	-	823
Trade and other receivables	-	18,808	-	-	-	18,808
Financial assets at fair value Through profit and loss	-	1,558,171	-	-	-	1,558,171
		1,577,802	-	-	-	1,577,802
<i>Interest bearing - floating rate</i>						
Cash and cash equivalents	7.44	605,320	-	-	-	605,320
		605,320	-	-	-	605,320
Total assets		2,183,122	-	-	-	2,183,122
Financial liabilities:						
<i>Non-interest bearing</i>						
Trade and other payables		19,977	-	-	-	19,977
		19,977	-	-	-	19,977
Net financial assets		2,163,145	-	-	-	2,163,145

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

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. FINANCIAL INSTRUMENTS (CONTINUED)

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 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
		=====	=====	=====	=====	=====

(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 2014, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net results and net assets would have been affected as follows:

Possible Movements:	Net Results Higher / (Lower)		Net Assets Higher / (Lower)	
	2014 \$	2013 \$	2014 \$	2013 \$
+1.0% (100 basis points)	6,053	5,817	6,053	5,817
-1.0% (100 basis points)	(6,053)	(5,817)	(6,053)	(5,817)

(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 2014**

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. FAIR VALUE MEASUREMENT

(a) Fair Value Hierarchy

The following tables detail the company's assets, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

(b) Financial Assets at Fair Value through Profit or Loss

2014

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Financial assets at fair value through profit or loss	-	1,558,171	-	1,558,171
	-----	-----	-----	-----
Total assets	-	1,558,171	-	1,558,171
	=====	=====	=====	=====

2013

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Financial assets at fair value through profit or loss	-	1,154,883	-	1,154,883
	-----	-----	-----	-----
Total assets	-	1,154,883	-	1,154,883
	=====	=====	=====	=====

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

16. CONTINGENT LIABILITIES AND COMMITMENTS

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

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

17. SUBSEQUENT EVENTS

On 16 February 2015, the Company received the amount of \$1,276,782 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.

18. 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 2014 the number of financial members was 669 (2013: 626).

19. OPERATING LEASE

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

	2014	2013
	\$	\$
Not later than one year	51,643	52,462
Later than one year but not later than five years	101,874	186,297
Later than five years		-
	-----	-----
	153,517	238,723
	=====	=====

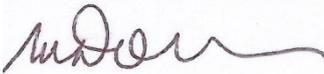
There are office premises under various lease agreements with expiry dates ranging from 12 months to 30 months.

**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 Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2014 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 Australian Charities and Not-for-profits Commission Regulations 2013; 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)
24 March 2015

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 ("The company"), which comprises the statement of financial position as at 31 December 2014, 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 *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* 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 Directors' 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.

Opinion

In our opinion the financial report of General Surgeons Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

BDO East Coast Partnership

A handwritten signature in blue ink, appearing to read 'Alex Swansson', with a long horizontal flourish extending to the right.

Alex Swansson
Partner

Melbourne, 24 March 2015



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

As lead auditor of General Surgeon Australia for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'AS', with a long horizontal flourish extending to the right.

Alex Swansson
Partner

Melbourne, 24 March 2015