

**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 2016**

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 2016**

Table of contents		Page
Directors' report		3-13
	Statement of Profit or Loss and Other Comprehensive Income	14
	Statement of Financial Position	15
	Statement of Changes in Equity	16
	Statement of Cash Flows	17
Notes to the financial statements		
Note 1	Summary of significant accounting policies	18-21
Note 2	Other revenue	21
Note 3	Surplus from operations	21
Note 4	Cash and cash equivalents	22
Note 5	Trade and other receivables	22
Note 6	Inventories	22
Note 7	Plant and equipment	22
Note 8	Financial assets at fair value through profit or loss	22
Note 9	Trade and other payables	23
Note 10	Provision for employee entitlements	23
Note 11	Auditor's remuneration	23
Note 12	Related parties	23
Note 13	Statement of cash flows	24
Note 14	Financial instruments	25-27
Note 15	Fair value measurement	27
Note 16	Contingent liabilities and commitments	27
Note 17	Subsequent events	28
Note 18	Members' guarantee	28
Note 19	Operating lease	28
Directors' declaration		29
Auditor's independence declaration		30
Independent auditor's report to the members		31

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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:

**Donovan, Mr Michael Peter
President**

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**

B Arch (Hons), BM BS, MS, FRACS. General Surgeon with sub-specialist interests in Advanced Laparoscopic Surgery, Breast and Endocrine Surgery, Endoscopy & Colonoscopy. Research interests include Sentinel node biopsy, laparoscopic procedures, 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. Member Binational Colorectal Cancer Audit Steering Committee 2015-; 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.

Clarke, Mr Graeme Wayne

MBBS, FRACS, FRCS (Ed). General Surgeon with sub-specialist interest in Colorectal Surgery and Research interest in Hernia Surgery. General Surgeon St John of God Mt Lawley Hospital since 1992 and General Surgeon St John of God Midland Public and Private Hospital since its inception 24 November 2015. General and Colorectal Surgeon, Sir Charles Gairdner Hospital from 1992-2011. General Surgeon at Swan District Hospital 1992 to 2015. Chair, MAC Swan District Hospital 1994 to 2015 Member, RACS Western Australian State Committee from 1993-1999; Chair from 1999-2001. Member of RACS Court of Examiners in General Surgery from 2003-2011. Elected May 2015.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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:

**Hughes, Mr Andrew S
Appointed 3 May 2016**

MBBS, FRACS. General Surgeon with sub-specialist interests in Laparoscopic Gastrointestinal, Hernia, Endocrine, Melanoma Surgery, and Endoscopy/Colonoscopy. Research interests include Surgical Education and Data Collection for Clinical Trials. Senior Staff Specialist, The Prince Charles Hospital (TPCH) since 2007. Lecturer in Surgery, University of Queensland. VMO Northwest Private/Holy Spirit Northside Private Hospital since 2007. Trauma/Transplant Fellowship at Princess Alexandra Hospital in 2006. Advanced General Surgery Trainee at Princess Alexandra Hospital, Gold Coast Hospital, Nambour Hospital, and Mater Health Services 2002-2005. Surgical Supervisor TPCH and Member of RACS Board in General Surgery - Queensland Training Committee 2007-2017. Convenor, Queensland Core Course for SET Program in General Surgery 2007-2017. RACS ASC General Surgery Convenor Brisbane 2016. Elected May 2016.

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 2016**

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, Colorectal and Minimally Invasive Surgery, and High Resolution Anoscopy. Multi-disciplinary interests include Academic Surgery, Surgical Audit, 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 2008-2016. Member of RACS Examinations Committee 2008-2016. Member of RACS Court of Examiners in General Surgery 2008-2016. Member of RACS Board in General Surgery 2007-2016. Member of Tasmanian Audit of Surgical Mortality (TASM) Committee since 2011. Member of Operating with Respect (OWR) faculty since 2017. Member of RACS Surgical Audit Committee since 2017. 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 2016 was a surplus of \$462,366 (2015: surplus \$335,263).

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

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. SHORT TERM AND LONG TERM OBJECTIVES OF THE COMPANY

In November 2014, the Directors reviewed the objectives of the Company and developed a Strategic Plan for the period 2015-2018, grouped into six Key Result Areas. Each Key Results Area outlines short and longer term priorities as follows:

1. Member Services

To provide GSA members with valuable benefits and services that support their professional lives.

Short Term Priorities

- Develop a range of options to improve communication with members
- Introduce monthly online case discussions with the facility for comparison to peers/peer feedback, via the GSA website (*Refer: Continuing Medical Education*)
- Establish discussion forums for special interest groups including rural and emergency surgery
- Review Find a Surgeon functionality and develop individual web profiles for members
- Introduce an open call for member submissions for GSA newsletter

Longer Term Priorities

- Develop a career transition induction and support program ("The Journey") for graduating General Surgery Trainees and Younger Fellows, including career information
- Establish a brokering service for members including job listings and locum matching
- Create a post-Fellowship database of specialty and sub-specialty opportunities, and foster placement in co-operation with sub-specialty groups
- Continue advocacy for appropriate remuneration for General Surgeons
- Develop regular position papers on professional practice issues
- Develop a process to recognise significant contributions to General Surgery and to GSA, including Honorary membership with voting rights

2. Education and Training

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

Short Term Priorities

- Develop a support service for General Surgery Supervisors and trainers (Faculty of General Surgery Trainers), including professional development and mentoring opportunities
- Advocate for General Surgery Supervisors to be given adequate time, remuneration, and resources for supervision
- Improve support services for General Surgery IMGs, including Fellowship Examination preparation and career development
- Develop educational, skills, and career resources for junior doctors, to foster interest in General Surgery as a prestigious and rewarding surgical career

Longer Term Priorities

- Offer eLearning component of SEAM I to General Surgery IMGs, Supervisors, and junior doctors who are members of GSA
- Implement SEAM II in alignment with the Curriculum, and provide access to General Surgery Trainees, IMGs, and Fellows
- Engage sub-specialty societies and groups in the content development of SEAM II (*Refer: Professional and Community Liaison*)
- Acquire current information regarding General Surgery workforce data

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

3. Continuing Medical Education

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

Short Term Priorities

- Deliver an annual Consensus Conference on a General Surgery "hot topic" (e.g. severe pancreatitis), including publication of position papers, guidelines, or recommendations
- Introduce monthly online case discussions with the facility for comparison to peers/peer feedback, via the GSA website (*Refer: Member Services*)
- Maintain an independent, single stream GSA ASM program with a broad General Surgery focus, as well as developing a parallel stream with sub-specialty focus where appropriate

Longer Term Priorities

- Establish a GSA Subcommittee to oversee the development and publication of consensus statements, position papers, and guidelines
- Develop and publish regular position/best-practice papers relevant to General Surgeons involved in acute and emergency care (e.g. Current Recommendations for the Management of Severe Pancreatitis), based on seminal papers presented at the GSA ASM
- Develop additional education resources for members, such as "How I Do It" video series
- Incorporate the role of bedside ultrasound in contemporary General Surgical practice
- Establish a Centre for Evidence Based Surgery, based on consensus statements

4. Surgical Research and Outreach

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

Short Term Priorities

- Provide a range of research grants and scholarships for Trainees and junior doctor members of GSA, including grants for consumables and statistics support
- Develop a program for hosting of international travel grant recipients in local hospitals, prior to the GSA ASM

Longer Term Priorities

- Provide increased opportunities for Trainee research presentations and provide formal feedback to improve educational outcomes
- Develop a database of research projects available for Trainees and members, and facilitate placement of interested individuals
- Develop an audit or database tool on an aspect of acute or emergency surgery, e.g. severe pancreatitis

5. Professional and Community Liaison

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

Short Term Priorities

- Collaborate with sub-specialty societies and groups and the RACS on the development of credentialing guidelines for complex procedures, specialist practice, and acceptable practice for General Surgeons
- Engage sub-specialty societies and groups in the content development of SEAM II (*Refer: Education & Training*)
- Establish an annual meeting of sub-specialty society representatives at the RACS ASC, to discuss and address issues of concern
- Explore options for dual membership of GSA and sub-specialty societies and groups (*Refer: Administration and Resource Management*)

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

Professional and Community Liaison (cont'd)

Longer Term Priorities

- Develop a series of position papers on acceptable surgical practice, e.g. questions to ask your surgeon, surgery at the end of life/futile surgery, handover of General Surgery patients
- Develop patient information brochures on core General Surgery procedures, e.g. hernia, acute appendicitis
- Develop a database of media contacts and prepare media releases/commentary on issues related to General Surgery.
- Develop governance models for representation on international bodies relevant to General Surgery

6. Administration and Resource Management

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

Short Term Priorities

- Expand social media presence
- Review technologies for delivery of GSA services, including websites and mobile-friendly applications
- Review membership categories including Honorary membership with voting rights, and the introduction of junior doctor membership
- Explore options for dual membership of GSA and sub-specialty societies and groups (*Refer: Professional and Community Liaison*)
- Optimise membership retention strategies, e.g. direct deposit for annual subscriptions

Longer Term Priorities

- Develop and allocate portfolios to elected Directors
- Expand Event Management services for core General Surgery meetings
- Review access data for GSA services by members, Trainees, and IMGs members by programming Google Analytics and tailoring user experience
- 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 2015-2018 Strategic Plan.

In 2016, 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 2016 was the introduction of the GSA Junior Doctor Membership category, meeting one of the key short term goals of the society to develop educational, skills, and career resources for junior doctors, that will foster an interest in General Surgery as a prestigious and rewarding surgical career.

A further achievement was the successful delivery of the inaugural Locoregional Melanoma Conference at the newly opened Victorian Comprehensive Cancer Centre, returning a surplus of \$73,250 to the client.

Some of the key indicators of success measured in 2016 include:

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

INDICATOR	TARGET	2016 RESULTS
Membership	<ul style="list-style-type: none"> • Membership increase >5% p.a. • New membership amongst Fellows >10 years post FRACS >25% • New membership amongst junior doctors of >5% p.a. 	<ul style="list-style-type: none"> • 93 new members; 9.2% overall increase • 22 of all new members were Junior Doctors (24%) • 83 new General Surgery Fellows in 2016; 44 of these joined GSA • 6 new Ordinary members were Fellows >10 years post FRACS (8%)
Website Services	<ul style="list-style-type: none"> • 80% of active members listed on Find a Surgeon 	<ul style="list-style-type: none"> • 48.6% of active members listed on Find a Surgeon (361)
Selected Trainees	<ul style="list-style-type: none"> • Retention >90% 	<ul style="list-style-type: none"> • 98% retention in 2016 (<i>1.5% Withdrawn; 0.5% Dismissed</i>)
Supervisors	<ul style="list-style-type: none"> • 100% of General Surgery Supervisors as members of GSA 	<ul style="list-style-type: none"> • 68% of General Surgery Supervisors (84) were active members of GSA • One year complimentary membership offered to five (5) new General Surgery Supervisors
Fellowship Examination pass rate	<ul style="list-style-type: none"> • 80% by second attempt 	<ul style="list-style-type: none"> • Overall pass rate: 70% Of those that passed, 91% (93) passed within two attempts • Trainee pass rate: 73% • IMG pass rate: 58%
CPD compliance	<ul style="list-style-type: none"> • 100% compliance with existing RACS CPD 	<ul style="list-style-type: none"> • 100% of GSA members compliant for 2015 CPD Program
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"> • 2016: 61% of delegates were surgeons • 2015: 50% of delegates were surgeons • 2014 ASM: 52% of delegates were surgeons
Scholarships	<ul style="list-style-type: none"> • All scholarships awarded annually 	<ul style="list-style-type: none"> • Three Pacific Island & South East Asian Travel Grants awarded • John Ham, Noel Newton, CICD/ISDS Prize, GSA Research Award, and two GSA Poster Prizes awarded
Budget performance	<ul style="list-style-type: none"> • +/- 5% of budget annually 	<ul style="list-style-type: none"> • Total revenue 25.3% over budget • Total expenditure 6.4% over budget
Compliance	<ul style="list-style-type: none"> • Lodgement of Statutory Accounts four months after EOFY 	<ul style="list-style-type: none"> • Australian Charities and Not-for-profits Commission Submission lodged 6 April 2016

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. REVIEW OF OPERATIONS

The 2016 training year saw the continued impact of the SET Transition on reduced Partnering Agreement and Selection revenue for the year, which was in line with the reduced revenue projections made by the Board. However, returns on investments were higher than projected, and the combination of Membership and Course revenue was more than \$110,000 higher than budgeted for the financial year. These factors saw the surplus of the organisation increase by 37.9% from the previous financial year.

The Directors remain committed to a long-term investment strategy, and agreed to invest a further \$200,000 of surplus funds from the 2015 financial year, split across the RACS Small Scale Offering and ANZ Bank OneAnswer portfolio. Global market performance was slightly better in 2016, with the overall return on investments 25% higher than the previous financial year. As at 31 December, the total amount invested with the RACS Small Scale Offering and ANZ Bank OneAnswer was \$2,185,112.

While revenue remained steady for the current period, total expenditure was down 4.6% on the previous financial year. The organisation continued to achieve its strategic goals, despite continued weaker performance in the global financial markets.

In 2016, work commenced on the development of a program of educational, skills, and career resources for Junior Doctors interested in a career in General Surgery. This included a review of the Constitution, allowing Junior Doctors to join the society as non-voting members. Twenty-two Junior Doctor members joined the organisation in late 2016, and the organisation participated in the 21st National Prevocational Medical Education Forum held in November 2016 in Hobart.

Administrative management of the supervision or oversight requirements of 38 IMGs in General Surgery was provided in 2016, post their initial clinical assessment by the RACS. As part of the continued expansion of services provided to IMGs in General Surgery, a targeted Fellowship Examination Preparation Course was developed, to be held in December 2016. However, due to the high pass rate for IMGs seen at the September 2016 sitting of the RACS Fellowship Examination, the course was cancelled due to low registration numbers. It is hoped that the course will run at a future date.

The organisation continued to expand its Event Management services for core General Surgery meetings, with GSA engaged to manage the inaugural Locoregional Melanoma Conference held at the newly opened Victorian Comprehensive Cancer Centre in August 2016. The meeting exceeded expectations for industry support and delegate registrations, and a surplus of over \$82,000 (inc. GST) was returned to the Peter MacCallum Cancer Centre.

Other Event Management services delivered in 2016 included the Provincial Surgeons of Australia (PSA) 2016 Annual Scientific Conference held in Albany in August, the ANZ Hernia Forum 2016 held in Sydney in October, and the Clinical Ultrasound Workshop for Endocrine Surgeons held in Brisbane in May. The Board intends to continue the expansion of the organisation's Event Management services, which will assist in providing sustainable non-membership based revenue streams.

In 2016, the GSA Transplant Training Committee assessed two applications for the PFET Program in Transplantation Surgery, with one candidate appointed to the training program for the 2017/2018 training years. The Recognition of Prior Learning (RPL) process for Transplant Training was completed in 2016, with nine applications assessed to determine equivalence of training. Of the nine applications received, the Australian and New Zealand Certificate of Post-Fellowship Education and Training Program in Transplantation Surgery was awarded to five applicants.

Paper based Hospital Inspections were conducted for five Transplant Training posts; two Hospitals were accredited for the PFET Program in Transplantation Surgery in 2016, with a further three posts to be accredited in 2017. This will bring the total number of accredited posts across Australia and New Zealand to 12.

In December 2016, the Board of Directors approved a proposal for GSA to assume management of a Post-Fellowship Education and Training (PFET) Program in Trauma Surgery, to be delivered in collaboration with the Australian and New Zealand Association for the Surgery of Trauma. GSA will seek accreditation of the program from the RACS PFET Committee, as well as support from associated sub-specialty societies involved in Trauma Surgery.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. REVIEW OF OPERATIONS (CONT'D)

The 2016 GSA Annual Scientific Meeting (ASM), "Tales of the Unexpected", was held at the Crown Conference Centre from 29 September to 1 October, and achieved a surplus of over \$30,000 (ex GST). Over 430 members, trainees, IMGs, and other medical professionals registered to attend the three-day meeting, with 198 delegates participating in the Trainees' Day held on 28 September at the Victorian Comprehensive Cancer Centre. The program format for the 2016 GSA ASM was changed to include a Plenary Session, presented by award-winning journalist Waleed Aly.

Over 40 national and international speakers contributed across the four days, including Keynote Speakers Mr Nick Maynard of Oxford, UK and Mr Brendan Moran of Basingstoke, UK. Dr James Bittner of Virginia US also contributed to the program, with international invited Presidents including Mr John Moorehead of ASGBI and Mr Andrew Moot of NZAGS.

The 2016 ASM program again included educational workshops presented by a range of industry partners. These included a one day Hernia Symposium, a Dinner & Masterclass entitled 'Expecting the Unexpected - Complex Ventral Hernia Repair', and breakfast sessions on 'Traditional Versus Robot-Assisted Techniques for Abdominal Wall Surgery' and 'Ventral Hernia Repair: Expecting the Unexpected'.

Major advocates of the 2016 GSA ASM included Applied Medical and Cook Medical, with Johnson & Johnson Medical and W L Gore providing Workshop Sponsorship. A further 19 industry partners participated as Exhibitors or advertised at various levels.

The GSA Research & Scholarships Committee reviewed and ranked 109 abstracts submitted for consideration by SET Trainees in General Surgery (21), Interns/PGY2 (8), Medical Students (1), Non-accredited Registrars (65), and Fellows/IMGs (14). The top 12 abstracts were selected for verbal presentations, and 22 abstracts were selected for poster presentations.

Winners of the 2016 ASM prizes and awards included Dr Shivangi Jog - Noel Newton Award; Dr Angus Hann - John Ham Award; Dr Yi Ma - GSA Research Award; Dr Thomas Patterson - GSA Poster Award (joint); Dr Sujith Krishnamoorthy - GSA Poster Award (joint); and Dr Luigi Sposato - CICD/ISDS Prize.

Excellence in Surgical Teaching Awards were presented at the ASM Gala Dinner to Mr Stephen Jancewicz (NSW), Dr Benjamin Green (QLD), Mr Markus Trochsler (SA), Miss Amanda Robertson (VIC), and Mr Johannes Basson (WA). Three recipients of the 2016 GSA Pacific Island and South East Asian Travel Grants also attended the meeting, including Dr Thien Nguyen and Dr Diem Le of Vietnam, and Dr Josese Turagava of Fiji.

The final Standard Setting and Question Workshops for the Surgical Education & Assessment Modules (SEAM) program were conducted in 2016, as part of the continued delivery of activities related to the administration of the SET Program in General Surgery in Australia. These included Critical Care & Trauma in March 2016, and Post-Operative & Palliative Care in October 2016. Sixteen subject matter experts participated in the Standard Setting process, which is designed to ensure the reliability and validity of SEAM Summative Assessments. The first two cohorts of Trainees enrolled in SEAM completed all modules successfully by mid-term, Term 2 2016.

In 2016, there were 226 applications to the SET Program in General Surgery, which were processed via the new online General Surgery Selection Application. This represented a decrease of 28.5% on the total number of applications in the previous year, which was a direct result of the changes to minimum eligibility for applications to General Surgery training that were introduced in 2016.

Two applicants did not meet minimum eligibility criteria; 224 candidates proceeded to the Referee Report stage, and 157 candidates proceeded to the Interview stage of the Selection process, with interviews held in Sydney, Melbourne, Brisbane, Perth, and Adelaide in June and July 2016. A total of 87 offers were made; 84 offers were accepted, 2 offers were declined, and 1 applicant requested deferral in 2017. SET Orientation Workshops were held in Melbourne, Sydney, Adelaide, Perth, and Brisbane in November and December 2016.

Regional educational sessions held in Queensland, South Australia, New South Wales, and Western Australia were again recorded in 2016, as well as two national Trainees' Day programs held in Brisbane and Melbourne, and the 2016 GSA ASM. From these sessions, another 153 educational webcasts were added to the GSA Educational Resources, bringing the total number of webcasts uploaded from 2013-2016 to 682. Over 440 Trainees and IMGs attended one or both of the national 2016 GSA Trainees' Days, which focused on Breast & Endocrine Surgery (May, Brisbane) and Melanoma & Surgical Oncology (September, Melbourne), or one of the three MOSES programs held in Brisbane, Sydney, and Melbourne.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. REVIEW OF OPERATIONS (CONT'D)

Fellowship Examination Preparation Courses were held in New South Wales, South Australia, and Victoria, and a Preparation Course for the Generic Surgical Sciences Examination was held in Victoria in December 2016. The SA Registrar's Paper Day was held in Adelaide in August, and the GSA Trainees' Weekend was held at Peppers Moonah Link in Victoria, in November 2016. Quinquennial Hospital Accreditations were conducted in Western Australia in 2016, with 12 Hospitals inspected and 31 posts accredited for the SET Program in General Surgery.

Members of the GSA Board continued their work with several expert advisors on an application to the Medical Services Advisory Committee for a new Medicare Benefits Schedule item number for Sentinel Lymph Node Biopsy for Intermediate Thickness Melanoma. The organisation was involved in numerous other reviews and projects related to General Surgery, including the publication of a joint Position Statement on Care of the Paediatric Surgical Patient, and working with the RACS Surgical Gastrointestinal Endoscopy Committee to develop gastrointestinal endoscopy standards of practice and to establish a competency based recertification model for surgical gastrointestinal endoscopy in Australia and New Zealand. This work will continue in 2017.

The total number of full-time, part-time, and casual staff employed by GSA during the 2016 financial year was twelve. While overall expenditure was steady, expenses related to employment costs and Regional and Other Courses increased. The GSA ASM recorded a surplus, and revenue from membership subscriptions, PFET, GSA meetings, and Event Management Services all increased in this financial period, contributing 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 2017, GSA will continue to deliver activities under the Partnering Agreement with the RACS, including extensive content reviews for the first four modules developed for the SEAM Program, and piloting the introduction of Entrustable Professional Activities (EPAs) and Procedural Based Assessments (PBAs) as part of In-Training Assessment processes. Work will continue on the development of a program of educational, skills, and career resources for Junior Doctors interested in General Surgery.

The provision of Event Management services for external meetings will continue, including the 2017 IBD Surgical Symposium in March, and the PSA 2017 Annual Scientific Conference in Armidale in October.

Work will commence of the development of policies and procedures underpinning the PFET Program in Trauma Surgery, including the application for accreditation of the program by the College's PFET Committee.

The 2017 ASM will be held at QT Canberra from 29 September to 1 October. The theme for the meeting will be "Abdominal Wall", with keynote international speakers Dr Bruce Ramshaw, of Knoxville, Tennessee, and Mr Dominic Slade of Manchester, UK invited to participate.

The two national GSA Trainees' Days in 2017 will be held in Adelaide (May: Sepsis, Shock & Emergency Surgery) and Canberra (September: Abdominal Wall & Hernia). GSA will again deliver three commercial MOSES programs in Adelaide, Melbourne, and Canberra, and two non-commercial MOSES courses will be delivered in Myanmar in February/March. Regional education activities and the webcasting program will also continue.

Piloting and implementation of the recommendations from the RACS Board in General Surgery Strategic Plan Working Parties will continue, including the development of a revised online logbook of operative experience. Continued improvements to the functionality of the TMS and ICAMS databases will occur in 2017, to align with changes to In-Training Assessment and Logbook tools.

Projected revenue in 2017 from the RACS Partnering Agreement is approximately \$1,357,000, with the bulk of revenue to be invoiced in February 2017, and the final instalment due in July 2017. SEAM Administration fees will provide revenue of approximately \$70,000, which will continue to offset ongoing Standard Setting and content review costs. Projected revenue from membership subscriptions, regional and national courses, MOSES, IMG administration, PFET, Event Management services, and Selection fees is approximately \$500,000.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 23 February 2017, the Company received the amount of \$1,233,540 from the Royal Australasian College of Surgeons representing the first instalment of the Partnering Agreement funding for the administration of the General Surgery Training program.

11. ENVIRONMENTAL REGULATIONS

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

12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

By way of coverage for all Directors and officers of the Company, the Company has paid a premium in respect of a contract insuring those Directors and officers against liability. In accordance with normal practice, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of the premiums paid are confidential.

13. INDEMNIFICATION OF AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

14. MEETINGS OF DIRECTORS

Name of Director	Number of meetings entitled to attend	Number of meetings attended
Donovan, M (President)	6	6
Collinson, T (Vice President)	6	6
Sayed-Hassen, A (Treasurer)	6	5
Clarke, G	6	3
Hughes, A (appointed 3 May 2016)	5	4
Premaratne, W G	6	5
Saunders, A	6	3
Turner, R	6	3

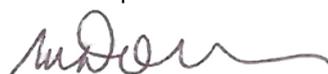
15. DIRECTORS' BENEFITS

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.

16. 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 2016.

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



Chairman (President)
28 March 2017

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
Revenue			
Members' subscriptions		176,624	151,438
Advertising income		3,650	3,524
GSA Trainees Days		20,520	14,094
Partnering Agreement income		1,239,596	1,253,161
SEAM Administration income		56,800	137,600
IMG Services income		34,450	47,000
Hospital Inspection income		127,200	131,400
Selection income		146,900	200,330
Regional Training Courses income		163,716	159,091
MOSES income		44,000	21,670
Post Fellowship Education & Training income		5,800	4,140
GSA ASM income		419,640	308,230
Event Management income		31,468	14,050
PSA 2016 ASM		-	4,800
Merchandise		155	112
Cost of Sales - GSA Ties		(80)	-
		-----	-----
		2,470,439	2,450,640
Other revenue - interest		17,877	31,081
Income on investments	2	87,224	69,727
		-----	-----
		2,575,540	2,551,448
Expenses from Commercial activities:			
RACS ASC		(11,968)	(14,563)
GSA ASM		(353,690)	(266,798)
Event Management services		-	(2,624)
GSA Trainees Days		(64,211)	(63,841)
MOSES		(56,769)	(43,743)
Selection		(69,403)	(122,625)
Regional Training Courses		(156,084)	(112,071)
Research & Travel Grants		(13,047)	(16,431)
PSA Education Grants		(5,600)	(3,273)
GSA Awards		(4,527)	(6,130)
Employee benefits expense	3	(851,833)	(835,927)
Administrative expense		(495,202)	(685,897)
Finance costs		(13,827)	(13,634)
External professional services expense		(10,500)	(18,720)
Depreciation expense		(6,513)	(9,906)
		-----	-----
Surplus for the year		462,366	335,263
		=====	=====
Other comprehensive income		-	-
		-----	-----
Total comprehensive income for the year		462,366	335,263
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	839,236	617,887
Trade and other receivables	5	59,377	33,460
Financial assets at fair value through profit or loss	8	2,185,112	1,927,898
Inventories	6	4,793	4,873
TOTAL CURRENT ASSETS		3,088,518	2,584,118
NON CURRENT ASSETS			
Plant and equipment	7	7,812	6,083
TOTAL NON CURRENT ASSETS		7,812	6,083
TOTAL ASSETS		3,096,330	2,590,201
CURRENT LIABILITIES			
Trade and other payables	9	65,931	37,822
Provision for employee entitlements	10	174,962	153,467
TOTAL CURRENT LIABILITIES		240,893	191,289
NON CURRENT LIABILITIES			
Provision for employee entitlements	10	27,908	33,749
TOTAL NON CURRENT LIABILITIES		27,908	33,749
TOTAL LIABILITIES		268,801	225,038
NET ASSETS		2,827,529	2,365,163
MEMBERS' FUNDS			
Accumulated surplus		2,827,529	2,365,163
TOTAL MEMBERS' FUNDS		2,827,529	2,365,163

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Accumulated Surplus	Total Members' Funds
	2016 \$	2016 \$
Balance at 1 January 2016	2,365,163	2,365,163
Surplus for the year	462,366	462,366
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	2,827,529	2,827,529
	-----	-----
Balance at 31 December 2016	2,827,529	2,827,529
	=====	=====

	Accumulated Surplus	Total Members' Funds
	2015 \$	2015 \$
Balance at 1 January 2015	2,029,900	2,029,900
Surplus for the year	335,263	335,263
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	335,263	335,263
	-----	-----
Balance at 31 December 2015	2,365,163	2,365,163
	=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
- Receipts from members and customers		2,244,603	2,135,987
- Payments to suppliers and employees		(1,819,062)	(1,834,761)
- Interest received		17,877	31,081
- Interest expense		(13,827)	(13,634)
		-----	-----
Net cash provided by operating activities	13(b)	429,591	318,673
		-----	-----
Cash flows from investing activities			
- Payment for plant and equipment		(8,242)	(6,929)
- Payment for investments		(200,000)	(300,000)
		-----	-----
Net cash used in investing activities		(208,242)	(306,929)
		-----	-----
Net increase in cash held		221,350	11,744
Cash and cash equivalents at the beginning of the year		617,887	606,143
		-----	-----
Cash and cash equivalents at the end of the year	13(a)	839,236	617,887
		=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 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 2016**

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.

Event Management income

Event management income for external events is brought to account when invoiced, according to the invoicing schedule outlined in each individual Event Management Services Agreement.

(h) Conferences/Seminars

All income and expenses relating to conferences and seminars have 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 2016**

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) Annual leave

Liabilities for annual 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.

(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 corporate 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. 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 2016**

(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 2016 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.

	2016	2015
	\$	\$
2. OTHER REVENUE		
Income on investments (managed funds)		
ANZ Pool Investment	24,193	15,889
ANZ OnePath Account	30,010	-
RACS Small Scale Offering	33,021	53,838
	-----	-----
	87,224	69,727
	=====	=====
3. SURPLUS FROM OPERATIONS		
Surplus from operating activities includes the following specific expenses and losses:		
Expenses:		
Rental expense	103,340	94,541
Employee benefits expense - salaries and wages	782,428	770,814
Defined contribution plan expenses	69,405	65,113
	-----	-----
	955,173	930,468
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at bank	837,752	617,330
Cash on hand	1,484	557
	-----	-----
	839,236	617,887
	=====	=====
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	10,893	8,731
Other receivables	48,484	24,729
	-----	-----
	59,377	33,460
	=====	=====

Trade receivables consist of invoices to Members prior to 31 December 2016 for Membership Subscriptions relating to the 2016 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	4,793	4,873
	-----	-----
	4,793	4,873
	=====	=====
7. PLANT AND EQUIPMENT		
Plant and equipment - at cost	86,396	78,154
Accumulated depreciation	(78,584)	(72,071)
	-----	-----
	7,812	6,083
	-----	-----
Total plant and equipment	7,812	6,083
	=====	=====

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	6,083	9,060
Additions	8,242	6,929
Depreciation	(6,513)	(9,906)
	-----	-----
Carrying amount at 31 December	7,812	6,083
	=====	=====

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

RACS Small Scale Offering	1,290,343	1,157,322
ANZ Pool Investment	894,769	770,576
	-----	-----
	2,185,112	1,927,898
	=====	=====

Reconciliation

Opening fair value	1,927,898	1,558,171
Additions	200,000	300,000
Revaluation increments	57,214	69,727
	-----	-----
Closing fair value	2,185,112	1,927,898
	=====	=====

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

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
9. TRADE AND OTHER PAYABLES		
Trade payables	54,420	14,309
Other	11,511	23,513
	-----	-----
	65,931	37,822
	=====	=====
10. PROVISION FOR EMPLOYEE ENTITLEMENTS		
CURRENT		
Provision for annual leave	60,688	69,236
Provision for long service leave	114,274	84,231
	-----	-----
	174,962	153,467
	-----	-----
NON CURRENT		
Provision for long service leave	27,908	33,749
	-----	-----
	27,908	33,749
	-----	-----
TOTAL	202,870	187,216
	=====	=====
11. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	11,000	10,500
	-----	-----
	11,000	10,500
	=====	=====

12. RELATED PARTIES

(a) Names of directors and key management personnel

The names of persons who held the position of director during the year ended 31 December 2016 were:

- Clarke, Mr Graeme Wayne
- Collinson, Mr Trevor Graham
- Donovan, Mr Michael Peter
- Hughes, Mr Andrew S
- 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	353,513	326,901
Post employment benefit	32,290	29,242
	-----	-----
	385,803	356,143
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
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	837,752	617,330
Cash on hand	1,484	557
	-----	-----
	839,236	617,887
	=====	=====
(b) Reconciliation of net cash provided by operating activities to operating surplus		
Operating surplus	462,366	335,263
Depreciation	6,513	9,906
Unrealised (gain) on investment	(57,214)	(69,727)
Changes in assets and liabilities:		
(Increase) in trade and other receivables	(25,917)	(14,652)
Decrease in inventory	80	-
Increase in trade and other payables	28,109	17,845
Increase in provision for employee entitlements	15,654	40,037
	-----	-----
Net cash provided by operating activities	429,591	318,673
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016 and 31 December 2015:

2016

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over Remaining 5 contractual years maturities \$
Financial assets:					
<i>Non-interest bearing</i>					
Cash and cash equivalents	-	1,484	-	-	- 1,484
Trade and other receivables	-	59,377	-	-	- 59,377
Financial assets at fair value Through profit or loss	-	2,185,112	-	-	- 2,185,112
		2,245,973	-	-	- 2,245,973
<i>Interest bearing - floating rate</i>					
Cash and cash equivalents	1.36	837,752	-	-	- 837,752
		837,752	-	-	- 837,752
Total assets		3,083,725	-	-	- 3,083,725
Financial liabilities:					
<i>Non-interest bearing</i>					
Trade and other payables		65,931	-	-	- 65,931
		65,931	-	-	- 65,931
Net financial assets		3,017,794	-	-	- 3,017,794

2015

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over Remaining 5 contractual years maturities \$
Financial assets:					
<i>Non-interest bearing</i>					
Cash and cash equivalents	-	557	-	-	- 557
Trade and other receivables	-	33,460	-	-	- 33,460
Financial assets at fair value Through profit or loss	-	1,927,898	-	-	- 1,927,898
		1,961,915	-	-	- 1,961,915
<i>Interest bearing - floating rate</i>					
Cash and cash equivalents	2.48	617,330	-	-	- 617,330
		617,330	-	-	- 617,330
Total assets		2,579,245	-	-	- 2,579,245

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. FINANCIAL INSTRUMENTS (CONTINUED)

2015

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over Remaining 5 contractual years maturities \$	Remaining \$
Financial liabilities:						
<i>Non-interest bearing</i>						
Trade and other payables		37,822	-	-	-	37,822
		-----	-----	-----	-----	-----
		37,822	-	-	-	37,822
		=====	=====	=====	=====	=====
Net financial assets		2,541,423	-	-	-	2,541,423
		=====	=====	=====	=====	=====

(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 2016, 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)	
	2016 \$	2015 \$	2016 \$	2015 \$
+1.0% (100 basis points)	8,378	6,173	8,378	6,173
-1.0% (100 basis points)	(8,378)	(6,173)	(8,378)	(6,173)

The Company has used a +/- 1.0% movement because it believes that this represents a conservative estimate of how much interest rates would move, based on past history.

(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 exposure to liquidity risk is generally minimal.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

2016

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Financial assets at fair value through profit or loss				
Managed funds	-	2,185,112	-	2,185,112
	-----	-----	-----	-----
Total assets	-	2,185,112	-	2,185,112
	=====	=====	=====	=====

2015

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Financial assets at fair value through profit or loss				
Managed funds	-	1,927,898	-	1,927,898
	-----	-----	-----	-----
Total assets	-	1,927,898	-	1,927,898
	=====	=====	=====	=====

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.

Managed funds are detailed as Fair Value Level 2 due to the evaluation reports provided by the fund managers (RACS and ANZ), who attain prices directly from the funds.

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 2016**

17. SUBSEQUENT EVENTS

On 23 February 2017, the Company received the amount of \$1,233,540 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. Other than the above, there were no subsequent events.

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 2016 the number of financial members was 758 (2015: 694).

19. OPERATING LEASE

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

	2016	2015
	\$	\$
Not later than one year	79,745	111,445
Later than one year but not later than five years	51,195	135,767
Later than five years	-	-
	-----	-----
	130,940	247,212
	=====	=====

There are office premises under various lease agreements with expiry dates ranging from 4 months to 24 months.

Total future minimum lease payments under non-cancellable lease payable for office equipment:

	2016	2015
	\$	\$
Not later than one year	20,396	20,396
Later than one year but not later than five years	11,898	32,294
Later than five years	-	-
	-----	-----
	32,294	52,690
	=====	=====

There are monthly instalment payments for the purchase of office equipment with an expiry date of 21 July 2018.

**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 2016 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)
28 March 2017

DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF THE AUSTRALIAN SOCIETY OF SPECIALIST GENERAL SURGEONS

As lead auditor of The Australian Society of Specialist General Surgeons trading as General Surgeons Australia for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Wai Aw
Partner

Melbourne, 28 March 2017

INDEPENDENT AUDITOR'S REPORT

To the members of The Australian Society of Specialist General Surgeons

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Australian Society of Specialist General Surgeons trading as General Surgeons Australia, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of The Australian Society of Specialist General Surgeons, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The responsible entities of the registered entity are responsible for the other information. The other information comprises the information in the registered entity's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the responsible entities' for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC Act* and for such internal control as the responsible entities 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.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership



Wai Aw
Partner

Melbourne, 28 March 2017