

**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 2018**

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 2018**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. BOARD OF DIRECTORS

The names, qualifications, special responsibilities and experience of the Directors in office at any time during the year and at the date of this report are:

**Collinson, Mr Trevor Graham
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 since 2015. Member RACS Property Committee since 2017. GSA Vice President 2014-2017. GSA President since May 2017. Elected May 2012.

**Turner, Prof Richard Clive
Vice President**

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. GSA Vice-President since 2017. Elected May 2010.

**Sayed-Hassen, Mr Akhtar
Hussein
Treasurer**

MBChB, BA, FRCS(Ed), 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 Regional Training Committee of the Board in General Surgery. Convenor, Victorian Trainees' Weekend 2004-2008. Co-opted GSA ASC Hong Kong Convener 2006-2008. Scientific Convener, 2014 Singapore ASC. Chair of Department of General Surgery, Eastern Health. Executive Clinical Director of Surgery, Eastern Health. Chairman, SEAM Working Party. Deputy Chair, RACS Board in General Surgery since 2016. GSA Treasurer since June 2012. Elected May 2012.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. BOARD OF DIRECTORS (CONT'D)

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:

**Butchers, Dr Sally Louise
McGregor**

MBBS, FRACS. General Surgeon with sub-specialist interests in Rural Surgery, Trauma, Breast Surgery, and Surgical Teaching. VMO General Surgeon at Lismore Base Hospital since 2008. Chair of RACS Rural Section since 2014. Deputy Chair of RACS Rural Section 2010-2014. Member of RACS NSW State Committee since 2011 (Executive since 2014). Chair, Lismore Base Community Theatre Management Group 2009-2012. Scientific Convenor, Provincial Surgeons of Australia 2015 Annual Scientific Conference. Elected May 2017.

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.

Donovan, Mr Michael Peter

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 Sunshine Coast Health Care District 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. Co-opted GSA ASC Brisbane 2010 Representative from 2007-2010. GSA Secretary/Treasurer June 2010-June 2012. GSA Vice President June 2012-May 2014. GSA President 2014-2017. Elected May 2010.

Hughes, Mr Andrew S

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. Senior 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.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. BOARD OF DIRECTORS (CONT'D)

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:

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 until 2015. Surgery Program Director for Monash Health since 2008. 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 2012-2015. Elected May 2009.

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 2018 was a deficit of \$195,992 (2017: surplus \$525,177).

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 2018**

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 the 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 2018**

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 2018**

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 to: 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

7. Future Outlook

In August 2018, the Directors developed a revised Strategic Plan for 2019-2021, which continues to support the goals of maintaining General Surgery as a respected, prestigious and rewarding surgical career, and meeting the surgical needs of all patients in Australia.

The organisation will continue to represent General Surgery in Australia, through developing and managing education and training programs that produce General Surgeons of the highest professional standard, ensuring that General Surgeons maintain the highest standards of professional competence, providing Members with valuable benefits and services that support their professional lives, promoting the organisation as the authority for General Surgery in Australia, and through continuous engagement with the RACS, NZAGS, and the various subspecialty societies and groups within General Surgery and internationally.

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 2018, 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.

Although not a financial success, the highlight of the Company's achievements in 2018 was the delivery of the combined 2018 GSA & PISA Annual Scientific Congress in Fiji, where an opportunity was created for more than 80 Pacific Island Surgeons and Trainees to attend a unique educational meeting. A further achievement was the coordination of 16 volunteer Australian surgeons undertaking locum cover for Pacific Island surgeons during the 2018 GSA ASM, and the delivery of the first MOSES course for Pacific Island Trainees, held in Nadi in October 2018.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. PERFORMANCE MEASUREMENT (CONT'D)

All of these activities served to strengthen the relationship between Australian and Pacific Island Surgeons, and provided unique opportunities for fellowship and training.

Some of the key indicators of success measured in 2018 include:

INDICATOR	TARGET	2018 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"> • 186 new members; 5.5% overall increase • 104 of all new members were Junior Doctors (56%) • 71 new General Surgery Fellows in 2018; 43 of these joined GSA • 2 new Ordinary members were Fellows >5 years post FRACS (2.4%) • 7 new Ordinary members were Fellows >10 years post FRACS (8.5%)
Website Services	<ul style="list-style-type: none"> • 80% of active members listed on Find a Surgeon 	<ul style="list-style-type: none"> • 47.6% of active and senior members listed on Find a Surgeon (391)
Selected Trainees	<ul style="list-style-type: none"> • Retention >90% 	<ul style="list-style-type: none"> • 97.2% retention in 2018 (2.6% Withdrawn; 0.2% Dismissed)
Supervisors	<ul style="list-style-type: none"> • 100% of General Surgery Supervisors as members of GSA 	<ul style="list-style-type: none"> • 75% of General Surgery Supervisors (87) were active members of GSA • One year complimentary membership offered to 18 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: 60% Of those that passed, 94% (92) passed within two attempts • Trainee pass rate: 61% • IMG pass rate: 45%
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"> • 2018: 66.6% of delegates were surgeons • 2017: 64.5% of delegates were surgeons • 2016: 61% of delegates were surgeons • 2015: 50% of delegates were surgeons
Scholarships	<ul style="list-style-type: none"> • All scholarships awarded annually 	<ul style="list-style-type: none"> • Twenty-five Pacific Island Travel Grants awarded to delegates from Fiji, Papua New Guinea, Samoa and Vanuatu • Noel Newton, GSA Research, GSA Poster, CICD/ISDS Prize, and Hernia Prize awarded
Budget performance	<ul style="list-style-type: none"> • +/- 5% of budget annually 	<ul style="list-style-type: none"> • Total revenue 10.7% 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 12 April 2018

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. REVIEW OF OPERATIONS

In 2018, the Directors continued with the long-term investment strategy of the business, contributing a further \$300,000 of surplus funds from the 2017 financial year across the RACS Small Scale Offering and ANZ Bank OneAnswer portfolios.

Unfortunately, the global market performance in 2018 was the weakest experienced to date, with a \$170,000 downturn on the value of the organisation's investment portfolio seen in the final quarter of 2018 alone. The overall increase in the total portfolios was 0.58% for the year (compared to the 10.63% increase in 2017) bringing the total funds invested as at 31 December 2018 to \$3,003,004.

The Directors anticipated and budgeted for a deficit for the 2018 GSA Annual Scientific Meeting (ASM), and had agreed in the previous financial year to provide a one-off seeding grant for the meeting, to offset the predicted decline in sponsorship due to holding an off-shore meeting.

Despite strong delegate numbers, fluctuations in the exchange rate and higher than budgeted costs for freight, customs fees, venue, and accommodation ultimately contributed to an overall deficit for the meeting. The one-off expansion of the Travel Grant program also had a considerable financial impact for the organisation. However, it facilitated the attendance by 25 Pacific Island Surgeons and Trainees at the 2018 GSA ASM, which the Board agreed was an extremely worthwhile investment, and highly valued by all involved.

There was a 12% increase in the overall number of applications received during the 2018 Selection process for the SET Program in General Surgery (278 in total), with a total of 133 offers made (113 accepted, 7 deferred, 13 declined). Total Selection fees for 2018 were \$194,670.

The organisation continued to achieve its strategic goals, particularly in the expansion of educational, skills, and career resources for Junior Doctors interested in a career in General Surgery. In 2018, 104 new Junior Doctor members joined the organisation, with two Selection Information Sessions aimed at applicants to the SET Program in General Surgery held in Melbourne and Brisbane in late 2018, attended by over 70 Junior Doctors. A total of 46 delegates attended the Junior Doctor Core Surgical Skills Courses at Monash Children's Hospital held in May and August 2018, and a further 11 attended the newly developed Advanced Laparoscopic Course in December 2018.

Event management services in 2018 included an Advanced Ultrasound Workshop for Breast Surgeons in May 2018, registration services for BreastSurgANZ events, and the Provincial Surgeons of Australia (PSA) 2018 Annual Scientific Conference held in Bundaberg in October, which returned a surplus of \$7,503 (inc. GST) to the client. Event Management fees totalled \$21,228 for the period, providing a non-membership based revenue stream for the organisation.

In 2018, the GSA Transplant Training Committee assessed five applications for the PFET Program in Transplantation Surgery, with all candidates appointed to the training program for the 2019/2020 training years. A total of seven hospitals are now accredited for Liver Transplant training posts for the PFET Program in Transplantation Surgery, with nine hospitals accredited for Renal Transplant training posts, and three hospital accredited for Renal/Pancreas Transplant training posts.

In 2018, the newly formed GSA Trauma Training Committee commenced the development of Regulations, Policies and procedures for the PFET Program in Trauma Surgery, which will commence in 2020. Work also commenced on the development of a formal PFET Program in Rural Surgery, which is likely to commence in 2021.

In 2018, the organisation provided administrative management of the supervision or oversight requirements of 28 IMGs in General Surgery, post their initial clinical assessment by the RACS. Fellowship Examination Preparation Courses were held in New South Wales, South Australia, and Victoria, the SA Registrar's Paper Day was held in Adelaide in August, and the GSA Trainees' Weekend was held at RACV Torquay in December. Quinquennial Hospital Accreditations were conducted in New South Wales in 2018, with 46 Hospitals inspected and 146 posts accredited for the SET Program in General Surgery for between one and five years.

Regional educational sessions held in Queensland, South Australia, New South Wales, and Western Australia were again recorded in 2018, as well as two national Trainees' Day programs held in Sydney and Fiji, and the 2018 GSA ASM. A total of 193 educational webcasts were added to the GSA Educational Resources, bringing the total number of webcasts uploaded from 2013-2018 to 1,071.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. REVIEW OF OPERATIONS (CONT'D)

There were 389 registrations from Trainees, IMGs, and Junior Doctors to attend one or both of the national 2018 GSA Trainees' Days, which focused on HPB Surgery (May, Sydney) and Trauma & Critical Care (September, Fiji), or one of the three MOSES programs held in Sydney, the Gold Coast, and Fiji. Regional Course registration fees, Selection fees, Trainees' Day fees, and JDOC Event income returned more than \$116,000 over budgeted projections for 2018.

The educational review of the Surgical Education & Assessment Modules (SEAM) program was finalised in 2018, with Content Review Workshops held in March (Nutrition and Critical & Trauma) and August (Peri-Operative Care and Post-Operative Care). At the conclusion of the 2018 training year, a total of 283 Australian General Surgery Trainees had completed all eight modules of the SEAM Program successfully, representing cohorts from the 2014-2017 intakes to the SET Program in General Surgery. SEAM Refresh commenced roll-out in November 2018, with the final modules due for release in early 2019.

The organisation provided a one-off seed funding payment for the Australia and New Zealand Emergency Laparotomy Audit Quality Improvement Project (ANZELA-QIP), along with the RACS, the Australian and New Zealand College of Anaesthetists, NZAGS, Australian Society of Anaesthetists, and the New Zealand Society of Anaesthetists. The bi-national pilot launched in June, with 67 hospitals registering their interest and 12 Australian hospitals contributing over 400 cases as at December 2018.

Work continued on the application for a new item number for Sentinel Lymph Node Biopsy for Intermediate Thickness Melanoma, with members of the GSA Medicare Benefits Schedule Working Party meeting with the Department in late 2018; an outcome on the application is expected in 2019.

Over 380 members of GSA and the Pacific Islands Surgeons Association (PISA), trainees, IMGs, and other medical professionals attended the 2018 GSA & PISA Combined Annual Scientific Meeting (ASM) and Trainees' Day. Delegates hailed from across Australia, the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Papua New Guinea, Republic of Marshall Islands, Samoa, Singapore, Solomon Islands, Switzerland, Timor Leste, Tonga, Tuvalu, United Arab Emirates, United Kingdom, United States, and Vanuatu.

The ASM, "Emergency Responses and Humanitarian Aid", was held at the Westin Denarau Island Resort and Sheraton Fiji Resort from 1-4 October. The program was opened by dignitaries from the Fijian Government, and included a Kava Ceremony that had been created especially for the meeting. Thirty-eight national and international speakers contributed across the four days, including Keynote Speakers Dr Walter Johnson of the World Health Organisation, Dr Kelly McQueen of Vanderbilt University Medical Center, and Dr Stephen Bickler of the University of California, San Diego. International dignitaries invited included Mr Iain Anderson, President-elect of ASGBI, and Mr Julian Speight, President of NZAGS.

A total of eight industry partners participated as Exhibitors or advertised at various levels, with B Braun providing Major Sponsorship, and the New Zealand Department of Foreign Affairs & Trade funding support of PISA Delegates.

Excellence in Surgical Teaching Awards were presented at the ASM Gala Dinner to Dr Elizabeth Murphy (SA), Mr Hugh Lukins (NSW/ACT), and Mr Kevin Chambers (VIC/TAS). Other recipients of the Excellence in Surgical Teaching Awards from 2017 were Dr Lincoln Rothwell (QLD), and Dr Sudhakar Rao (WA). Twenty-five recipients of the 2018 GSA Pacific Island Travel Grants also attended the meeting.

The GSA Research & Scholarships Committee reviewed and ranked 152 abstracts submitted for consideration by SET Trainees in General Surgery (39), Interns/PGY2 (12), Medical Students (8), Non-accredited Registrars (71), and Fellows/IMGs (22). This represented a 50% increase in abstracts from the previous year. Winners of the 2018 ASM prizes and awards included Dr Alexander Yip (Noel Newton Award), Dr Raymond Saulep (GSA Research Award), Dr Elvis Japhleth (Hernia Award), Dr Anya Rugendyke (CICD/ISDS Award), and Dr Gary Foo (GSA Poster Award). The PISA award was made jointly to Dr Esala Vakamacawai and Dr Timoci Qereqeretabua.

The total number of full-time, part-time, contractors, and casual staff employed by GSA during the 2018 financial year was thirteen. Overall operating revenue was 3.5% higher than in the previous financial year, however the final deficit for the year was attributable in part to the higher than budgeted costs for the 2018 GSA & PISA Combined ASM, the one-off increase in funding for the 2018 Travel Grant Program, and the downturn on the value of the organisation's investment portfolio.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2019, GSA will continue to deliver activities under the Partnering Agreement with the RACS, including the first binational Curriculum Advisory Committee (CAC) conference held in conjunction with the Australian and New Zealand Boards in General Surgery, the New Zealand Association of General Surgeons, and the RACS. The CAC aims to ensure the maintenance of a common Curriculum and Standard for achieving Fellowship of the RACS in General Surgery, across Australian and New Zealand.

The delivery of the SEAM Refresh project will be completed in early 2019. All eight modules have undergone an extensive review of content and structure, to ensure that the desired educational outcomes will be achieved by General Surgery Trainees.

The provision of Event Management services for external meetings will continue to expand, and in 2019 will include the St Vincent's Hospital IBD Symposium in Melbourne in March, the CSSANZ Spring Colorectal Meeting in Hobart in October, and the PSA Annual Scientific Conference in Ballarat in November.

The organisation will again deliver Core and Advanced Surgical Skills courses for Junior Doctors interested in a career in General Surgery, as well as targeted Selection Information Sessions for Junior Doctor members looking to apply to the SET Program in General Surgery in 2020. The Junior Doctor Research Grants will again be awarded in 2019, to encourage the commencement or continuation of research related to General Surgery by Junior Doctor members.

The Rural Surgery Grant program will be expanded to include Junior Doctor members interested in a career in rural or regional surgery, and Travel Grants will be offered to three surgeons from Pacific Island and South East Asian nations, to support attendance at the 2019 ASM.

The 2019 ASM will be a combined meeting with the 2019 CSSANZ Spring Colorectal Meeting, to be held at the Hotel Grand Chancellor, Hobart, from 24-27 October. The theme for the meeting will be "Minimally Invasive Surgery", with keynote international speaker Dr Bernard Dallemagne of the IRCAD Institute of Strasbourg invited to participate.

The organisation will pilot a Wellness Summit in July 2019 targeted specifically at General Surgery Trainees, addressing issues including work/life balance, managing stress and burnout, self-care and wellbeing, resilience, leadership, and culture.

The two national GSA Trainees' Days in 2019 will be held in Bangkok (May: Upper GI Surgery and Endoscopy) and Hobart (October: Colorectal Surgery). GSA will deliver three commercial MOSES programs in Bangkok, Sydney, and Hobart, with the possible expansion of the MOSES Program to Myanmar, Fiji, and Timor Leste. The annual regional education activities and webcasting programs will also continue, with a new Fellowship Examination Preparation Course planned for Queensland.

Selection for the PFET Program in Trauma Surgery will open in March 2019, with training to commence in February 2020. Work will continue on the development of the PFET Program in Rural Surgery, which is scheduled to roll out in 2021.

Following the IT architecture review conducted in 2018, major investments in technology upgrades will commence in 2019, to prepare for the introduction of changes to the General Surgery training program, including comprehensive online assessment tools.

Projected revenue in 2019 from the RACS Partnering Agreement is approximately \$1,526,000, with the bulk of revenue to be invoiced in February 2019, and the final instalment due in July 2019. SEAM Administration fees will provide revenue of approximately \$92,000, which will continue to offset ongoing Standard Setting costs. Projected revenue from membership subscriptions, regional and national courses, MOSES, IMG administration, PFET, Event Management services, and Selection fees is approximately \$760,000.

9. DIVIDENDS

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

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 14 February 2019, the Company received the amount of \$660,000 (inc. GST) from the Royal Australasian College of Surgeons representing part payment of the first instalment of the Partnering Agreement funding for the administration of the General Surgery Training program.

On 15 March 2019, the Company received the amount of \$894,555 (inc. GST) from the Royal Australasian College of Surgeons representing final part payment of 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
Collinson, T (President)	6	5
Turner, R (Vice President)	6	4
Sayed-Hassen, A (Treasurer)	6	6
Butchers, S	6	4
Clarke, G	6	3
Donovan, M	6	4
Hughes, A	6	5
Saunder, A	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 29 and forms part of the Director's Report for the year ended 31 December 2018.

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

Chairman (President)
26 March 2019

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
Revenue			
Members' income		207,561	196,479
Training Services income	2	1,709,911	1,659,034
Post Fellowship Education & Training income		13,631	9,445
Courses income	2	226,666	191,619
Event income	2	386,198	402,222
Other income	2	2,905	1,592
		<u>2,546,872</u>	<u>2,460,391</u>
Other revenue - interest		14,400	20,987
Income on investments	3	15,654	232,238
		<u>2,576,926</u>	<u>2,713,616</u>
Expenses			
Employee benefits expense	4	(1,057,658)	(847,239)
Administrative & Training Services expense		(781,768)	(658,937)
Courses expense		(280,390)	(293,094)
Event expense		(552,450)	(329,986)
Grants & Awards expense		(71,533)	(27,952)
Finance costs		(12,879)	(13,570)
External professional services expense		(13,487)	(12,602)
Depreciation expense		(2,753)	(5,059)
		<u>(195,992)</u>	<u>525,177</u>
(Deficit)/surplus for the year		<u>=====</u>	<u>=====</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(195,992)</u>	<u>525,177</u>
		<u>=====</u>	<u>=====</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	370,506	743,544
Trade and other receivables	6	34,234	57,586
Financial assets at fair value through profit or loss	7	3,033,004	2,717,350
Inventories	8	4,178	4,300
Prepayments	9	23,021	68,082
TOTAL CURRENT ASSETS		<u>3,464,943</u>	<u>3,590,862</u>
NON CURRENT ASSETS			
Plant and equipment	10	-	2,753
TOTAL NON CURRENT ASSETS		-	2,753
TOTAL ASSETS		<u>3,464,943</u>	<u>3,593,615</u>
CURRENT LIABILITIES			
Trade and other payables	11	37,365	25,258
Deposits for future services	12	5,500	-
Provision for employee entitlements	13	237,571	190,419
TOTAL CURRENT LIABILITIES		<u>280,436</u>	<u>215,677</u>
NON CURRENT LIABILITIES			
Provision for employee entitlements	13	27,793	25,232
TOTAL NON CURRENT LIABILITIES		<u>27,793</u>	<u>25,232</u>
TOTAL LIABILITIES		<u>308,229</u>	<u>240,909</u>
NET ASSETS		<u>3,156,714</u>	<u>3,352,706</u>
MEMBERS' FUNDS			
Accumulated surplus		<u>3,156,714</u>	<u>3,352,706</u>
TOTAL MEMBERS' FUNDS		<u>3,156,714</u>	<u>3,352,706</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Accumulated Surplus	Total Members' Funds
	2018	2018
	\$	\$
Balance at 1 January 2018	3,352,706	3,352,706
Deficit for the year	(195,992)	(195,992)
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	3,156,714	3,156,714
	-----	-----
Balance at 31 December 2018	<u>3,156,714</u>	<u>3,156,714</u>

	Accumulated Surplus	Total Members' Funds
	2017	2017
	\$	\$
Balance at 1 January 2017	2,827,529	2,827,529
Surplus for the year	525,177	525,177
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	3,352,706	3,352,706
	-----	-----
Balance at 31 December 2017	<u>3,352,706</u>	<u>3,352,706</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Cash flows from operating activities		
- Receipts from members and customers	2,837,076	2,723,534
- Payments to suppliers and employees	(2,911,635)	(2,526,643)
- Interest received	14,400	20,987
- Interest expense	(12,879)	(13,570)
	-----	-----
Net cash (used in) / provided by operating activities	(73,038)	204,308
	-----	-----
Cash flows from investing activities		
- Payment for investments	(300,000)	(300,000)
	-----	-----
Net cash used in investing activities	(300,000)	(300,000)
	-----	-----
Net decrease in cash held	(373,038)	(95,692)
Cash and cash equivalents at the beginning of the year	743,544	839,236
	-----	-----
Cash and cash equivalents at the end of the year	370,506	743,544
	=====	=====

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 Australian Accounting Standards - Reduced Disclosure Requirements 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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. No judgements, estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Employee benefits provision

As discussed in note 1(k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is provided on the straight-line basis, at rates which will fully depreciate assets over their estimated useful lives to the Company. Profits and losses on disposal of plant and equipment are taken into account in determining the result for the year.

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

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

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, which uses a lifetime expected loss allowance. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(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.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Revenue Recognition (cont'd)

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.

(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 initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Investments and Other Financial Assets (cont'd)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be 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 a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. The loss allowance is recognised in profit or loss.

(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 or amended Accounting Standards and Interpretations adopted

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 January 2018.

As a result, the Company has applied AASB 9 from 1 January 2018. The Directors have determined that there is no material impact from the adoption of this Standard on the financial performance or position of the Company.

AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) New or amended Accounting Standards and Interpretations adopted (cont'd)

There were no changes to the classification of financial instruments in the financial statements. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated and as such there is no impact on the Company's opening retained earnings as at 1 January 2018.

The adoption of AASB 9 resulted in a change to the accounting policy for trade and other receivables. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Directors have given due consideration to all other 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; including IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
2. REVENUE		
Training Services income		
Partnering Agreement income	1,295,747	1,270,171
SEAM Administration income	69,600	68,000
IMG Services income	21,194	21,093
Hospital Inspection income	128,700	125,400
Selection income	194,670	174,370
	-----	-----
	1,709,911	1,659,034
	=====	=====
Course income		
GSA Trainees Days	20,397	18,189
Regional Training Courses income	198,925	141,212
MOSES income	7,344	32,218
	-----	-----
	226,666	191,619
	=====	=====
Event income		
Event Management income	25,943	19,000
GSA ASM income	360,255	383,222
	-----	-----
	386,198	402,222
	=====	=====
Other income		
Advertising income	2,665	1,730
Merchandise	240	355
Cost of Sales	-	(493)
	-----	-----
	2,905	1,592
	=====	=====
3. OTHER REVENUE		
Income on investments (managed funds)		
ANZ Pool Investment	(8,042)	86,624
RACS Small Scale Offering	23,696	145,614
	-----	-----
	15,654	232,238
	=====	=====
4. (DEFICIT) / SURPLUS FROM OPERATIONS		
(Deficit) / surplus from operating activities includes the following specific expenses:		
Rental expense	92,729	95,856
	-----	-----
	92,729	95,856
	=====	=====
Employee benefits expense:		
Salaries and wages	975,727	778,681
Defined contribution plan expenses	81,931	68,558
	-----	-----
	1,057,658	847,239
	=====	=====
5. CASH AND CASH EQUIVALENTS		
Cash at bank	369,106	742,018
Cash on hand	1,400	1,526
	-----	-----
	370,506	743,544
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
6. TRADE AND OTHER RECEIVABLES		
Trade receivables	15,796	13,420
Other receivables	18,438	44,166
	<u>34,234</u>	<u>57,586</u>
	=====	=====
Trade receivables consist of invoices to Members prior to 31 December 2018 for Membership Subscriptions relating to the 2018 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.		
7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
RACS Small Scale Offering	1,759,653	1,585,957
ANZ Pool Investment	1,273,351	1,131,393
	<u>3,033,004</u>	<u>2,717,350</u>
	=====	=====
Reconciliation		
Opening fair value	2,717,350	2,185,112
Additions	300,000	300,000
Revaluation increments	15,654	232,238
	<u>3,033,004</u>	<u>2,717,350</u>
	=====	=====
8. INVENTORIES		
Ties & Scarves – at cost	4,178	4,300
	<u>4,178</u>	<u>4,300</u>
	=====	=====
9. PREPAYMENTS		
GSA ASM		
2019 - Hotel Grand Chancellor Hobart / 2018 - Sheraton Fiji	2,000	44,455
2018 - Captain Cook Cruises Management Ltd	-	974
2018 - South Sea Cruises	-	904
2019 - ExpoTas	4,246	-
2019 - The Henry Jones Art Hotel	5,000	-
2019 - Brooke Street Larder	2,400	-
Event Deposits - other		
2019 PSA - Mercure Ballarat / 2018 PSA - Bundaberg Council	8,602	400
2019 & 2018 Adelaide Pavilion Veale Gardens	773	773
2018 - Hilton Sydney	-	15,743
2018 - Sheraton Grand Mirage Resort Gold Coast	-	2,085
2018 - Radisson Blu Hotel Sydney	-	2,748
	<u>23,021</u>	<u>68,082</u>
	=====	=====
Total prepayments		

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
10. PLANT AND EQUIPMENT		
Plant and equipment - at cost	86,396	86,396
Accumulated depreciation	(86,396)	(83,643)
	-----	-----
	-	2,753
	-----	-----
Total plant and equipment	-	2,753
	=====	=====

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	2,753
Additions	-
Depreciation	(2,753)

Carrying amount at 31 December	-
	=====

11. TRADE AND OTHER PAYABLES		
Trade payables	38,373	26,195
Other	(1,008)	(937)
	-----	-----
	37,365	25,258
	=====	=====
12. DEPOSITS FOR FUTURE SERVICES		
2019 GSA ASM		
Aspen Australia	5,500	-
	-----	-----
Total deposits for future services	5,500	-
	=====	=====

13. PROVISION FOR EMPLOYEE ENTITLEMENTS		
CURRENT		
Provision for annual leave	75,857	60,096
Provision for long service leave	161,714	130,323
	-----	-----
	237,571	190,419
	-----	-----
NON CURRENT		
Provision for long service leave	27,793	25,232
	-----	-----
	27,793	25,232
	-----	-----
TOTAL	265,364	215,651
	=====	=====

Analysis of total provisions

Opening balance at 1 January 2018	215,651
Additional provisions raised during year	110,516
Amounts used	(60,803)

Balance at 31 December 2018	265,364
	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
14. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	12,137	11,500
	-----	-----
	12,137	11,500
	=====	=====

15. 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 2018 were:

- Butchers, Dr Sally Louise McGregor
- Clarke, Mr Graeme Wayne
- Collinson, Mr Trevor Graham
- Donovan, Mr Michael Peter
- Hughes, Mr Andrew S
- 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	488,422	349,503
Post employment benefit	42,577	31,892
	-----	-----
	530,999	381,395
	=====	=====

16. CONTINGENT LIABILITIES AND COMMITMENTS

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

17. SUBSEQUENT EVENTS

On 14 February 2019, the Company received the amount of \$660,000 (inc. GST) from the Royal Australasian College of Surgeons representing part payment of the first instalment of the Partnering Agreement funding for the administration of the General Surgery Training program.

On 15 March 2019, the Company received the amount of \$894,555 (inc. GST) from the Royal Australasian College of Surgeons representing final part payment of 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 2018 the number of financial members was 1,046 (2017: 992).

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

19. OPERATING LEASE COMMITMENTS

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	2018	2017
	\$	\$
Payable - minimum lease payments		
- Not later than 12 months	80,066	100,377
- Later than 12 months but not later than five years	52,034	11,620
- Later than five years	-	-
	-----	-----
	132,100	111,997
	=====	=====

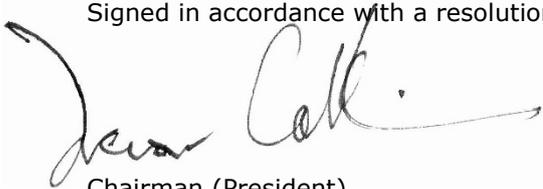
The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements, with terms ranging from 12 months to 24 months. Increases in lease commitments may occur in line with Consumer Price Index (CPI).

**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 2018 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)
26 March 2019

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 2018, 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

BDO East Coast Partnership

Melbourne, 26 March 2019

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 (the registered entity) trading as General Surgeons Australia, which comprises the statement of financial position as at 31 December 2018, 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 Directors' 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 2018 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 auditor independence requirements of 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

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's Directors' report, 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 on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Report

The Directors of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors 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.

Those charged with governance 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_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Wai Aw', is written over a printed 'BDO' logo. The logo is in a simple, bold, sans-serif font.

Wai Aw
Partner

Melbourne, 26 March 2019