

**INTERPLAST AUSTRALIA
& NEW ZEALAND
A.B.N. 59 006 155 193**

**ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2012**

**INTERPLAST AUSTRALIA
& NEW ZEALAND
A.B.N. 59 006 155 193**

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**INTERPLAST AUSTRALIA
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DIRECTORS' REPORT

The Directors of Interplast Australia & New Zealand submit herewith the Annual Financial Report for the Financial Year ended 30th June 2012. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names of Directors of the Company during or since the end of the Financial Year are:

Mr David Inglis (President)
Dr Michael McGlynn OAM
The Hon Dr Kay Patterson
Mr John Georgakis
Mr John Barnes
Mr Ian Carlisle
Mr Glenn Wran
Dr Ross Sutton
Associate Professor Mark Ashton
Mr Michael Stillwell
Mr Brian Guest
Mr Keith Mutimer (appointed 30 November 2011)

Principal Activities

The principal activities of the entity in the course of the Financial Year were reconstructive surgery services and capacity building in developing countries within the Asia Pacific region.

The entity's short term objectives are to:

- Improve access to treatment for vulnerable and marginalised groups that include people with a disability as a result of acquired or congenital medical conditions;
- Support increasing local health services' capacity to provide appropriate treatment to patients through the facilitation of training and professional development; and
- Supporting the delivery of surgical procedures and other medical and allied health services.

The entity's long term objectives are to:

- Improve the quality of life of people with a disability and increase their access to local health systems; and
- Contribute to the development of sustainable health systems and capacity building of health professionals.

To achieve these objectives the entity has adopted the following strategies:

- Attract and retain highly skilled and appropriately qualified volunteers and staff who are committed to Interplast's mission and values.
- Maintain and enhance relationships with, and contributions from our donor base.
- Work in partnership with a range of stakeholders, both domestically and internationally to implement activities consistent with local needs and contexts;
- Ensure country program activities are implemented; and
- Demonstrate accountability and transparency consistent with the Australian Council for International Development's (ACFID) Code of Conduct and AusAID requirements;

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DIRECTORS' REPORT

Key Performance Measures

The entity measures its performance through the review of:

- The number of countries and geographical locations;
- Number of activities and type;
- Number of volunteers; and
- The number of people reached and receiving treatment at no cost.

These benchmarks are used to assess whether the entity's long and short term objectives are being achieved.

The entity implemented activities in 31 locations across 17 countries and performed:

- 23 surgical activities which included practical teaching and training of surgical registrars and other medical staff;
- 21 training-mentoring-professional development activities with local country medical staff within the Asia Pacific region; and
- 4 planning assessment activities to help strengthen future programming.

From these 48 activities the entity reached at least 2,165 people and performed 1,113 operations. A total of 103 Surgeons and Anaesthetists and 53 Nurses & Allied Health professionals volunteered 1,068 days and 594 days respectively.

Information on Directors

Mr David Inglis	President
Qualifications	Bachelor of Arts, Bachelor of Laws
Experience	Appointed to the Board in 1984, appointed Vice President 1993, appointed President 2009.
Special Responsibilities	Chair of the Board of Directors, Chair of the Executive Committee
Dr Michael McGlynn OAM	Vice President
Qualifications	Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons, Business & Medical Management Training, Harvard Business School.
Experience	Appointed to the Board 1991, Appointed Vice President 2006
Special Responsibilities	Member of Executive Committee, Country Coordinator for Burma and the Phillipines.
The Hon Dr Kay Patterson	Vice President
Qualifications	Bachelor of Arts (Hons 1), Diploma of Education, Doctor of Philosophy, Member of the Australian Psychological Society, Graduate of the Australian Institute of Company Directors.
Experience	Appointed to the Board 2006, Appointed Vice President 2009
Special Responsibilities	Member of Executive Committee
Mr John Georgakis	Treasurer
Qualifications	Bachelor of Business (Accounting), Member of the Institute of Chartered Accountants.
Experience	Appointed to the Board 2010, Appointed Treasurer 2010
Special Responsibilities	Finance Portfolio, Member of the Executive Committee

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DIRECTORS' REPORT

Mr John Barnes

Qualifications
Experience
Special Responsibilities

Secretary
Retired Real Estate Agent
Appointed to the Board 2002, Appointed Secretary 2005
Member of Rotarians Committee, Member of the Executive Committee

Mr Ian Carlisle

Qualifications
Experience
Special Responsibilities

Director
Bachelor of Dental Science, Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons.
Appointed to the Board 2002
Member of Surgical Committee, Country Coordinator Indonesia

Dr Ross Sutton

Qualifications
Experience
Special Responsibilities

Director
Doctor of Philosophy (Medicine); Bachelor of Science; Master of Science; Management Certificate; Post Graduate Diploma Trop Med; Fellow Australian Institute of Management; Fellow Australian Society of Microbiology
Appointed to the Board 2007
Chair of Planning and Evaluation Committee

Mr Glenn Wran

Qualifications
Experience
Special Responsibilities

Director
Master of Business Administration, Graduate Certificate in Commercial Law
Appointed to the Board 2006
Member of the Audit Committee, Member of Rotarians Committee

Associate Professor

Mark Ashton

Qualifications
Experience
Special Responsibilities

Director
Doctorate of Medicine, Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons.
Appointed to the Board 2009
Chair of the Surgical Committee

Mr Michael Stillwell

Qualifications
Experience
Special Responsibilities

Director
Master of Business Administration, Masters of Marketing, Diploma of Business, Fellow Australian Institute of Company Directors.
Appointed to the Board 2010
Fundraising and marketing Portfolio

Mr Brian Guest

Qualifications
Experience
Special Responsibilities

Director
Company Management, Company Director
Appointed to the Board 2010
Chair of the Rotarians Committee

Mr Keith Mutimer

Experience
Special Responsibilities

Director
Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons
Appointed to the Board 2011
Chair of the Audit Committee

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DIRECTORS' REPORT

Directors' Meetings:

During the year, Interplast Australia & New Zealand held six meetings of the Board. The attendees of the Directors at meetings of the board were:

Board of Directors

	<u>Number eligible to attend</u>	<u>Number attended</u>
Mr David Inglis	6	6
Dr Michael McGlynn OAM	6	5
The Hon Dr Kay Patterson	6	5
Mr John Georgakis	6	6
Mr John Barnes	6	5
Mr Ian Carlisle	6	5
Mr Glenn Wran	6	4
Dr Ross Sutton	6	5
Associate Professor Mark Ashton	6	1
Mr Michael Stillwell	6	6
Mr Brian Guest	6	5
Mr Keith Mutimer	3	3

The Company is incorporated under the *Corporation Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2012, the total amount that members of the company are liable to contribute if the company is wound up \$700 (2011: \$700).

Review of Operations

The net surplus amounted to \$85,064 (2011: \$725,546).

Dividends

Payment of dividends is prohibited under our current Constitution.

Director's Remuneration

No fees were paid or are payable to the Directors. (2011: \$0).

Actual Value of Volunteer Services

It is recognised that the APS rates used by AusAID in note 12 to calculate volunteer services under represent the true value of services provided by Interplast volunteers. A more appropriate calculation, while not included in the accounts, is represented below to acknowledge the significant contribution made by Interplast Volunteers.

53 Nurses & Allied Health Specialist for a total of 594 days	253,440
103 Surgeons & Anaesthetists for a total of 1,068 days	2,365,264
Actual Total Value of Volunteer Services	<u>2,618,704</u>

Change in State of Affairs

During the Financial Year there was no significant change in the state of affairs of the Company other than that referred to in the Accounts or notes thereto.

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DIRECTORS' REPORT

Indemnification of Officers and Auditors

Directors and Officers Liability Insurance and Indemnity:

During the Financial Year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above) against a liability incurred as such a Director to the extent permitted by the *Corporations Act 2001*.

The Company has not otherwise, given indemnities during or since the end of the Financial Year, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Subsequent Events

There has not been any matter or circumstance, other than that referred to in the Financial Statements or notes thereto, that has arisen since the end of the Financial Year, that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

Auditor's Independence Declaration

The Auditor's independence declaration is included on page 6.

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors



.....
David Gordon Inglis
Director



.....
John Georgakis
Director

16th October 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERPLAST AUSTRALIA & NEW ZEALAND

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Interplast Australia & New Zealand (the Company), which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration. In addition, we have audited Interplast Australia & New Zealand's compliance with specific requirements of the *Charitable Collections Act 1946* (W.A) for the year ended 30 June 2012.

Directors' Responsibility for the Financial Report and Compliance with the Charitable Collections Act 1946

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The directors of the company are also responsible for the compliance with the *Charitable Collections Act 1946*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances; and compliance with requirements of the *Charitable Collections Act 1946*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report and the company's compliance with specific requirements of the *Charitable Collections Act 1946* based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement and whether the company has complied with specific requirements of the *Charitable Collections Act 1946*.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERPLAST AUSTRALIA & NEW ZEALAND (CONT)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the company's compliance with specific requirements of the *Charitable Collections Act 1946*. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error, and the risks of non-compliance with specific requirements of the *Charitable Collections Act 1946*. In making those risk assessments, the auditor considers internal control relevant to the entity's compliance with the *Charitable Collections Act 1946* and preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Inherent limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error, or non-compliance with the *Charitable Collections Act 1946* may occur and not be detected. An audit is not designed to detect all weaknesses in Interplast Australia & New Zealand's compliance with the *Charitable Collections Act 1946* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the *Charitable Collections Act 1946* to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion,

- a. the financial report of Interplast Australia & New Zealand is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1 and the Corporations Regulations 2001.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERPLAST AUSTRALIA & NEW ZEALAND (CONT)

- b. the financial report agrees to the underlying financial records of Interplast Australia & New Zealand, that have been maintained, in all material respects, in accordance with the *Charitable Collections Act 1946* and its regulations for the year ended 30 June 2012; and
- c. monies received by Interplast Australia & New Zealand, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the *Charitable Collections Act 1946* and its regulations.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001 and the specific requirements of the *Charitable Collections Act 1946 (W.A)*. As a result, the financial report may not be suitable for another purpose.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Interplast Australia & New Zealand for the year ended 30 June 2012 included on Interplast Australia & New Zealand's web site. The company's directors are responsible for the integrity of the Interplast Australia & New Zealand's web site. We have not been engaged to report on the integrity of the Interplast Australia & New Zealand's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink that reads 'J.C. Luckins'.

J.C. Luckins
Director

Dated this 16th day of October, 2012

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTERPLAST AUSTRALIA & NEW ZEALAND

I declare that, to the best of my knowledge and belief during the year ended 30 June 2012 there have been:

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

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J.C. Luckins

J.C. Luckins
Director

Dated this 16th day of October, 2012

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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DIRECTORS' DECLARATION

The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

1. The financial statements and notes, as set out on pages 10 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. Comply with Accounting Standards applicable to the Company; and
 - b. Give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors


.....
David Gordon Inglis
Director


.....
John Georgakis
Director

16th October 2012

**INTERPLAST AUSTRALIA
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**STATEMENT OF INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	Note	2012 \$	2011 \$
<u>INCOME</u>			
Donations – Rotary		531,670	375,916
Donations and Fundraising		943,146	893,390
Donations in Kind – Surgical Materials		133,947	159,901
Interest Received		127,192	110,607
Bequests		-	530,784
Contributions			
- AusAID (ANCP)		156,525	163,718
- AusAID (Indonesia)		-	15,957
- AusAID (Innovations Fund)		7,608	48,914
- AusAID (RACS)		234,546	127,379
- AusAID (HECS)		34,884	35,944
Membership Fees		-	5
Insurance Recoveries		-	32,341
Total Income		2,169,518	2,494,856
<u>LESS: EXPENDITURE</u>			
<u>Administration Expenditure</u>			
Accountancy		26,335	21,325
Audit	4	16,600	21,293
Bank Charges and Taxes		5,860	1,747
Car expenses		2,640	2,420
Computer expenses		3,169	572
Consultancy Fees		-	4,480
Depreciation		17,427	11,631
Freight and Courier		1,636	1,598
General Expenses		10,887	21,716
Insurance		8,253	9,831
Legal Fees		847	-
Meetings		10,464	15,420
Postages		1,702	5,578
Printing & Stationery		11,309	16,764
Recruitment expenses		11,413	-
Registration Fees		8,008	6,575
Rent and outgoings		48,207	38,295
Repairs & Maintenance		7,157	1,035
Salaries & Wages		425,107	341,075
Staff Training		1,756	542
Superannuation		37,404	29,250
Telephone		7,320	4,751
Travelling Expenses		4,046	2,716
Work Cover		1,477	2,097
Direct Program On-costs recovered		(205,098)	(202,078)
Total Administration Expenditure		463,926	358,633

The accompanying notes form part of these financial statements

**INTERPLAST AUSTRALIA
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**STATEMENT OF INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	Note	2012 \$	2011 \$
<u>Fundraising Expenditure</u>			
Ambassador Program Costs		34,714	45,411
Bank Charges		3,393	-
Consultants		41,901	13,440
Depreciation		-	2,908
Freight & Couriers		2,976	680
General Expenses		109	5,241
Insurance		2,610	2,192
License Fees		1,992	-
Meetings		71	555
Postage		9,429	8,038
Printing and Stationery		14,131	32,096
Promotion Expenses and Presentations		115,210	75,825
Registrations Fees		2,704	7,529
Rotary Expenses		1,818	1,875
Salaries		90,055	85,927
Staff Training		1,216	1,539
Superannuation		7,641	8,618
Telephone		1,822	2,810
Travelling Expenses		19,645	16,133
Website		3,400	-
Work Cover		396	692
Total Fundraising Expenditure		355,233	311,509
 <u>Program Expenditure</u>			
 Pacific & Papua New Guinea			
Fiji		139,756	107,032
Kiribati		42,696	32,007
Nauru		35,242	-
Samoa		27,562	27,235
Solomon Islands		112,338	21,269
Tonga		28,302	38,890
Vanuatu		33,045	36,193
Papua New Guinea		172,389	110,459
		591,330	373,085
 Asia			
Bangladesh		71,154	149,404
Cambodia		3,530	12,907
Indonesia		84,307	136,273
Laos		147,998	81,189
Myanmar		14,133	-
Nepal		3,317	37,434
Philippines		102,902	86,432
Sri Lanka		71,967	33,394
Vietnam		-	46,011
Mongolia		27,011	24,057
		526,319	607,101

The accompanying notes form part of these financial statements.

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**STATEMENT OF INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	Note	2012 \$	2011 \$
Other Program Expenses			
General Program Expenses		23,462	15,418
Instruments		34,135	25,047
Past Program Expenses		2,560	658
Planning and Evaluation		3,239	1,928
Program Depreciation		49,045	54,267
		112,441	97,318
Total International Program Expenditure		1,230,090	1,077,504
<u>Domestic Program Expenditure</u>			
Training Program		-	32,443
Education DVD		-	1,227
Kevin Egan Scholarship		2,514	4,454
Harvey Barnett Scholarship		-	-
Marshall Scholarship		18,479	-
Harold McComb Scholarship		-	1,000
Inventory Stock Take Adjustment		14,212	(17,460)
Total Domestic Program Expenditure		35,205	21,664
Total Program Expenditure		1,265,295	1,099,168
Total Expenditure		2,084,454	1,769,310
NET SURPLUS	12	85,064	725,546

The accompanying notes form part of these financial statements.

**INTERPLAST AUSTRALIA
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	Note	2012 \$	2011 \$
Surplus for the year		85,064	725,546
Other comprehensive income:			
Net gain on revaluation of non-current assets		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>85,064</u>	<u>725,546</u>
Total comprehensive income attributable to the entity		<u>85,064</u>	<u>725,546</u>

The accompanying notes form part of these financial statements.

**INTERPLAST AUSTRALIA
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**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2012**

	Note	2012 \$	2011 \$
Current Assets			
Petty Cash Impress		150	150
Cash on Hand - Foreign Currency		5	5
Accounts Receivable		73,173	33,603
Westpac Bank		2,438,585	2,368,166
Interest Receivable		9,500	-
Prepayments		87,030	111,283
Inventories		135,875	177,902
Total Current Assets		2,744,318	2,691,109
Non-Current Assets			
Surgical Equipment	6	190,253	134,747
Computer & Electrical Equipment	6	44,585	53,769
Total Non-Current Assets		234,838	188,516
Total Assets		2,979,156	2,879,625
Current Liabilities			
Bank Overdraft		-	17,052
Credit Card Visa		15,490	13,290
Creditors		54,182	19,329
Unearned Contributions		233,092	284,754
Provision for Future Programs		443,462	399,591
Provision for Annual Leave		31,266	21,668
Provision for Long Service Leave		5,545	13,188
Total Current Liabilities		783,037	768,872
Non-Current Liabilities			
Provision for Long Service Leave		8,544	8,242
Total Non-Current Assets		8,544	8,242
Total Liabilities		791,581	777,114
NET ASSETS		2,187,575	2,102,511
Equity			
General Reserve	10	500,000	500,000
Accumulated Funds	7	1,687,575	1,602,511
TOTAL EQUITY		2,187,575	2,102,511

The accompanying notes form part of these financial statements.

**INTERPLAST AUSTRALIA
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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	\$	\$	\$	\$
	Investment Fund	Retained Earnings	General Reserve	Total
Balance at 1 July 2010	231,378	645,587	500,00	1,376,965
Surplus/(Deficit) for the year	-	725,546	-	725,546
Amount transferred to (from) reserves	(231,378)	231,378	-	-
Balance at 1 July 2011	-	1,602,511	500,000	2,102,511
Surplus/(Deficit) for the year	-	85,064	-	85,064
Amount transferred to (from) reserves	-	-	-	-
Balance at 30 June 2012	-	1,687,575	500,000	2,187,575

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	Note	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts from contributions		364,304	377,971
Donations		1,496,614	1,984,955
Interest Received		117,692	123,172
Recoveries		-	32,341
Payments to suppliers & employees		<u>(1,859,897)</u>	<u>(1,750,943)</u>
Net cash provided by (used in) operating activities	3	<u>118,713</u>	<u>767,496</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(31,242)	(132,682)
Net cash provided by (used in) investing activities		<u>(31,242)</u>	<u>(132,682)</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		87,471	634,814
Cash at beginning of year		<u>2,351,269</u>	<u>1,716,455</u>
Cash at end of year	3	<u>2,438,740</u>	<u>2,351,269</u>

The accompanying notes form part of these financial statements.

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& NEW ZEALAND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

1 Summary of Significant Accounting Policies

The Directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporation Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation at these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar. The financial statements were authorised on 16th October 2012 by the directors of the Company.

Accounting Policies

(a) Donated Services

A substantial number of volunteers have donated a significant amount of their time in the Company's services. However, since no objective basis exists for recording and assigning values to their services, they are not reflected in the accompanying Financial Statements. (Refer to Note 13 for details)

(b) Depreciation

Depreciation is provided on fixed assets and is calculated on a straight-line basis so as to write off the net cost of each fixed asset over its expected useful life, useful life of fixed asset are between 3 and 13 years.

Fixed assets acquired in 2012 were depreciation at 33.3% for computers and all other equipment 20% per annum.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments.

(d) Employee Entitlements

Provisions made in respect of wages and salaries, annual leave, and other employee entitlements expected to be settled within 12 months, are calculated at salary rates effective at 30 June 2012. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund are charged as expenses when incurred.

(e) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

(f) Trade and Other Payable

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

or

- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority is classified as operating cash flows.

(h) Receivables

Trade receivables and other receivables are recorded as amounts due.

(i) Revenue Recognition/Unearned Contributions

General donations and bequest are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Interplast Australia & New Zealand receives non-reciprocal contributions of assets from various parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the profit and loss.

All revenue from donations and contributions to specific programs are recognised by reference to the stage of completion of activities to which the revenue relates.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Inventories

Inventories are measured at the lower of cost or net replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(k) Leases

Lease payments for operating leases, where substantially all the risk and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

(l) Financial Instruments

Financial assets and liabilities in the scope of AASB 139 Financial Instruments: Recognition and Measurement, are classified as either financial assets at fair value through the Statement of Comprehensive Income, loans and receivables or payables, held-to-maturity investment, or available for sale investments, as appropriate. When financial assets and liabilities are recognised initially, they are measured at fair value, plus, in the case of instruments not at fair value through the Statement of Comprehensive Income, directly attributable transaction costs.

The classification of financial assets is determined after initial recognition and, when allowed and appropriate, are re-valued at each financial year end. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(m) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

(n) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(a) Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(b) Inventories

Donated inventories at the end of the reporting period are recognised at replacement cost determined by reference to the current market price.

(c) Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience. In addition, the condition of the asset is assessed regularly and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS
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	2012	2011
	\$	\$
2 Related Party Transactions		
There were no monetary transactions with related parties during the Financial Year. (2011; \$0).		
Interplast Australia & New Zealand has obtained legal, professional and surgical pro-bono services from members of the Board of Directors. No payment was made for these services.		
3 Notes to the Cash Flow Statement		
Reconciliation of Cash		
Cash at the end of the Financial Year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Petty Cash Impress	150	150
Foreign currency on hand	5	5
Westpac Bank	2,438,585	2,368,166
Bank Overdraft	-	(17,052)
	2,438,740	2,351,269
Reconciliation of profit from ordinary activities to net cash flows from operating activities		
Surplus/(Deficit) from ordinary activities	85,064	725,546
Non-cash flows in operating surplus		
Depreciation	66,472	68,806
Charges to provisions	2,257	8,241
Non-cash net revenue and expenses	(81,552)	-
Changes in assets and liabilities, net of the effects of purchase and disposals		
Increase (Decrease) in deferred revenue	(51,662)	(5,108)
Increase (Decrease) in provision for future programs	43,871	(2,874)
Increase (Decrease) in trade creditors	37,053	6,547
Decrease (Increase) in Accounts Receivables	(39,570)	18,997
Decrease (Increase) in Prepayments	24,253	(21,817)
Decrease (Increase) in Capital Work In Progress	-	18,599
Decrease (Increase) in Interest Accrued Due	(9,500)	12,565
Decrease (Increase) in Inventory	42,027	(62,006)
Cash flows from operations	118,713	767,496

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
<hr/>		
4 Remuneration of Auditors		
Auditing the Financial Report – Deloitte Touche Tohmatsu	-	17,293
Auditing the Financial Report – William Buck	16,600	4,000
	16,600	21,293
5 Employees		
Number of employees at end of the Financial Year	10	10
6 Property Plant and Equipment		
Surgical equipment		
At cost	584,435	479,883
Accumulated depreciation	(394,182)	(345,136)
	190,253	134,747
Computer and electrical equipment		
At cost	139,587	131,344
Accumulated depreciation	(95,002)	(77,575)
	44,585	53,769
	234,838	188,516
7 Accumulated Funds		
Balance at beginning of Financial Year	1,602,511	645,587
Transfer from (to) reserves	-	231,378
Surplus for year	85,064	725,546
	1,687,575	1,602,511
	1,687,575	1,602,511

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
<hr/>		
8 Capital and Leasing Commitments		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- not later than 12 months	11,328	22,638
- later than 12 months but not later than 5 years	-	11,328
- greater than 5 years	-	-
	<u>11,328</u>	<u>33,966</u>

The property lease commitments include a non-cancellable operating lease contracted for but not capitalised in the financial statements with a three-year term commencing on 1 January 2010. The landlord and tenant have agreed that no increase in the lease commitment will occur under the current three-year term. An option exists to renew the lease at the end of the three years for an additional term of three years.

The property lease commitments include a non-cancellable operating lease contracted for but not capitalised in the financial statements with eight terms of three months each commencing on 12 July 2010. A review of the rent will occur on the completion of the eight terms in October 2012.

The Company has no finance leases.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
<hr/>		
9 Financial Risk Management		
<p>The Company's financial instruments consist mainly of deposit with banks, accounts receivable and payable and leases.</p> <p>The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:</p>		
Financial Assets		
Cash and cash equivalents	2,438,740	2,368,321
Receivables	73,173	33,603
Total Financial Assets	2,511,913	2,401,924
Financial Liabilities		
Bank overdraft	-	17,052
Trade and other payables	69,672	32,619
Total Financial Liabilities	69,672	49,671

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimizing adverse effects on financial performance. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk and future cash flow requirements.

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

(a) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligation resulting in financial loss to the Company. The Company, while exposed to credit related losses in the event of non-performance by counter-parties to financial instruments, does not expect any counter parties to fail to meet their obligations.

The Company's only significant credit risk exposure to any single counterparty is with its bankers Westpac Banking Corporation. The carrying amount of financial assets recorded in the balance sheet, net of any provision for doubtful debts, represents the company's maximum exposure to credit risk.

(b) Liquidity risk

Liquidity risk is the risk of being unable to meet financial obligations as they fall due. The Company's exposure to liquidity risk is low due to the active and regular monitoring of financial performance, approved budgets and future cash flows, coupled with the significant reserves held by the Company.

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2012 **2011**
\$ **\$**

9 Financial Risk Management (continued)

(c) Interest rate risk

The Company's exposure to market interest rates relates primarily to the Company's cash and cash equivalent assets. The Company has no borrowings.

At balance date the Company had the following mix of financial assets exposed to Australian variable interest rate risk:

	Interest Rate %	2012 \$
Cash at bank	0.35% to 4.00%	172,040
Deposits at call	5.74%	2,266,545
		2,438,585
	Interest Rate %	2011 \$
Cash at bank	0.35% to 4.50%	218,166
Deposits at call	6.20%	2,150,000
		2,368,166

10 General Reserves

The general reserve records funds required to meet the committed administration and fundraising costs.

11 Additional Company information

Interplast Australia and New Zealand is a Company limited by Guarantee, incorporated and operating in Australia.

Principal Place of Business

Royal Australasian College of Surgeons
College of Surgeons Gardens
250-290 Spring Street
East Melbourne Vic 3002
Telephone: (03) 9249 1231

Principal Registered Office

Minter Ellison Solicitors
Level 23
Rialto Towers
525 Collins Street
Melbourne Vic 3000

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**NOTES TO FINANCIAL STATEMENTS
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	2012	2011
	\$	\$
12 Information to be furnished under the ACFID Code of Conduct		
INCOME STATEMENT		
For the year ended 30th June 2012		
REVENUE		
Donations and gifts – monetary	1,271,168	1,118,214
Donations and gifts - non-monetary	133,947	159,901
Legacies and bequests	-	530,784
Grants		
- AusAID	199,017	264,533
- Other Australian - RACS	234,546	278,471
- Other Australian	146,894	-
- Other Overseas	56,754	-
Investment Income	127,192	110,607
Other Income	-	32,346
Revenue for International Political or Religious Adherence Programs	-	-
	2,169,518	2,494,856
EXPENSES		
International Aid and Development Programs Expenditure		
International projects		
- Funds to international projects	941,813	850,379
- Program support costs	205,098	202,078
Community education	-	-
Inventory Revaluation	14,212	(17,460)
Community education	-	-
Fundraising costs		
- Public	340,233	297,609
- Government, multilateral and private sector	15,000	13,900
Accountability and Administration	547,406	383,680
Non-monetary expenditure	-	-
Expenses for International Political or Religious Adherence Promotion Programs	-	-
Domestic Program Expenditure	20,692	39,124
	2,084,454	1,769,310
Total Expenses	2,084,454	1,769,310
Excess(Deficit) from continuing operations	85,064	725,546

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**NOTES TO FINANCIAL STATEMENTS
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	2012	2011
	\$	\$
12 Information to be furnished under the ACFID Code of Conduct (continued)		
BALANCE SHEET		
As at 30th June 2012		
ASSETS		
Current assets		
Cash and cash equivalents	2,438,740	2,368,321
Trade and other receivables	82,673	33,603
Inventories	135,875	177,902
Assets held for sale	-	-
Other financial assets	87,030	111,283
Total current assets	2,744,318	2,691,109
Non current assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	234,838	188,516
Investment property	-	-
Intangibles	-	-
Other non-current assets	-	-
Total non current assets	234,838	188,516
Total assets	2,979,156	2,879,625
LIABILITIES		
Current liabilities		
Trade and other payables	69,672	32,619
Borrowings	-	17,052
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	713,365	719,201
Other	-	-
Total current liabilities	783,037	768,872
Non current liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	8,544	8,242
Other	-	-
Total non current liabilities	8,544	8,242
Total liabilities	791,581	777,114
Net assets	2,187,575	2,102,511

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

	2012	2011
	\$	\$
<hr/>		
12 Information to be furnished under the ACFID Code of Conduct (continued)		
BALANCE SHEET (continued)		
As at 30th June 2012		
EQUITY		
Reserves	500,000	500,000
Funds available for future use	1,687,575	1,602,511
	2,187,575	2,102,511
Total equity	2,187,575	2,102,511

SUMMARY OF CASH MOVEMENTS
For the Financial year ended 30th June 2012

	Cash Available at Beginning of Financial Year	Cash Raised During Financial Year	Cash Disbursed During Financial Year	Cash Available at End of Financial Year
AusAID - ANCP	-	150,000	150,000	-
AusAID - RACS	-	234,546	234,546	-
Colonial Foundation Sri Lanka	278	-	278	-
Rotary	399,593	386,705	342,836	443,462
Total for other purposes	1,951,398	1,341,405	1,297,525	1,995,278
TOTAL	2,351,269	2,112,656	2,025,185	2,438,740

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2012**

12 Information to be furnished under the ACFID Code of Conduct (continued)

Recognised Development Expenditure: Value of Volunteer Services

The value of volunteer services is not included in the accounts. However for the purposes of claiming AusAID Recognised Development Expenditure the following information has been prepared in accordance with the rates approved by AusAID.

Volunteers for the year ended 30 June 2012

103 Surgeons & Anaesthetists for a total of 1,068 days - Executive Level 2	479,489
53 Nurses & Allied Health Specialist for a total of 594 days - APS Level 4	<u>142,661</u>
Total Value of Volunteer Services	<u><u>622,150</u></u>