

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

**ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2010**

**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 2010. 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:

Professor Donald Roger Marshall AM (President - Resigned 24 November 2009)	- Surgeon
Mr David Gordon Inglis (President - Appointed 24 November 2009)	- Solicitor
Dr Michael John McGlynn OAM	- Surgeon
Mr Ian Roderick Carlisle	- Surgeon
Mr John Barnes	- Real Estate Agent
Mr John Spark (Resigned 29 June 2010)	- Chartered Accountant
Mr Glenn Wran	- Consultant
The Hon Dr Kay Patterson	- Professorial Fellow – Monash University
Dr Ross Sutton	- Consultant
Associate Professor Mark Ashton (Appointed 24 November 2009)	- Surgeon
Mr Michael Stillwell (Appointed 9 February 2010)	- Company Director
Mr Brian Guest (Appointed 9 February 2010)	- Company Director
Mr John Georgakis (Appointed 11 May 2010)	- Chartered Accountant

Directors' Meetings:

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

Board of Directors

	<u>Attended</u>	<u>Maximum Possible</u>
Professor Donald Roger Marshall AM	4	4
Mr David Gordon Inglis	7	8
Dr Michael John McGlynn OAM	6	8
Mr Ian Roderick Carlisle	6	8
Mr John Barnes	6	8
Mr John Spark	7	8
Mr Glenn Wran	8	8
The Hon Dr Kay Patterson	6	8
Dr Ross Sutton	5	8
Associate Professor Mark Ashton	4	4
Mr Michael Stillwell	4	4
Mr Brian Guest	1	3
Mr John Georgakis	1	1

Principal Activities

The principal activities of the Company in the course of the Financial Year were reconstructive surgery services and training for people in the Pacific and Asia region. During the Financial Year there was no significant change in the nature of those activities.

Review of Operations

The net surplus amounted to \$49,766 (2009 deficit \$8,781).

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Actual Value of Volunteer Services

It is recognized that the APS rates used by AusAID in note 17 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.

63 Nurses for a total of 765 days	325,125
87 Specialists for a total of 893 days	1,899,411
Actual Total Value of Volunteer Services	<u>2,224,536</u>

Dividends

The Company is limited by guarantee and as such, has no share capital and declares no dividends.

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.

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 3.

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

28 September 2010

The Board of Directors
Interplast Australia & New Zealand
c/- Royal Australasian College of Surgeons
Spring Street
Melbourne VIC 3000

28 September 2010

Dear Board Members

Interplast Australia & New Zealand

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Interplast Australia & New Zealand.

As lead audit partner for the audit of the financial statements of Interplast Australia & New Zealand for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountants

Independent Auditor's Report to the members of Interplast Australia & New Zealand

We have audited the accompanying financial report, being a special purpose financial report, of Interplast Australia & New Zealand, which comprises the statement of financial position as at 30 June 2010, the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 2010.

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

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and the needs of the members. The directors of the company are also responsible for 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and whether the company has complied with specific requirements of the *Charitable Collections Act 1946*.

An audit involves performing procedures to obtain audit evidence about the company's 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 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.

Deloitte

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.

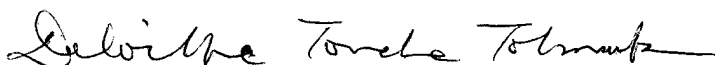
Auditor's Independence Declaration

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 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*;
- (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 2010; and
- (c) monies received by Interplast Australia & New Zealand, as a result of fundraising appeals conducted during the year ended 30 June 2010, have been accounted for and applied, in all material respects, in accordance with the *Charitable Collections Act 1946* and its regulations.



DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountants
Melbourne, 28 September 2010

**INTERPLAST AUSTRALIA
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DIRECTORS' DECLARATION

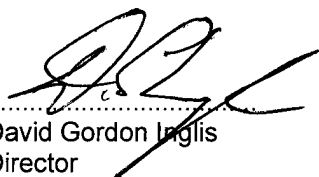
As detailed in Note 1 to the Financial Statements, the Company is not a reporting entity. Accordingly, this "Special Purpose Financial Report" has been prepared to satisfy the Directors' reporting requirements under the Corporations Act 2001.

The Directors declare that:

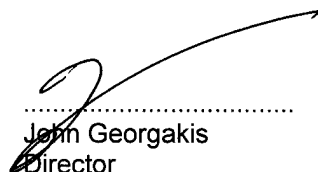
- (a) The attached Financial Statements and notes thereto comply with Accounting Standards to the extent described in note 1;
- (b) The attached Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Company;
- (c) In the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Corporations Act 2001; and
- (d) 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.

Signed in accordance with a resolution of the Directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors



.....
David Gordon Inglis
Director



.....
John Georgakis
Director

28 September 2010

**INTERPLAST AUSTRALIA
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**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	Note	2010 \$	2009 \$
<u>INCOME</u>			
Donations – Rotary	12	498,952	363,387
Donations and Fundraising		736,644	703,941
Donations in Kind – Surgical Materials		30,664	17,426
Interest Received		68,360	105,712
Contributions			
- AusAID (ANCP)		136,282	153,810
- AusAID (Solomon Islands)		-	6,291
- AusAID (Innovations Fund)		12,443	-
- AusAID (RACS)		249,359	203,832
Scholarships		-	8,000
Membership Fees		15	5
Insurance Claim		-	8,323
Total Income		1,732,719	1,570,727
 <u>LESS: EXPENDITURE</u>			
<u>Administration Expenditure</u>			
Accountancy		23,000	4,546
Audit	8	17,452	9,318
Bank Charges and Taxes		2,591	2,250
Car expenses		2,640	23
Computer expenses		2,060	300
Consultancy Fees		17,473	50,921
Depreciation		57,150	54,800
Freight and Courier		1,099	1,263
General Expenses		7,759	1,590
Instruments		15,021	14,637
Insurance		14,218	18,999
Legal Fees		40	597
Meetings		11,877	9,223
Postages		7,069	5,414
Printing & Stationery		16,901	13,522
Registration Fees		6,743	5,973
Rent and outgoings		38,075	-
Repairs & Maintenance		3,685	503
Salaries & Wages		315,305	278,598
Staff Training		715	1,108
Superannuation		28,777	35,318
Telephone		5,989	4,130
Travelling Expenses		1,765	3,638
Work Cover		2,655	5,697
Direct Program On-costs recovered		(186,395)	(121,500)
Total Administration Expenditure		413,664	400,868

The accompanying notes form part of these financial statements

**INTERPLAST AUSTRALIA
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**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	Note	2010 \$	2009 \$
<u>Fundraising Costs</u>			
Ambassador Program Costs		19,373	19,513
Bank Charges		-	15
Consultants		16,261	-
Depreciation		2,599	717
Freight & Couriers		318	589
General Expenses		951	1,942
Insurance		2,272	6,061
Meetings		39	147
Photography Development		-	2,963
Postage		5,615	4,739
Printing and Stationery		3,891	4,828
Promotion Expenses and Presentations		40,731	83,549
Registrations Fees		2,792	1,296
Rotary Expenses		20,732	12,632
Salaries		76,993	80,689
Staff Training		62	96
Superannuation		8,551	6,037
Telephone		2,519	1,504
Travelling Expenses		8,032	13,078
Work Cover		885	1,975
Total Fundraising Costs		212,616	242,370
 <u>Program Expenditure</u>			
Africa			
Tanzania		-	17,226
		-	17,226
 Pacific & Papua New Guinea			
Cook Islands		32,869	-
Fiji		126,016	50,368
Kiribati		-	30,097
Samoa		35,805	37,901
Solomon Islands		69,468	52,025
Tonga		-	33,660
Vanuatu		28,430	-
Papua New Guinea		118,616	135,606
		411,204	339,657

The accompanying notes form part of these financial statements.

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**INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	Note	2010 \$	2009 \$
Asia			
Bangladesh		70,312	135,464
Indonesia		197,367	558
Laos		64,600	94,004
Myanmar		33,426	-
Nepal		46,110	56,318
Philippines		94,730	103,680
Sri Lanka		38,083	101,875
Vietnam		34,955	39,880
Mongolia		32,719	33,412
		612,302	565,191
Other Program Expenses			
General Program Expenses		11,673	7,453
Past Program Expenses		7,293	620
Planning and Evaluation		607	14,241
		19,573	22,314
Total International Program Expenditure		1,043,079	944,388
<u>Domestic Program Expenditure</u>			
Training Program		2,106	-
Patients Treated in Australia		2,153	-
Education DVD		1,788	-
Kevin Egan Scholarship		3,683	-
Harvey Barnett Scholarship		2,864	6,000
Harold McComb Scholarship		1,000	1,000
Inventory Stock take Adjustment		-	(15,118)
Total Domestic Program Expenditure		13,594	(8,118)
Total Program Expenditure		1,056,673	936,270
Total Expenditure		1,682,953	1,579,508
NET SURPLUS/(DEFICIT)	11	49,766	(8,781)

The accompanying notes form part of these financial statements.

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	Note	2010 \$	2009 \$
Surplus/(Deficit) for the year		49,766	(8,781)
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>49,766</u>	<u>(8,781)</u>
Total comprehensive income attributable to the entity		<u>49,766</u>	<u>(8,781)</u>

The accompanying notes form part of these financial statements.

**INTERPLAST AUSTRALIA
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**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010**

	Note	2010 \$	2009 \$
Current Assets			
Petty Cash Imprest		150	150
Cash on Hand - Foreign Currency		23	184
Accounts Receivable		52,600	74,761
Westpac Bank		1,716,282	1,633,170
Interest Receivable		12,565	4,511
Prepayments		89,466	83,610
Inventories		115,896	119,212
Total Current Assets		<u>1,986,982</u>	<u>1,915,598</u>
Non-Current Assets			
Capital – Work In Progress		18,599	-
Surgical Equipment	10	111,629	164,970
Office Furniture & Equipment	10	13,009	16,631
Furniture & Fittings	10	-	-
Total Non-Current Assets		<u>143,237</u>	<u>181,601</u>
Total Assets		<u>2,130,219</u>	<u>2,097,199</u>
Current Liabilities			
Credit Card Visa		4,909	2,721
Creditors		21,162	16,130
Unearned Contributions		289,862	204,779
Provision for Future Programs	12	402,465	500,327
Provision for Annual Leave		15,312	13,089
Provision for Long Service Leave		10,502	13,522
Total Current Liabilities		<u>744,212</u>	<u>750,568</u>
Non-Current Liabilities			
Provision for Long Service Leave		9,042	19,432
Total Non-Current Assets		<u>9,042</u>	<u>19,432</u>
Total Liabilities		<u>753,254</u>	<u>770,000</u>
NET ASSETS		<u>1,376,965</u>	<u>1,327,199</u>
Equity			
General Reserve	15	500,000	-
Investment Fund	15	231,378	231,378
Accumulated Funds	11	645,587	1,095,821
TOTAL EQUITY		<u>1,376,965</u>	<u>1,327,199</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	\$	\$	\$	\$
	Investment Fund	Retained Earnings	General Reserve	Total
Balance at 1 July 2008	231,378	1,104,602	-	1,335,980
Surplus/(Deficit) for the year	-	(8,781)	-	(8,781)
Amount transferred to (from) reserves	-	-	-	-
Balance at 1 July 2009	231,378	1,095,821	-	1,327,199
Surplus/(Deficit) for the year	-	49,766	-	49,766
Amount transferred to reserves	-	(500,000)	500,000	-
Balance at 30 June 2010	231,378	645,587	500,000	1,376,965

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	Note	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from contributions		482,892	374,874
Donations		1,190,847	1,068,785
Interest Received		60,306	101,201
Payments to suppliers & employees		<u>(1,648,308)</u>	<u>(1,676,112)</u>
Net cash provided by (used in) operating activities	7	<u>85,737</u>	<u>(131,252)</u>
Cash Flows from Investing Activities			
Payment for property, plant & equipment		(2,786)	(8,025)
Net cash provided by (used in) investing activities		<u>(2,786)</u>	<u>(8,025)</u>
Net increase (decrease) in cash held		82,951	(139,277)
Cash at beginning of year		<u>1,633,504</u>	<u>1,772,781</u>
Cash at end of year	7	<u>1,716,455</u>	<u>1,633,504</u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

1 Statement of Accounting Policies

Financial Reporting Framework

The Company is not a reporting entity. Accordingly, this "Special Purpose Financial Report" has been prepared to satisfy the Directors' reporting requirements under the Corporations Act 2001.

The Financial Report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Statement of Compliance

The Financial Report has been prepared in accordance with the Corporations Act 2001, the basis of accounting specified by all Accounting Standards and Australian Accounting Interpretations, and the disclosure requirements of Accounting Standards AASB 101 "Presentation of Financial Statements", AASB 107 "Cash Flow Statements" and AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors". Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS").

Significant Accounting Policies

Accounting policies are selected and applied in a manner, which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant Accounting Policies have been adopted in the preparation and presentation of the financial report:

(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 17 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 2010 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.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

(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 2010. 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) Accounts Payable.

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(f) 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.

(g) Receivables.

Trade receivables and other receivables are recorded as amounts due.

(h) Revenue Recognition/Unearned Contributions.

Interest revenue is recognised on an accrual basis. General donations are recognised when received.

Rotary revenue and all other revenue from donations and contributions to specific programs is recognised by reference to the stage of completion of surgical projects to which the revenue relates.

(i) Inventories.

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

(j) Leases.

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

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

(k) 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.

(l) AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised version of AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a income statement and a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses that are not recognized in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of ASSB 101 did not contain an equivalent concept.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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.

(n) 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.

**INTERPLAST AUSTRALIA
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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

2 Income Tax Status

The Company is a non-profit, voluntary organisation exempt from Income Tax under the Income Tax Assessment Act, Section 23. The Company is also exempt from other government levies such as payroll tax.

3 Share Capital

Interplast Australia and New Zealand does not have a Share Capital as it is a Company Limited by Guarantee. In the event of the Company being wound up, each member of the Company may be liable for up to \$100.

4 Segment Reporting

The principal activity of the Company is Plastic and Reconstructive surgery and training for people in the developing countries in the Pacific and Asia region.

5 Director's Remuneration

No fees were paid or are payable to the Directors. (2009 \$0).

6 Related Party Transactions

There were no transactions with related parties during the Financial Year. (2009 \$0).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
<hr/>		
7 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 Imprest	150	150
Foreign currency on hand	23	184
Westpac Bank	1,716,282	1,633,170
	1,716,455	1,633,504
Reconciliation of profit from ordinary activities to net cash flows from operating activities		
Surplus/(Deficit) from ordinary activities	49,766	(8,781)
Non-cash flows in operating surplus		
Depreciation	59,749	55,516
Charges to provisions	(11,187)	(7,878)
Changes in assets and liabilities, net of the effects of purchase and disposals		
Increase (Decrease) in deferred revenue	85,083	(54,762)
Increase (Decrease) in provision for future programs	(97,862)	38,793
Increase (Decrease) in trade creditors	7,220	(77,444)
Decrease (Increase) in Accounts Receivables	22,161	(5,388)
Decrease (Increase) in Prepayments	(5,856)	(71,930)
Decrease (Increase) in Capital Work In Progress	(18,599)	-
Decrease (Increase) in Interest Accrued Due	(8,054)	(4,511)
Decrease (Increase) in Inventory	3,316	5,133
Cash flows from operations	85,737	(131,252)

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
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8 Remuneration of Auditors		
Auditor of the Company – Deloitte Touche Tohmatsu		
Auditing the Financial Report	17,452	9,318
9 Employees		
Number of employees at end of the Financial Year	10	7
10 Property Plant and Equipment		
Surgical equipment		
At cost	402,498	402,498
Accumulated depreciation	(290,869)	(237,528)
	111,629	164,970
Office furniture and equipment		
At cost	76,046	73,260
Accumulated depreciation	(63,037)	(56,629)
	13,009	16,631
Furniture and Fittings		
At cost	3,044	3,044
Accumulated depreciation	(3,044)	(3,044)
	-	-
	124,638	181,601
11 Accumulated Funds		
Balance at beginning of Financial Year	1,095,821	1,104,602
Transfer to reserves	(500,000)	-
Surplus/(Deficit) for year	49,766	(8,781)
Balance at end of Financial Year	645,587	1,095,821

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
<hr/>		
12 Provisions for Future Programs – Funded by Rotary		
Provision for Future Programs prior year	500,327	461,534
Total Rotary Donations for transfer to Future Programs	265,525	308,793
Less Funds Expended	(363,387)	(270,000)
	<u>(97,862)</u>	<u>38,793</u>
Provision for Future Programs	<u>402,465</u>	<u>500,327</u>
Total Rotary Donation for Year	401,090	402,180
Movement on Provision for Future Programs	97,862	(38,793)
	<u>498,952</u>	<u>363,387</u>

13 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	27,837	-
- later than 12 months but not later than 5 years	27,837	-
- greater than 5 years	-	-
	<u>55,674</u>	<u>-</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 July 2012.

The company has no finance leases.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
<hr/>		
14 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	1,716,455	1,633,504
Receivables	65,165	79,272
Total Financial Assets	1,781,620	1,712,776
Financial Liabilities		
Trade and other payables	26,071	18,851
Total Financial Liabilities	26,071	18,851

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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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

2010 **2009**
\$ \$

14 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 %	2010 \$
Cash at bank	0.00% to 2.50%	196,282
Deposits at call	5.00%	1,520,000
		1,716,282
	Interest Rate %	2009 \$
Cash at bank	0.00% to 3.05%	233,170
Deposits at call	4.00%	1,400,000
		1,633,170

15 Reserves

(a) Investment Fund

The investment fund is a historical reserve which represents transfers from the operating surpluses between 1990 and 1995 for future use.

(b) General Reserve

The general reserve records funds required to meet the committed administration and fund raising costs

16 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
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
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17 Information to be furnished under the ACFID Code of Conduct		
INCOME STATEMENT		
For the year ended 30th June 2010		
REVENUE		
Donations and gifts – monetary	1,235,596	1,067,328
Donations and gifts - non-monetary	30,664	17,426
Legacies and bequests	-	-
Grants		
- AusAID	148,725	160,101
- Other Australian	249,359	203,832
- Other overseas	-	-
Investment Income	68,360	105,712
Other Income	15	16,328
Revenue for International Political or Religious Proselytisation Program	-	-
	<hr/>	<hr/>
Total Revenue	1,732,719	1,570,727
	<hr/>	<hr/>
EXPENSES		
International projects		
- Funds to international projects	856,684	817,647
- Other project costs	186,395	126,742
Domestic projects	13,594	7,000
Inventory Revaluation	-	(15,118)
Community education	-	-
Fundraising costs		
- Public	197,616	227,370
- Government, multilateral and private sector	15,000	15,000
Accountability and Administration	413,664	400,867
Non-monetary expenditure	-	-
Revenue for International Political or Religious Proselytisation Program	-	-
	<hr/>	<hr/>
Total Expenses	1,682,953	1,579,508
	<hr/>	<hr/>
Excess(Deficit) from continuing operations	49,766	(8,781)

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
17 Information to be furnished under the ACFID Code of Conduct		
BALANCE SHEET As at 30th June 2010		
ASSETS		
Current assets		
Cash and cash equivalents	1,716,455	1,633,504
Trade and other receivables	65,165	79,272
Inventories	115,896	119,212
Assets held for sale	-	-
Other financial assets	89,466	83,610
Total current assets	1,986,982	1,915,598
Non current assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	124,638	181,601
Investment property	-	-
Intangibles	-	-
Other non-current assets	18,599	-
Total non current assets	143,237	181,601
Total assets	2,130,219	2,097,199
LIABILITIES		
Current liabilities		
Trade and other payables	315,933	223,630
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	428,279	526,938
Other	-	-
Total current liabilities	744,212	750,568
Non current liabilities		
Borrowings	-	-
Other financial liabilities	-	-
Provisions	9,042	19,432
Other	-	-
Total non current liabilities	9,042	19,432
Total liabilities	753,254	770,000
Net assets	1,376,965	1,327,199

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**NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
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17 Information to be furnished under the ACFID Code of Conduct		
BALANCE SHEET (continued)		
As at 30th June 2010		
EQUITY		
Reserves	731,378	231,378
Funds available for future use	645,587	1,095,821
	1,376,965	1,327,199
Total equity	1,376,965	1,327,199

SUMMARY OF CASH MOVEMENTS
For the Financial year ended 30th June 2010

	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	(136,282)	13,718
AusAID - RACS	-	249,359	(249,359)	-
AusAID – Innovations Fund	-	61,357	(12,443)	48,914
Colonial Foundation Sri Lanka	84,198	-	(38,083)	46,115
Rotary	500,327	401,090	(498,952)	402,465
Total for other purposes	1,048,979	872,240	(716,176)	1,205,243
TOTAL	1,633,504	1,734,046	(1,651,095)	1,716,455

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2010**

17 Information to be furnished under the ACFID Code of Conduct

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 2010

63 Nurses for a total of 765 days - APS Level 4	163,511
87 Specialists for a total of 893 days - Executive Level 2	<u>373,560</u>
Total Value of Volunteer Services	<u>537,071</u>