



Interplast[®]

Repairing bodies & rebuilding lives
in the Asia Pacific region

INTERPLAST AUSTRALIA & NEW ZEALAND

A.B.N. 59 006 155 193

**Annual
Financial Report**

For the year ended 30 June 2020

INTERPLAST AUSTRALIA & NEW ZEALAND

A.B.N. 59 006 155 193

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Directors' Report

The Directors of Interplast Australia & New Zealand (Interplast) submit herewith the annual financial report for the financial year ended 30th June 2020. To comply with the provisions of the *Australian Charities and Not for Profit Act 2012*, the Directors report as follows:

The names of Interplast Directors during, or since the end of the financial year, and the number of meetings each has attended, are set out in the table below.

Directors	Date Appointed to current term of office	Date of cessation during the year	2020/20 Board meetings	
			Eligible to Attend	Attended
Mr Keith Mutimer (<i>Chair</i>)	November 2017	-	9	8
Mr Michael McGlynn OAM	November 2019	-	9	9
Mr John Georgakis	November 2016	19 November 2019	4	4
Mr Brian Guest	November 2016	19 November 2019	4	3
Mr Peter Caldwell	November 2018	-	9	9
Ms Marie Dorrington OAM	November 2018	-	9	9
Dr Kirstie MacGill	November 2018	-	9	8
Ms Amy McLeod	November 2018	-	9	9
Ms Hayley Morris	November 2018	-	9	7
Mr Paul Sundberg	November 2019	-	9	7
Dr Philip Ragg	November 2019	-	9	9
Ms Emma Simpson	February 2020	-	5	5
Mr John Dodd	April 2020	-	4	3
Ms Margaret Jackson AC	April 2020	-	4	4

Principal Activities

The principal activities of Interplast during the financial year were to enable access to life-changing reconstructive surgery and related medical services in developing countries, through the delivery of surgical programs and building of local medical, nursing and allied health capacity within the Asia Pacific region.

Long-term and short-term objectives

Interplast'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.

Interplast's short term objectives are to:

- Improve access to treatment for vulnerable and marginalised groups that include people with a disability because of acquired or congenital medical conditions requiring plastic and reconstructive surgery.
- Delivery of safe and effective reconstructive surgery and other medical and allied health services, in partnership with local medical providers; and

- Strengthen local capacity to provide safe and quality reconstructive surgical and related activities to patients through the facilitation of training and professional development.

To achieve these objectives Interplast 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.
- Work in partnership with a range of stakeholders, both domestically and internationally to implement activities consistent with local needs and contexts.
- Maintain and enhance relationships with our donors.
- 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 Department of Foreign Affairs and Trade (DFAT) requirements.

Key Performance Measures

Interplast measures its performance through review of:

- The type and number of activities;
- Number of unique volunteers and number of volunteer placements (reflecting that some individuals engage multiple times per year);
- The number of people reached and receiving treatment at no cost;
- The number of countries and geographical locations visited; and
- The number of local medical, nursing, and allied health professionals receiving training opportunities and the type of training opportunities support.

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

The significant health risks, and subsequent global travel restrictions resulting from the COVID-19 pandemic resulted in Interplast cancelling all planned program activities which required the mobilisation of volunteer teams overseas, from late February 2020.

Although program activities were significant lower due to the emergence of COVID-19 as a global pandemic, in FY20, Interplast delivered 47 activities (FY19: 72) in 19 locations (FY19: 27) across 13 countries (this is locations where Interplast delivered in-country activity) and reached an extra 11 countries through online offerings.

FY20 programming included:

- 18 activities (FY19: 13) involving the mobilisation of volunteer teams from Australia & New Zealand to provide clinical services and teaching of local medical professionals across the Asia Pacific region.
- 7 activities involving the mobilization of volunteer teams from Australia & New Zealand to deliver educational activities which did not include clinical work, for local medical professionals across the Asia Pacific region.
- 7 planning, evaluation and stakeholder engagement activities (FY19: 9) to monitor program delivery, evaluate impact and strengthen future programming.
- 2 activities focused on strengthening local health systems (FY19: 2).
- 4 online education projects, developing and delivering online education and mentoring for local medical professionals across the Asia Pacific (including those outside of Interplast's traditional local partner countries), resulting in 17 hours of online education delivered.
- 8 scholarships supported, for local medical professionals to undertake education and training in Australia, or elsewhere outside their home country.
- 1 activity supporting training delivered by local faculty within their country.

From these 47 activities, the entity provided clinical support to at least 733 people and performed 333 surgical procedures and 346 allied health treatments. A total of 34 Surgeons and Anaesthetists and 40 Nurses, Allied Health professionals and Nurse educators from across Australia & New Zealand undertook volunteer placements of 326.6

days and 349 days respectively. 10 surgeons and anaesthetists and, 6 nurses, allied health professionals and nurse educators from Australia & New Zealand contributed 8.1 days to the development and delivery of online education.

In addition, 1,266 training opportunities were provided for local medical professionals – these comprised:

- 3 training placements outside of local trainee’s home countries of more than two weeks in duration.
- 232 opportunities to attend short-term practical workshops either in home countries or overseas.
- 476 training opportunities in-theatre or on-ward.
- 273 training opportunities through participation in lectures or presentations; and
- 3 opportunities to attend overseas conferences (outside local trainees home countries).
- 279 participations in online education and mentoring opportunities.

Information on Directors

Mr Keith Mutimer	President
Qualifications	Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons
Experience	Appointed Vice President 2015, Appointed President 2016
Dr Michael McGlynn OAM	Vice President
Qualifications	Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons, Harvard Business School
Experience	Appointed Vice President 2016
Ms Hayley Morris	Vice-President
Qualifications	Bachelor of Arts (Communications)
Experience	Appointed Vice-President 2019
Mr Peter Caldwell	Treasurer
Qualifications	Diploma of Business Studies (Accounting), Chartered Accountant FCPA
Experience	Appointed Treasurer November 2019
Mr John Georgakis	Treasurer & Vice President (Retired November 2019)
Qualifications	Bachelor of Business (Accounting), Chartered Accountant
Ms Marie Dorrington OAM	Secretary
Qualifications	Bachelor of Arts, Diploma of Education, Diploma of Teaching
Experience	Appointed Secretary November 2019
Mr Brian Guest	Secretary (Retired November 2019)
Qualifications	Company Management, Company Director
Dr Kirstie MacGill	Director
Qualifications	Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons, Diploma in Anatomy, Master of Surgical Education
Ms Amy McLeod	Director
Qualifications	Bachelor of Laws, Bachelor of Commerce, Certificate in Governance Practice
Dr Philip Ragg	Director
Qualifications	Bachelor of Medicine, Bachelor of Surgery, Fellow Australian and New Zealand College of Anaesthetists

Mr Paul Sundberg	Director
Qualifications	Bachelor of Economics (Honors), Chartered Accountant FCA
Ms Emma Simson	Director
Qualifications	Bachelor of Pharmacy
Mr John Dodd	Director
Qualifications	Bachelor of Law and Economics
Ms Margret Jackson AC	Director
Qualifications	Bachelor of Economics, Master of Business Administration, Honorary Doctor of Laws, Fellow Institute of Chartered Accountants, Fellow Australian Institute of Company Directors

Incorporation

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 company. At 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound up \$900 (2019: \$900).

Review of Operations

The net operating surplus amounted to \$460,010 (2019: Operating surplus of \$343,390).

Dividends

Payment of dividends is prohibited under our current Constitution.

Director's Remuneration

No fees were paid or are payable to the Directors. (2019: \$0).

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 6.

Signed in accordance with a resolution of the Directors made pursuant to the *Australian Charities and Not for Profit Act 2012*.

On behalf of the Directors



.....
Keith Mutimer
Director



.....
Peter Caldwell
Director

6 October 2020:



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 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 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



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



J.C. Luckins
Director

Dated this 6th day of October 2020

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Interplast Australia & New Zealand

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Interplast Australia & New Zealand (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, 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 Company 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.

Emphasis of Matter – Basis of Accounting

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 Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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3000



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the summarised financial report in accordance with the requirements of the relevant Australian Accounting Standards (including Australian Accounting Interpretations), the Australian Charities and Not-for-Profits Commission Act 2012 and the disclosure requirements set out in the ACFID Code of Conduct. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the summarised financial report.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.



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



J.C. Luckins
Director

6 October 2020

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 in the Directors opinion:

1. The financial statements and notes, as set out on pages 10 to 24, are in accordance with:
 - a. the Australian Charities and Not for Profit Commission Act 2012
 - b. Australian Accounting Standards applicable to the company; and
 - c. give a true and fair view of the financial position of the company as at 30 June 2020 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 and
2. There are reasonable grounds to believe that the company is able to pay all of its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and signed in accordance with subsection 60.15 (2) of the Australian Charities and Not for Profit Commission regulations 2013.

On behalf of the Directors



.....
Keith Mutimer
Director



.....
Peter Caldwell
Director

6 October, 2020

Statement of comprehensive income

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
REVENUE			
Donations & Gifts - Monetary	16	1,277,205	1,111,072
Donations & Gifts - Non Monetary		101,316	77,636
Bequests & Legacies		219,185	268,117
Grants			
- Government - Department of Foreign Affairs & Trade		765,445	949,890
- Other Australian		169,858	422,032
- Overseas		9,362	65,485
Interest		46,833	59,520
Other Income	17	129,259	2,720
Total revenue		2,718,463	2,956,472
EXPENDITURE			
<i>International aid and development programs expenditure</i>			
International Programs			
- Funds to international programs	11	937,821	1,307,197
- Program support costs		352,463	209,721
Community Education		133,129	137,500
Fundraising Costs			
- Public		410,846	438,708
- Government, Multilateral and Private		15,402	22,013
Accountability and Administration		349,376	380,822
Non-Monetary Expenditure		26,019	56,895
Total international aid and development expenditure		2,225,056	2,552,856
Domestic programs		33,397	60,226
Total expenditure		2,258,453	2,613,082
Excess of revenue over expenditure		460,010	343,390
Total comprehensive income		460,010	343,390

The accompanying notes form part of these financial statements.

Statement of financial position

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents		3,457,481	2,779,834
Receivables		4,119	101,377
Prepayments		34,293	92,325
Inventories		5,067	4,552
Total current assets		3,500,960	2,978,088
Non-current assets			
Property and equipment	5	129,714	92,588
Total non-current assets		129,714	92,588
TOTAL ASSETS		3,630,674	3,070,676
LIABILITIES			
Current liabilities			
Payables	6	72,308	126,518
Deferred income		346,613	210,245
Provisions	7	118,908	101,982
Total current liabilities		537,829	438,745
Non-current liabilities			
Provisions	7	5,579	4,675
Total non-current liabilities		5,579	4,675
TOTAL LIABILITIES		543,408	443,420
NET ASSETS		3,087,266	2,627,256
EQUITY			
General Reserve	12	1,200,000	500,000
Retained Earnings	8	1,887,266	2,127,256
TOTAL EQUITY		3,087,266	2,627,256

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2020

	\$	\$	\$
	Retained Earnings	General Reserve	Total
Balance at 1 July 2018	1,783,866	500,000	2,283,866
Comprehensive income for the year	343,390	-	343,390
Balance at 30 June 2019	2,127,256	500,000	2,627,256
Comprehensive income for the year	\$460,010	-	\$460,010
Reserve Transfer	(700,000)	700,000	-
Balance at 30 June 2020	1,887,266	1,200,000	3,087,266

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from contributions		1,211,521	1,174,440
Donations received		1,504,496	1,379,189
Interest received		46,833	59,520
Other income		129,259	868
Payments to suppliers & employees		<u>(2,204,498)</u>	<u>(2,640,610)</u>
Net cash provided by (used in) operating activities		687,611	(26,593)
Cash flows from investing activities			
Payment for property, plant & equipment		(9,964)	(4,421)
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		677,647	(31,015)
Cash at beginning of year		<u>2,779,834</u>	<u>2,810,849</u>
Cash at end of year	3	<u>3,457,481</u>	<u>2,779,834</u>

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2020

1 Summary of Significant Accounting Policies

The financial statements cover Interplast Australia & New Zealand as an individual entity, incorporated and domiciled in Australia. Interplast Australia & New Zealand is a company limited by guarantee.

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 Australian Charities and Not for Profit Act 2012 and Charitable Collections Act 1946 (W.A). The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The general-purpose financial report has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (the AASB)

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 of 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 6 October 2020 by the directors of the Company.

1.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2019.

- New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:
- AASB 15 Revenue from Contracts with Customers (AASB 15)
- AASB 1058 Income of Not-for-Profit Entities (AASB 1058)
- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (AASB 2018-8)
- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements (AASB 2019-4)

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

In the current year, the Group has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers which is effective for an annual period that begins on or after 1 January 2019. The date of initial application of AASB 1058 and AASB 15 for the company is 1 July 2019.

Grant Contracts

AASB 1058 requires that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

Notes to the financial statements

For the year ended 30 June 2020

Interplast has conducted an analysis of all existing grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable, or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Donations and Bequests

Based on an analysis of Interplast's underlying arrangements for donations and bequests as at 1 July 2019, Interplast has assessed that the adoption of the new income requirements do not have a significant impact on the amounts recognised in the company's financial statements as the majority of the donations and bequests do not meet the enforceability and the 'sufficiently specific' criteria under AASB 15 and would therefore be recognised as income once Interplast controlled the relevant asset (assuming no other related amounts are applicable) under AASB 1058. This treatment is in line with the current income recognition under AASB 1004.

Volunteer services

Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured. While Interplast has assessed that the fair value of its volunteer services can be reliably measured, it has decided not to recognise volunteer services. Instead, the Company has made voluntary disclosure of quantitative information about the nature of its dependence arising from volunteer services it receives (note 17).

Financial statement impacts

Apart from providing more extensive disclosures for the Company's revenue transactions, the application of AASB 15 and AASB 1058 has not impacted the financial position of Interplast or required any restatement of prior year income recognition. However, it is recognised that while the new standards will improve consistency in reporting across the sector it will create volatility in operating results from year to year.

Leases

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

Interplast has conducted an analysis of its sole lease arrangement and notes that its lease arrangement is at-market and therefore will be accounted for under AASB 16.

1.2 Impact's of COVID-19

The onset of the COVID-19 pandemic has seen a number of support packages made available to Not-for-Profit organisations. Interplast has taken advantage of the government's COVID-19 support packages such as JobKeeper and Cashflow Boost (refer note 17). Additional support has been received through rental concession and additional allocation of administration allowance in ANCP Grant funding.

1.3 Accounting Policies

(a) Revenue Recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, Interplast has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Group has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties. Income recognition from grants received by Interplast has been appropriately accounted for under AASB

Notes to the financial statements

For the year ended 30 June 2020

1058 or AASB 15 based on the assessment performed.

General donations and bequests that are not enforceable or do not contain sufficiently specific performance obligations are accounted for under AASB 1058 and 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 assets from various parties where the consideration to acquire the asset is significantly less than fair value, principally to enable a not-for-profit entity to further its objectives. 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 Statement of comprehensive income.

All revenue and expenses are stated net of the amount of goods and services tax (GST). Receivables and Payables are recognised inclusive of GST

(b) Volunteer Services

Interplast regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured.

Whilst Interplast has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services. Accordingly, no amounts are recognised in the financial statements for volunteer services. However, the value of volunteer services has been provided in the notes to the accounts (Refer to Note 18)

(c) Depreciation

Depreciation is provided on fixed assets and is calculated on a straight-line basis to write off the net cost of each fixed asset over its expected useful life. The useful life of assets assessed as being between 3 and 10 years.

(d) Cash and Cash Equivalents

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

(e) 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 2020. 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 and are charged as expenses when incurred.

(f) 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.

Notes to the financial statements

For the year ended 30 June 2020

(g) Payables

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.

(h) Goods and Services Tax

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

- a) 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.

(i) Receivables

Receivables are recorded as amounts due to Interplast at the end of the reporting period.

Interplast has reviewed its Debtors and are satisfied that no provision for asset impairment needs to be raised.

(j) Inventories

Inventories are measured at the lower of cost or net realisable value.

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

(k) Leases

The organisation has a short-term lease over office space at East Melbourne.

As the term of the lease is less than 12 months with no option of rollover, lease payments are recognised as an expense over the lease term.

(l) Financial Instruments

Financial assets are classified, at initial recognition, at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss. 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.

Notes to the financial statements

For the year ended 30 June 2020

(m) 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) Revenue Recognition

Key judgements have been made around the recognition of income, as defined in note 1.3(a), as to whether income falls within the scope of AASB 1058 or AASB 15. Some areas of judgement include:

- Assessment of sufficiently specific
- Enforceability of contract

b) 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.

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.

(n) New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective.

<u>Standard/Amendment</u>	<u>Effective for annual reporting periods beginning on or after</u>
<i>AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>	1 July 2021

2 Related Party Transactions

There were no monetary transactions with related parties during the Financial Year. (2019; \$0).

Interplast Australia & New Zealand has obtained professional pro-bono services from members of the Board of Directors. No payment was made for these services.

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
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:		
Cash on hand	168	412
Foreign currency on hand	251	274
Westpac Bank	3,456,722	2,774,310
Other Cash	340	4,941
	3,457,481	2,779,833
Reconciliation of profit from ordinary activities to net cash flows from operating activities		
Surplus/(Deficit) from ordinary activities	460,010	352,445
Non-cash flows in operating surplus		
Depreciation	32,639	31,150
Charges to provisions	17,830	29,060
Stock write-off	-	567
Changes in assets and liabilities, net of the effects of purchase and disposals		
Increase in Assets	(65,531)	(10,906)
Increase (Decrease) in contributions for future programs	131,567	(334,422)
Increase (Decrease) in Payables	(54,210)	16,920
Decrease (Increase) in Receivables	97,258	(42,509)
Decrease (Increase) in Prepayments	58,032	(53,961)
Decrease (Increase) in Inventory	52	-
Cash flows from operations	677,647	(31,685)
4 Remuneration of Auditors		
Auditing the Financial Report – William Buck	10,000	17,000
	10,000	17,000

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
5 Property Plant and Equipment		
Surgical equipment		
At cost	602,918	543,117
Accumulated depreciation	(497,719)	(471,411)
Net carrying amount	<u>105,199</u>	<u>71,706</u>
Computer and electrical equipment		
At cost	67,158	57,194
Accumulated depreciation	(42,643)	(36,312)
Net carrying amount	<u>24,515</u>	<u>20,882</u>
Total net carrying amount	<u><u>129,714</u></u>	<u><u>92,588</u></u>
6 Payables		
Payables	44,410	78,919
Accrued Expenses	22,655	30,099
Other Creditors	5,243	17,500
	<u>72,308</u>	<u>126,518</u>
7 Provisions		
(a) Current		
Annual leave	52,837	53,568
Long service leave	26,109	42,751
Leave in lieu	142	5,663
GST	590	-
Residual Grant funding	39,230	-
Total Current provisions	<u>118,908</u>	<u>101,982</u>
(b) Non-current	<u>5,579</u>	<u>4,675</u>
Long service leave	<u>5,579</u>	<u>4,675</u>
8 Retained Earnings		
Balance at beginning of Financial Year	2,127,256	1,783,866
Transfer to General Reserve	(700,000)	-
Surplus for year	460,010	343,390
Balance at end of Financial Year	<u><u>1,887,266</u></u>	<u><u>2,127,256</u></u>

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
9 Capital and Leasing Commitments		
Lease Commitments		
Non-cancellable lease contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
- Less than 12 months	20,636	21,837
	20,636	21,837

The Company has no finance leases.

10 Financial Risk Management

The company's financial instruments consist of deposits with banks, accounts receivable and payable and leases.

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:

Financial Assets		
Cash and cash equivalents	3,457,481	2,779,834
Receivables	4,119	101,377
Total Financial Assets	3,461,600	2,881,211
Financial Liabilities		
Trade and other payables	72,308	126,518
Total Financial Liabilities	72,308	126,518

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.

The risk management policies and the risk register are reviewed and approved 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 counterparty 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 counterparties to financial instruments, does not expect any counter parties to fail to meet their obligations.

Notes to the financial statements

For the year ended 30 June 2020

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.

(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 %	2020 \$
Cash at bank	0.00 - 0.25%	802,984
Term Deposits	0.90% to 1.10%	2,654,497
		<u><u>3,457,481</u></u>
	Interest Rate %	2019 \$
Cash at bank	0.00%	185,645
Term Deposits	2.00% to 2.40%	2,588,614
		<u><u>2,774,259</u></u>

2020 \$	2019 \$
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11 Program Expenditure by Country

Pacific & Papua New Guinea

Fiji	83,184	274,265
Kiribati	0	55,458
Samoa	53,757	55,956
Solomon Islands	81,896	55,196
Tonga	0	72,680
Vanuatu	15,494	72,943
Papua New Guinea	151,975	11,301
	<u><u>386,306</u></u>	<u><u>597,799</u></u>

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
Asia		
Bangladesh	25,379	54,058
Bhutan	100,533	150,843
Indonesia	9,436	-
Laos	94,665	82,006
Mongolia	91,555	72,244
Myanmar	59,279	123,723
Nepal	20,712	54,107
Philippines	753	160,584
Sri Lanka	52,286	10,451
Vietnam	-	58,276
	454,338	766,293
Cross Regional Asia & Pacific Programs	123,196	0
Total Program Expenditure	963,840	1,364,091
Less cost of donated supplies	(26,019)	(56,895)
Total Program Expenditure	937,821	1,307,197

12 Reserves

General Reserve

The general reserve has been established to meet the organisation's current financial obligations, operating commitments and includes a prudent margin for unforeseen events.

13 Contingent Assets and Liabilities

The directors are not aware of the existence of any contingent asset or liability at the end of the reporting period.

14 Events after the reporting date

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

15 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
250-290 Spring Street
East Melbourne Vic 3002
Telephone: (03) 9249 1231

Principal Registered Office

Minter Ellison Solicitors
Level 23
Rialto Towers
Melbourne Vic 3000

Notes to the financial statements

For the year ended 30 June 2020

16 Restricted Assets

Total "Donations & Gifts – Monetary" includes \$528,457 of restricted donations received during the year which are tied to future programs. Total net restricted assets at balance date was \$613,235.

	2020 \$	2019 \$
Restricted Assets Brought Forward	338,850	-
Donations received on a restricted basis	528,457	402,933
Tied revenue expended on programs during the year	(254,071)	(64,083)
Closing Balance - Net Restricted Assets	613,235	\$338,850

17 Other Income

Federal Govt – JobKeeper	72,000	-
Federal Govt – Cashflow Boost	50,000	-
Other Sundry income	7,259	2,720
Total Other Income	129,259	2,720

18 Recognised Development Expenditure: Value of Volunteer Services

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

Australian Volunteers for the year ended 30 June 2020.

	2020 \$	2019 \$
39 Medical Specialists for a total of 265.6 days	142,787	452,384
43 Allied Health Specialists, Nurse Educators and Nurses for a total of 316.5 days	103,325	225,740
Total Value of Volunteer Services	246,112	678,124