



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 2023

| CONTENTS | Page No |
|--|----------------|
| Directors' Report..... | 1 - 4 |
| Auditor's Declaration of Independence..... | 5 |
| Independent Auditor's Report..... | 6 - 7 |
| Directors' Declaration..... | 8 |
| Statement of comprehensive income..... | 9 |
| Statement of financial position..... | 10 |
| Statement of changes in equity..... | 11 |
| Statement of cash flows..... | 12 |
| Notes to the financial statements..... | 13 - 21 |

Directors’ Report

The Directors of Interplast Australia & New Zealand (Interplast) submit herewith the annual financial report for the financial year ended 30 June 2023. 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 | 2022/23 Board meetings | |
|-------------------------|--|-----------------------------------|------------------------|----------|
| | | | Eligible to attend | Attended |
| Dr Michael McGlynn OAM | November 2019 | 15th November 2022 | 3 | 3 |
| Mr Peter Caldwell | November 2021 | - | 6 | 5 |
| Mr John Dodd OAM | November 2020 | - | 6 | 6 |
| Ms Marie Dorrington OAM | November 2021 | - | 6 | 5 |
| Ms Margaret Jackson AC | November 2020 | - | 6 | 4 |
| Dr Kirstie MacGill | November 2021 | - | 6 | 6 |
| Ms Amy McLeod | November 2021 | - | 6 | 6 |
| Dr Zachary Moaveni | November 2021 | | 6 | 5 |
| Ms Hayley Morris | November 2021 | - | 6 | 5 |
| Dr Philip Ragg | November 2022 | - | 6 | 5 |
| Ms Emma Skinner | November 2020 | - | 6 | 5 |
| Mr Paul Sundberg | November 2019 | 15th November 2022 | 3 | 3 |
| Dr David Morgan | November 2022 | | 3 | 3 |
| Mr Frank Micallef | November 2022 | | 3 | 3 |
| Mr David Wilden | November 2022 | | 3 | 3 |

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 across the Asia Pacific region, through:

- supporting local partners to deliver clinical services;
- building of local medical, nursing and allied health capacity;
- supporting partner hospitals to improve their systems and processes; and
- enabling a number of initiatives to improve the capacity of national health systems.

Additionally, from November 2022, Interplast undertook specialist programming in the area of assistive technology and disability inclusion. The use of technology enabled us to continue delivery our strategic objectives remotely as specialist medical teams remained grounded for much of the year as a direct result of travel restrictions imposed by governments to manage the COVID-19 pandemic.

Long-term and short-term objectives

Interplast's long term objectives are to:

- Improve the quality of life of people with acquired or congenital physical disabilities and increase their access to quality health care; and
- Contribute to the development of sustainable health systems and capacity building of health professionals throughout the Asia Pacific region.

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;
- Deliver 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 upon the request of partners; 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 individual volunteers and number of volunteer hours contributed (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 reached; 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.

Compared to the previous year, the relaxation of travel restrictions allowed Interplast to successfully execute a higher number of activities during the financial year 2023.

In FY23, Interplast conducted 31 program activities in 15 countries across 17 locations. Additionally, our online modules, video and webinars extended our reach to over 25 countries.

Information on Directors

| | |
|--------------------------------|---|
| Dr Michael McGlynn OAM | President |
| Qualifications | Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons, Harvard Business School |
| Office Bearer | Appointed President 2021. Retired November 2022 |
| Ms Hayley Morris | Vice-President |
| Qualifications | Bachelor of Arts (Communications) |
| Officer Bearer | Appointed Vice-President 2020 |
| Dr Kirstie MacGill | Vice-President |
| Qualifications | Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons, Diploma in Anatomy, Master of Surgical Education |
| Office Bearer | Appointed Vice-President 2021. Appointed President 2023 |
| Mr Peter Caldwell | Treasurer |
| Qualifications | Diploma of Business Studies (Accounting), Chartered Accountant, FCPA |
| Office Bearer | Appointed Treasurer November 2020 |
| Ms Marie Dorrington OAM | Secretary |
| Qualifications | Bachelor of Arts, Diploma of Education, Diploma of Teaching |
| Officer Bearer | Appointed Secretary November 2020 |
| Mr John Dodd OAM | 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 Chartered Accountants Australia and New Zealand, Fellow Australian Institute of Company Directors |
| Dr Zachary Moaveni | Director |
| Qualifications | Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons |
| 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 |
| Ms Emma Skinner | Director |
| Qualifications | Bachelor of Pharmacy |
| Mr Paul Sundberg | Director |
| Qualifications | Bachelor of Economics (Honors), Chartered Accountant FCA Retired 2022 |
| Dr David Morgan | Director |
| | Bachelor of Medicine, Bachelor of Surgery, Fellow Royal Australasian College of Surgeons |
| Mr Frank Micallef | Director |
| | Bachelor of Business (Accounting), Master of Accounting, Graduate Diploma (Education), FCPA, FAICD |
| Mr David Wilden | Director |
| | Graduate Certificate in Public Sector Management, Masters of Business Administration |

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 2023, the total amount that members of the company are liable to contribute if the company is wound up \$900 (2022: \$900).

Review of Operations

The net operating deficit amounted to \$227,706 (2022: Operating surplus of \$380,497).

Director's Remuneration

No fees were paid or are payable to the Directors. (2022: \$0).

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 5.

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



.....
Kirstie MacGill
Director



.....
Peter Caldwell
Director

10 October 2023



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Collins Square, Tower Four
Level 18, 727 Collins Street
Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF INTERPLAST AUSTRALIA & NEW ZEALAND

As lead auditor of Interplast Australia & New Zealand for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 10 October 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Interplast Australia & New Zealand

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Interplast Australia & New Zealand (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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 registered entity'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.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities 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.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Elizabeth Blunt
Director

Melbourne, 10 October 2023

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 9 to 21 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 2023 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 2022*.

On behalf of the Directors



.....
Kirstie MacGill
Director



.....
Peter Caldwell
Director

10 October 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------|------------------|
| REVENUE | | | |
| Donations & Gifts - Monetary | 15 | 970,046 | 847,979 |
| Donations & Gifts – Non Monetary | | 43,079 | - |
| Bequests & Legacies | | 535,951 | 801,942 |
| Grants | | | |
| - Government | 16 | 319,002 | 434,336 |
| - Other Australian | | 48,004 | 31,155 |
| - Overseas | | 283,862 | 3,986 |
| Interest | | 163,074 | 14,900 |
| Other Income | | 9,821 | 1,234 |
| Total revenue | | 2,372,839 | 2,135,532 |
| EXPENDITURE | | | |
| <i>International aid and development programs expenditure</i> | | | |
| International Programs | | | |
| - Direct international program costs | | 1,312,882 | 612,707 |
| - Program support costs | | 157,022 | 246,815 |
| Community Education | | 83,433 | 99,215 |
| Fundraising Costs | | | |
| - Public | | 485,413 | 380,063 |
| - Govt, Multilateral and private | | 32,352 | - |
| Accountability and Administration | | 559,517 | 386,378 |
| Non-Monetary Expenditure | | 19,926 | 29,857 |
| Total international aid and development expenditure | | 2,650,545 | 1,755,035 |
| Domestic programs | | - | - |
| Total expenditure | 4 | 2,650,545 | 1,755,035 |
| Excess of expenditure over revenue / revenue over expenditure | | (277,706) | 380,497 |
| Total comprehensive (loss) / income | | (277,706) | 380,497 |

Statement of financial position

For the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 3 | 4,641,279 | 5,102,988 |
| Listed Investments received through bequest | | 65,036 | 59,730 |
| Receivables | | 63,462 | 24,309 |
| Prepayments | | 100,274 | 52,846 |
| Inventories | | - | 1,561 |
| Total current assets | | 4,870,051 | 5,241,434 |
| Non-current assets | | | |
| Property and equipment | 6 | 24,493 | 46,419 |
| Total non-current assets | | 24,493 | 46,419 |
| TOTAL ASSETS | | 4,894,544 | 5,287,853 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 7 | 162,735 | 225,788 |
| Contract Liabilities | 17 | 50,000 | 127,042 |
| Provisions | 8 | 143,212 | 118,301 |
| Total current liabilities | | 355,947 | 471,131 |
| Non-current liabilities | | | |
| Provisions | 8 | 9,836 | 10,255 |
| Total non-current liabilities | | 9,836 | 10,255 |
| TOTAL LIABILITIES | | 365,783 | 481,385 |
| NET ASSETS | | 4,528,761 | 4,806,467 |
| EQUITY | | | |
| General Reserve | 11 | 1,200,000 | 1,200,000 |
| Donor Restricted Reserve | 11 | 1,808,321 | - |
| Retained Earnings | 9 | 1,520,440 | 3,606,467 |
| TOTAL EQUITY | | 4,528,761 | 4,806,467 |

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2023

| | Retained Earnings \$ | Donor Restricted Reserve \$ | General Reserve \$ | Total \$ |
|-----------------------------------|----------------------------|--------------------------------------|--------------------------|------------------|
| Balance at 1 July 2021 | 3,225,970 | - | 1,200,000 | 4,425,970 |
| Comprehensive income for the year | 380,497 | - | - | 380,497 |
| Balance at 30 June 2022 | 3,606,467 | - | 1,200,000 | 4,806,467 |
| Comprehensive income for the year | (277,706) | - | - | (277,706) |
| Reserve Transfer | (1,808,321) | 1,808,321 | - | - |
| Balance at 30 June 2023 | 1,520,440 | 1,808,321 | 1,200,000 | 4,528,761 |

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2023

| | Note | 2023 \$ | 2022 \$ |
|--|------|------------------|-------------|
| Cash flows from operating activities | | | |
| Receipts from Government Grants (inclusive of GST) | | 277,119 | 440,750 |
| Receipts from Donations, Bequests and Non-Government Grants (inclusive of GST) | | 1,821,978 | 1,591,223 |
| Interest received | | 163,074 | 14,900 |
| Other income | | 9,821 | 1,235 |
| Payments to suppliers & employees | | (2,733,701) | (1,650,036) |
| Net cash (used in)/ provided by operating activities | | (461,709) | 398,072 |
| Cash flows from investing activities | | | |
| | | - | - |
| Cash flows from financing activities | | | |
| | | - | - |
| Net (decrease)/increase in cash held | | (461,709) | 398,072 |
| Cash at beginning of year | | 5,102,988 | 4,704,916 |
| Cash at end of year | 3 | 4,641,279 | 5,102,988 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2023

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 principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on a general purpose financial report of the entity.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute financial statements to the members of Interplast Australia & New Zealand. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Interplast Australia & New Zealand.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the *Australian Accounting Standards and Interpretations* issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.2(m).

1.2 New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.3 Accounting Policies

(a) Revenue Recognition

Grants

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, Interplast Australia & New Zealand has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the company 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.

Notes to the financial statements

For the year ended 30 June 2023

Donations and Bequests

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

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.

(b) Volunteer Services

Interplast Australia & New Zealand 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 Australia & New Zealand has assessed that the fair value of its volunteer services can be reliably measured, it has decided not to adopt the policy option 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 item of Surgical Equipment and Computer & Electrical Equipment over their expected useful lives as follows:

| | |
|---------------------------------|--------------|
| Surgical Equipment | 5 - 13 years |
| Computer & Electrical Equipment | 3 - 5 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 2023. 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 corporate 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 2023

(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
- b) 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 Australia & New Zealand at the end of the reporting period.

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

(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 company 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 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 to 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 2023

(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” performance obligations
- Enforceability of contract

b) Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been estimated.

2 Related Party Transactions

There were no monetary transactions with related parties during the Financial Year. (2022; \$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 2023

| | 2023 \$ | 2022 \$ |
|---|------------------|------------------|
| 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 | 1,067 | 1,919 |
| Cash at bank | 4,640,212 | 5,101,069 |
| | 4,641,279 | 5,102,988 |
| Reconciliation of profit from ordinary activities to net cash flows from operating activities | | |
| (Deficit)/Surplus from ordinary activities | (227,706) | 380,497 |
| Non-cash flows in operating (deficit)/surplus | | |
| Depreciation | 21,096 | 31,285 |
| Listed Investments received through bequest | (5,306) | (59,730) |
| Changes in assets and liabilities, net of the effects of | | |
| Purchase and Disposals | | |
| Decrease (Increase) in Assets | 830 | - |
| Increase (Decrease) in Provisions | 24,492 | (13,541) |
| Increase (Decrease) in Deferred Income | (127,042) | (3,297) |
| Increase (Decrease) in Payables | (79,231) | 130,612 |
| Decrease (Increase) in Receivables | (22,975) | (15,077) |
| Decrease (Increase) in Prepayments | (47,428) | (51,619) |
| Decrease (Increase) in Inventory | 1,561 | (1,058) |
| Cash flows from operations | (461,709) | 398,072 |
| 4 Expenses | | |
| Total expenditure includes the following specific expenses: | | |
| <i>Depreciation:</i> | | |
| Surgical equipment | 19,926 | 29,857 |
| Computer and electrical equipment | 1,170 | 1,428 |
| | 21,096 | 31,285 |
| <i>Superannuation expense:</i> | | |
| Defined contribution superannuation expense | 116,813 | 81,535 |

Notes to the financial statements

For the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|--|----------------|----------------|
| 5 Remuneration of Auditors | | |
| Auditing the Financial Report – BDO | 24,860 | 25,000 |
| | 24,860 | 25,000 |
| 6 Property Plant and Equipment | | |
| Surgical equipment | | |
| At cost | 605,903 | 605,903 |
| Accumulated depreciation | (581,410) | (561,484) |
| Net carrying amount | 24,493 | 44,419 |
| Computer and electrical equipment | | |
| At cost | 34,764 | 37,254 |
| Accumulated depreciation | (34,764) | (35,254) |
| Net carrying amount | - | 2,000 |
| Total net carrying amount | 24,493 | 46,419 |
| 7 Payables | | |
| Payables | 40,720 | 164,827 |
| Accrued expenses | 113,132 | 53,643 |
| Other creditors | 8,883 | 7,318 |
| | 162,735 | 225,788 |
| 8 Provisions | | |
| (a) Provision for Employee Entitlements | | |
| Annual leave | 98,415 | 89,167 |
| Long service leave | 31,230 | 18,571 |
| Leave in lieu | 13,567 | 10,563 |
| Total Current provisions | 143,212 | 118,301 |
| (b) Non-current | | |
| Long service leave | 9,836 | 10,255 |
| | 153,048 | 128,556 |

Notes to the financial statements

For the year ended 30 June 2023

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| 9 Retained Earnings | | |
| Balance at beginning of Financial Year | 3,606,467 | 3,225,970 |
| Reserve Transfer | (1,808,321) | - |
| (Deficit)/Surplus for year | (277,706) | 380,497 |
| Balance at end of Financial Year | <u>1,520,440</u> | <u>3,606,467</u> |

10 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

| | |
|--------------|---------------|
| 5,368 | 21,435 |
| <u>5,368</u> | <u>21,435</u> |

11 Reserves

General Reserve

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

Donor Restricted Reserve

The donor restricted reserve has been instituted to allocate funds for the company's specified projects. This safeguards the utilisation of donated funds in alignment with the donors' intended objectives, while also fostering financial transparency.

12 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 (2022:None).

13 Events after the reporting date

No matter or circumstance has arisen since 30 June 2023 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.

Notes to the financial statements

For the year ended 30 June 2023

14 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 20, Collins Arch
447 Collins Street
Melbourne Vic 3000

15 Restricted Assets

Total "Donations & Gifts – Monetary" includes \$1,167,397 (2022: \$605,183) of donations that are tied to future program expenditure (Restricted Assets). These donations are recognised as income immediately to comply with AASB accounting requirements. Restricted Asset Funds are not available to cover operational expenditure. Total Net Restricted Assets at 30 June 2023 was \$1,808,321 (2022: \$2,033,612).

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| Restricted Assets Brought Forward | 2,033,612 | 1,618,365 |
| Donations received on a restricted basis | 1,167,397 | 605,183 |
| Programs funded from Restricted Assets during the year | (1,392,688) | (189,936) |
| Closing Balance - Net Restricted Assets | 1,808,321 | 2,033,612 |

16 Government Revenue

| | | |
|---|----------------|----------------|
| State Govt – Jobs Victoria Grant | - | 6,000 |
| Department of Foreign Affairs & Trade - ANCP | 291,534 | 171,054 |
| Department of Foreign Affairs & Trade – Programs in The Pacific | 27,468 | 257,282 |
| Total Government Revenue | 319,002 | 434,336 |

17 Contract Liabilities

| | | |
|-----------------------------------|---------------|----------------|
| Government | - | 41,538 |
| Non-Government | 50,000 | 85,504 |
| Funding not yet recognised | 50,000 | 127,042 |

Notes to the financial statements

For the year ended 30 June 2023

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 2023.

| | 2023 | 2022 |
|---|----------------|-------------|
| | \$ | \$ |
| 43 Medical Specialists for a total of 506 days (2022: 30 Medical Specialists for a total of 28 days) | 394,956 | 20,658 |
| 37 Allied Health Specialists, Nurse Educators and Nurses for a total of 458 days (2022: 24 Allied Health Specialists, Nurse Educators and Nurses for a total of 51 days) | 182,568 | 16,950 |
| Total Value of Volunteer Services | 577,524 | 37,608 |