



**KIND CUTS FOR KIDS FOUNDATION INC**  
**Reg No A0041866G**  
**ABN 80451194975**

**ANNUAL REPORT**  
**(Including the Financial Statements)**  
**FOR THE YEAR ENDED 30 JUNE 2010**

**KIND CUTS FOR KIDS FOUNDATION INC**

REG No. A0041866G

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# KIND CUTS FOR KIDS FOUNDATION INC

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## BOARD'S REPORT

### VISION STATEMENT

To improve surgical services to children in developing countries.

### MISSION STATEMENT

Advance medical and nursing techniques in paediatric surgery by education and demonstration in collaboration with paediatric health professionals throughout the developing world.

### KIND CUTS FOR KIDS FOUNDATION INC'S ROLE

Kind Cuts for Kids Foundation Inc (KCfK) is an Incorporated Association under the Associations Incorporation Act of Victoria committed to the sending of Paediatric Surgical teams to work in developing countries to evolve sustainable programs of improved care for children with surgical disease, particularly related to paediatric General Surgery and Paediatric Urology.

### KIND CUTS FOR KIDS FOUNDATION INC'S PRINCIPLES

KCfK's principles are charitable in nature, to provide health care for children in necessitous circumstances in developing countries, including:

- to increase awareness of the health care needs of children in developing countries;
- to provide and facilitate medical care and services to children in developing countries;
- to improve the quality and practice of surgery in developing countries;
- to work for the well being of children in developing countries;
- to enhance, promote and facilitate medical and nursing education in developing countries;
- to facilitate skill transfers between Australia and developing countries;
- to supply medical equipment and supplies;
- to provide opportunities for Australian surgeons to participate in surgical visits; and
- to undertake other community based activities for charitable purposes.

### CHAIRMAN'S REPORT

The Kind Cuts for Kids Foundation has been invigorated by the appointment of two new Board members in recent months, having used the assistance of the "GreatConnections" organisation to find the talent of Kim Neuhold and Derek Shaw. We welcome their experience and skills to enhance our Board, making it a more strategy development body supported by a vibrant committee structure. Since their inclusion, we have significantly developed the Board committees, while improving processes and evolving an Operations Manual.

Two countries are now able to be viewed as fulfilling the Foundation's vision through services in PNG and Mauritius having reached a sustainable level, including that previously trained surgeons are being seen as the teachers for regional surgeons. Also, Cuba, having been supported in the development of Paediatric Urology, has established an Association that enables that group of surgeons to recruit assistance from many countries, as does any developed country.

We continue to provide teaching missions to Nepal, Gaza, Ethiopia and Bangladesh, and have added teaching programs in Colombia and Eastern Europe as an additional focus of our new Program Development Committee. Concurrently, the Medical Manpower Committee has been charged with the evaluation of various applicants, including previously trained surgeons, registrars and medical students, noting that we now see our role as educating the next generation in how to develop a sustainable aid program in developing countries. In fact, we are setting the benchmark by which other programs are measured.

The Rotary Clubs of Manningham and Preston share our vision, as does the Society for Children Inoperable in Mauritius, for which we thank their Presidents, Wally Spinks, Rosmary Wilcocks, and Gilbert Clark, respectively. We are also indebted to the volunteers who provide support for the missions, both those travelling and those who provide logistics assistance in Australia. The winners are the children and their parents, particularly the parents of children for generations to come, for which we must thank the visited medical teams and childrens' parents, who have entrusted the care of their children to the visiting Foundation teams.

Our various donors have continued to support our work. The equipment donors include Ansell, Bard, Johnson and Johnson, the St John of God Hospital in Geelong, the Geelong Hospital and the Sunshine Hospital, Valley Lab, the non government organizations and health departments in the countries visited, including the Australian High Commissioners in Dhaka and Mauritius.

There is no substitute for success; the Foundation has provided care to over 2000 children and has proved a sustainability model that is second to none, and we have only just started to change the world.

In the year ending 30<sup>th</sup> June 2008 the "Kind Cuts for Kids Annual Award" was initiated. The idea was to promote participation in the organisation and reward effort and commitment. The nominees for the 2008-9 award were:

Ray Bridger, then President of Manningham Rotary Club a strong supporter of KCfK

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Ken Brownhill, anaesthetist, an original team member who has participated in many trips  
Margaret Costa, nurse, an early member of Board who participated in multiple trips  
Professor Bill Gunn, Secretary International Federation of Surgical Colleges and a strong supporter  
Professor Shafiqul Hoque, paediatric surgeon in Bangladesh and active in Bangladesh arrangements  
Bernie Lamers of Preston Rotary, a strong and long standing supporter.  
McLee Matthew, the first paediatric surgeon in PNG  
Hosany Nazeer, Surgeon trained in Melbourne and now very active in Mauritius  
Caron Oakley, nurse, who has been on a number of trips and has negotiated very successfully with providers of donations in kind.  
Geoff Roberts, Manningham Rotary, a strong and continuing supporter of KCfK  
Philip Sacca, without whom the Gaza trips would never have happened.  
Margaret Smith, Children First Foundation, a strong supporter and cooperator  
Steve Findlay, then manager of the Radisson on Flagstaff Hotel, a committed and sustained supporter  
The award was presented to Philip Sacca.

The nominees for the 2010 award were:

Professor Shafiqul Hoque, paediatric surgeon in Bangladesh and active in Bangladesh arrangements  
McLee Matthew, the first paediatric surgeon in PNG

McLee Mathew is the successful recipient of the 2010 "Kind Cuts for Kids Award", having been involved in the development of Paediatric Surgery in PNG since the early part of that program. He has since been the first successful candidate of the University of PNG diploma of Paediatric Surgery, following which he continues to be a strong supporter of the development of the care of children with surgical disease.

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## FINANCIAL REPORT

### KIND CUTS FOR KIDS FOUNDATION INC

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Board members submit the financial report of the Kind Cuts for Kids Foundation Inc for the financial year ended 30 June 2010.

#### Board Members

The names of Board members throughout the financial year were:

A/Professor David Croaker	Bernadette Pitcher
Professor Patrick Dewan	Dr Padma Rao
Maggie Hammerton	Hervé Rochecouste
Gordon Kirk	

In June 2010 Kim Neuhold and Derek Shaw joined the Board. Mary Edquist remained in the very valuable role of pro-bono legal adviser.

#### Principal Activities

The principal activity of the foundation during the financial year was facilitation for Paediatric Surgical teams to work in developing countries to evolve sustainable programs of improved care for children with surgical disease, particularly related to paediatric General Surgery and Paediatric Urology.

#### Significant Changes

No significant change in the nature of these activities occurred during the year

#### Operating Result

The profit (deficit) from ordinary activities before providing for income tax amounted to \$5,237

#### After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the foundation, the results of those operations, or the state of affairs of the association in future financial years.

Signed in accordance with a resolution of the Members of the Board:

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Patrick Dewan

---

Gordon Kirk

Dated this      day of                      2010

**KIND CUTS FOR KIDS FOUNDATION INC****REG No. A0041866G****INCOME STATEMENT**

For the year ended 30 June 2010

	Notes	2010 \$	2009 \$
Revenue	2	23,634	25,154
		23,634	25,154
Administrative expenses		(1,902)	(1,806)
Medical supplies expenses		-	(16,923)
Travel expenses		<u>(16,495)</u>	<u>(13,654)</u>
		<u>(18,397)</u>	<u>(32,383)</u>
Profit (deficit)		<u>5,237</u>	<u>(7,229)</u>
Total changes in equity	8	5,237	<u>(7,229)</u>

# KIND CUTS FOR KIDS FOUNDATION INC

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## BALANCE SHEET

As at 30 June 2010

	Notes	2010	2009
		\$	\$
<hr/>			
CURRENT ASSETS			
Cash and cash equivalents	3	40,714	35,477
Trade and other receivables	4		
TOTAL CURRENT ASSETS		<u>40,714</u>	35,477
NON-CURRENT ASSETS			
Property, plant and equipment	5		
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS		<u>40,714</u>	35,477
CURRENT LIABILITIES			
Trade and other payables	6		
Provisions	7		
TOTAL CURRENT LIABILITIES		-	
NON-CURRENT LIABILITIES			
Provisions	7		
TOTAL NON-CURRENT LIABILITIES		-	
TOTAL LIABILITIES		-	
NET ASSETS		<u>40,714</u>	<u>35,477</u>
MEMBERS' FUNDS			
Accumulated Surplus		<u>40,714</u>	<u>35,477</u>
TOTAL MEMBERS' FUNDS	8	<u>40,714</u>	<u>35,477</u>

# KIND CUTS FOR KIDS FOUNDATION INC

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## DETAILED PROFIT AND LOSS STATEMENT

For the year ended 30 June 2010

	2010	2009
	\$	\$
Income		
Donations received	22,809.85	23,656.50
Fundraising	-	-
Interest received	824.16	1,497.15
Total income	23,634.01	25,153.65
<b>Expenses</b>		
Bank Fees and Charges	21.00	6.25
Expenses for function	-	-
Equipment, Instruments, Suture Boxes	-	16,923.38
General Expenses	1,202.06	1,170.90
Postage	-	-
Printing and stationery	678.05	627.66
Travel, accom and conference	16,495.41	13,654.30
Total expenses	18,396.52	32,382.49
<b>Net Profit from Ordinary Activities before income tax</b>	5237.49	(7,228.84)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.



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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of Victoria. The Board has determined that the association is not a reporting entity. The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act of Victoria and the following applicable Accounting Standards:

	Framework for the Preparation and Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 116:	Property, Plant and Equipment
AASB 119:	Employee Benefits
AASB 137:	Provisions, Contingent Liabilities and Contingent Assets
AASB 1004:	Contributions
AASB 1031:	Materiality

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

#### (a) Income Tax

No provision for income tax has been raised as the association is not for profit.

#### (b) Fixed Assets

Other fixed assets will be carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

#### (c) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts. For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

### Notes to the Financial Statements

For the year ended 30 June 2010

#### (d) Revenue

Revenue is recognised upon funds received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST) as the foundation is not registered for GST.

#### (e) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### (h) Trade debtors

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

#### (i) Trade payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

# KIND CUTS FOR KIDS FOUNDATION INC

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## STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that the association is not a reporting entity.

The Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report is as set out in this report.

1. Presents a true and fair view of the financial position of Kind Cuts for Kids Foundation Inc as at 30 June 2010 and its performance for the financial year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Kind Cuts for Kids Foundation Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

\_\_\_\_\_  
Patrick Dewan

\_\_\_\_\_  
Gordon Kirk

Dated this     day of             2010

# KIND CUTS FOR KIDS FOUNDATION INC

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## CERTIFICATE BY MEMBERS OF BOARD

I, Patrick Dewan of 9 Monckton Road, Templestowe, Victoria , and I, Gordon Kirk of 27 Riverside Avenue, Balwyn North, Victoria certify that:

- (a) We are members of the Board of Kind Cuts for Kids Foundation Inc.
- (b) We attended the annual general meeting of the association held on 19<sup>th</sup> August 2010.
- (c) We are authorised by the attached resolution of the Board to sign this certificate.
- (d) This annual statement was submitted to the members of the association at its annual general meeting.

Dated this .....<sup>th</sup> day of August 2010

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Patrick Dewan (Board Member)

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Gordon Kirk (Board Member)

# KIND CUTS FOR KIDS FOUNDATION INC

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## INDEPENDENT AUDIT REPORT

Independent Audit Report to the members of Kind Cuts for Kids Foundation Inc

### Scope

The financial report and Board's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the statement by members of the Board for Kind Cuts for Kids Foundation Inc, for the year ended 30 June 2010.

The Board of the association is responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act 1981 of Victoria and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting requirements under the Associations Incorporation Act 1981 of Victoria. We disclaim any assumption for responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

### Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the association's financial position, and of their performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate to the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### Audit Opinion

In our opinion, the financial report of Kind Cuts for Kids Foundation Inc presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Kind Cuts for Kids Foundation Inc as at 30 June 2010 and the results of its operations and its cash flows for the financial year then ended.

Peter G D'Ambrosio Pty Ltd

Peter Gregory D'Ambrosio  
Registered company auditor  
Date: \_\_\_\_\_

279 Lower Heidelberg Road  
Ivanhoe East 3079

**KIND CUTS FOR KIDS FOUNDATION INC**

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**DISCLAIMER**

Disclaimer to the members of  
Kind Cuts for Kids Foundation Inc

The additional financial data presented is in accordance with the books and records of the association which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial year ended 30 June 2010. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Kind Cuts for Kids Foundation Inc) in respect of such data, including any errors or omissions therein however caused.

Peter G D'Ambrosio Pty Ltd  
279 Lower Heidelberg Road  
Ivanhoe East 3079

Peter Gregory D'Ambrosio  
Registered company auditor

Date: Melbourne