



**KIND CUTS FOR KIDS
ABN 91147413241**

**ANNUAL REPORT
(Including Financial Statements)
FOR THE YEAR ENDED 30 JUNE 2012**

KIND CUTS FOR KIDS

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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 ROLE

Kind Cuts for Kids (KCfK) is a not-for-profit Public Company 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 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

Kind Cuts for Kids is no longer a Foundation, having completed the task of becoming a company limited by Guarantee. We have ongoing structural changes, with devolvement of tasks to the committees, recruitment of members and further formalising of the reporting processes.

The work in the Balkans has become a bright new focus as we remember the success of our programs in both Cuba and PNG, where we no longer visit, but celebrate the sustainable success. There have been two visits to Albania, two also to Mauritius, with one each to Ethiopia, Kosova, Bosnia and South Africa; with one further visit being the highlight as it represented a partnership with Dr Marc Levitt, who travelled from Cincinnati with the support of Kind Cuts to Ghana, where his team treated and taught on the subject of anorectal anomalies. We have since undertaken to sponsor African surgeons to a workshop to be conducted in The Red Cross Children's Hospital in Cape Town in early 2013.

From the nine visits in the reporting year, 2011 to July 2012, 392 patients were treated, 201 were operated and dozens of surgeons were trained.

As part of our training the trainer, Dr Dritan Alushani was part of the team visiting Mauritius, during which time a German medical, also participated. A further feather in our cap came as indicated by the initiating of the visit to Bosnia, which came as a result of one of the surgeons participating as a student on the visit to Kosova in 2011. Subsequently Dr Kenan Karavdić, Paediatric Surgeon, arranged a Paediatric Urology and Surgery workshop for his region, during which the team had wide press coverage in Sarajevo. Likewise, in Albania and Kosova, meetings with high level officials occurred, including the Prime Minister of each country and a reception in our honour, orchestrated by the Ambassador to Albania.

The Rotary Clubs of Manningham and Preston continue to share our vision, as does the Society for Children Inoperable in Mauritius.

Our various donors have continued to support our work, including Ansell, Bard, Johnson and Johnson, the St John of God Hospital in Geelong, Valley Lab, the non-government organizations and health departments in the countries visited, including the Australian High Commissioner in Mauritius, the Ambassador for the Balkans, and the Albanian communities of both Australia and the Balkans.

Kind Cuts for Kids continues to evolve toward an organisation of National and International significance in the development of care for children in developing countries and for the secondary impact on healthcare for such patients around the world.

We continue to develop our sustainability model that is second to none, because our focus is on providing the care for children as part of an education program and, having provided the

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education, Kids Cuts for Kids records sustainability success when we make ourselves redundant. We aim to do ourselves out of a job in each of the locations in which we offer assistance, expecting that those trained will take on the task of doing the same as we have to both give back and maintain their skills.

Kind Cuts for Kids Annual Award

The award is given to a person who is deemed by the Board of the Company to have provided a level of support for the enhancement of sustainable surgical services for children in developing countries, an award that has been awarded on four previous occasions, to the following:

2008	Philip Sacca	Project development and support	Gaza
2009	Hervé Rochecouste	Financial and logistics support	Mauritius
2010	McLee Matthew	Dedication and sustainable focus	Papua New Guinea
2011	Sezar Jakupi	Inspiring activity in the Albanian community	Albania

In 2012, the award has been presented to the Taip family whose activities in the Albanian community both in Victoria and Albania are inspirational.

Committees

The following committees continued their work during the year:

- Communications
- Finance
- Fundraising and membership
- Medical Manpower
- Medical Projects

Towards the end of the financial year the Medical Manpower and Medical Projects committees were amalgamated to form the Medical Manpower/Projects Committee

In addition to members of the Board being active in these committees we were joined by:

- Ray Bridger
- Caitlin Clarke (previously Besanko)
- Stephen Flew
- Lisa Harrison
- Frank Miller
- Bernadette Pitcher

who contributed valuable work and advice.

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FINANCE REPORT

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Board members submit the report of Kind Cuts for Kids for the financial year ended 30 June 2012.

Board Members

The names of Board members at the end of the financial year were:

Professor Patrick Dewan	Gordon Kirk
Maggie Hammerton	Kim Neuhold
Brett Jackson	Dr Padma Rao

Derek Shaw and Nicole Russell gave valuable service for part of the year. Brett Jackson joined as Finance Director in April and has already provided valuable advice and assistance. Mary Edquist remained in the very valuable role of pro-bono legal adviser.

Principal Activities

The principal activity of the company 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.

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 company, the results of those operations, or the state of affairs of the company in future financial year

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

Patrick Dewan

Gordon Kirk

Dated this day of 2012

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INCOME STATEMENT

For the year ended 30 June 2012

	2012 \$	2011 \$
Revenue	67,341	80,784
Administrative expenses	(3,873)	(3,873)
Medical supplies expenses	(36,075)	(10,805)
Travel expenses	<u>(32,520)</u>	<u>(33,667)</u>
Total expenses	<u>(71,766)</u>	<u>(48,345)</u>
Net Surplus / (Deficit)	<u>(4,425)</u>	<u>32,439</u>
Total changes in equity	<u>(4,425)</u>	<u>32,439</u>

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BALANCE SHEET

As at 30 June 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	2	68,499	72,924
Trade and other receivables		-	-
TOTAL CURRENT ASSETS		<u>68,499</u>	<u>72,924</u>
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		<u>68,499</u>	<u>72,924</u>
CURRENT LIABILITIES			
Trade and other payables		-	-
Provisions		-	-
TOTAL CURRENT LIABILITIES		-	-
NON-CURRENT LIABILITIES			
Provisions		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		<u>68,499</u>	<u>72,924</u>
EQUITY			
Accumulated Surplus		<u>68,499</u>	<u>72,924</u>
TOTAL EQUITY	3	<u>68,499</u>	<u>72,924</u>

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DETAILED PROFIT AND LOSS STATEMENT

For the year ended 30 June 2012

	2012	2011
	\$	\$
Income		
Donations received	29,397	79,534
Fundraising Events & Activities (net of costs)	36,629	-
Memberships	20	-
Interest received	1,295	1,249
Total income	<u>67,341</u>	<u>80,783</u>
Expenses		
Bank Fees and Charges	6	34
Equipment, Instruments, Suture Boxes	36,075	10,805
General Expenses	824	3,779
Insurance	1,218	-
Postage	60	60
Travel, accommodation and conference	32,520	33,667
Website development and maintenance	1,063	-
Total expenses	<u>71,766</u>	<u>48,345</u>
Net Suplus / (Deficit)	<u>(4,425)</u>	<u>32,438</u>

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 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Kind Cuts for Kids Limited is an Australian unlisted public company, limited by guarantee. The company is a small company as defined in Section 45B of the *Corporations Act 2001* and is exempted from having to prepare general purpose financial statements. The Board has determined that the company is not a reporting entity and that this financial report is a special purpose financial report.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 110	Events after the Balance Sheet Date
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 a cash 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 have been adopted in the preparation of this report:

(a) Income Tax

No provision for income tax has been raised as the company has been endorsed by the Australian Taxation Office as a charitable institution and is exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

(b) Fixed Assets

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 company 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

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.

(d) Revenue

Revenue is recognised upon funds received.

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

(e) Comparative Figures

Kind Cuts for Kids (ABN 91 147 413 241) was established to take over the activities of and to replace Kind Cuts for Kids Foundation Inc (ABN: 80 451 194 975). All bank accounts for Kind Cuts for Kids Foundation Inc were closed during the 2012 financial year and transferred to Kind Cuts for Kids.

For accounting purposes, all current year and comparative financial information has been prepared for the purpose of this special purpose financial report as if Kind Cuts for Kids and Kind Cuts for Kids Foundation Inc were a single entity.

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NOTE 2: CASH AND CASH EQUIVALENTS

	2012	2011
	\$	\$
Westpac Main Account	18,032	22,698
Westpac Investment Account	50,446	50,226
Westpac Overseas Account	21	-
Total Cash and Cash Equivalents	<u>68,499</u>	<u>72,924</u>

NOTE 3: EQUITY

	2012	2011
	\$	\$
Opening Equity at the beginning of the year	72,924	40,486
Add net surplus / (deficit) for the year	<u>(4,425)</u>	<u>32,438</u>
Closing Equity	68,499	72,924

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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
- (b) We attended the annual general meeting of the company held on 11th October 2012.
- (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 company at its annual general meeting.

Dated this day of October 2012

Patrick Dewan (Board Member)

Gordon Kirk (Board Member)