



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

**ANNUAL REPORT**  
**(Including the Financial Statements)**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**KIND CUTS FOR KIDS FOUNDATION INC**

REG No. A0041866G

**Table of Contents**

**Contents**

**BOARD'S REPORT ..... 3**

**FINANCIAL REPORT ..... 5**

**INCOME STATEMENT ..... 6**

**BALANCE SHEET ..... 7**

**DETAILED PROFIT AND LOSS STATEMENT ..... 8**

**NOTES TO THE FINANCIAL STATEMENTS ..... 9**

**STATEMENT BY MEMBERS OF THE BOARD ..... 10**

**CERTIFICATE BY MEMBERS OF BOARD ..... 11**

**INDEPENDENT AUDIT REPORT ..... 12**

**DISCLAIMER..... 13**

# KIND CUTS FOR KIDS FOUNDATION INC

REG No. A0041866G

## 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, having improved the Board structure last year, has gone on to enhance the membership of its committees, which has enabled the organisation to expand its fundraising and outreach activities, including the acceptance of applications from surgical teams based in other countries. Concurrently, the corporate structure has also changed, taking us from an "association" to a "company limited by guarantee", largely due to the assistance of Mary Edquist and her legal firm. Reformation of the Board has allowed us to welcome Nicole Russell, a lawyer by trade. Nicole is a woman with obvious passion for children with surgical problems in developing countries and the ability to make a difference in how our well we achieve our aims. Two Board members have moved on, having enabled the organisation to grow as a result of their input; David Croaker continues to make himself available as a volunteer and Hervé Rochecouste provides ongoing support. We are indebted to them both for their contribution, and we wish them well.

A new direction for the Kind Cuts for Kids Foundation has been to provide assistance, and to accept, trainees and observers as self funded participants on missions, which adds to our focus of a sustainable future for providing care to disadvantaged countries, and is the central pillar on which our organisation sits. Thus our visits to South Africa are different from those other countries. In South Africa we conduct South African coordinated multi-surgeon workshops, during which we negotiate future involvement in African projects to be manned by the South African surgeons. In Albania and Kosova we have smaller groups involved in the surgery, but from across the Balkans, plus we have medical and radiological specialists participate, and we are involved in the student teaching program. Also, an Albanian surgeon has been recruited to assist in Mauritius as part of the ongoing commitment to sustainable aid to both countries, with the expectation that they may develop a program into the wider Balkans and Madagascar.

Two countries are now able to be viewed as fulfilling the Foundation's sustainability vision, namely PNG and Mauritius where we have reached an adequate level of service. However, in order for the development to be maintained, ongoing contact to ensure that surgeons have access to basic equipment and government support has been necessary. In PNG, for instance, we have continued to lobby for support for the educated surgeons, rather than the provision of more visiting surgeons. In Mauritius, the tiny island nation needs to be a regional centre of excellence to have sustainable high level Paediatric Surgical care.

The Rotary Clubs of Manningham and Preston continues to share our vision, as does the Society for Children Inoperable in Mauritius, for which we thank their Presidents, Ian Goldsmith, David de la Coeur, 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 or in the countries visited. This year is particularly noted for the efforts of the Albanian community, including the fund raising functions lead by Sezar Jakupi and the organisation Albanians Connect. "GreatConnections" has also continued with their long-term support, as has St John's Uniting Church in Elsternwick.

From the support received In the last 12 months over 350 children have improved health, but with more than 200 surgeons learning from nine visits, children and their parents for generations to come will benefit, for

# KIND CUTS FOR KIDS FOUNDATION INC

REG No. A0041866G

which we must also thank the *visited* medical teams. The Foundation is equally indebted to the parents, who have entrusted the care of their children to the *visiting* teams.

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. New additions to our support team are the Albanian communities of both Australia and the Balkans.

There is no substitute for success; the Foundation has provided care to over 2350 children and has proved a sustainability model that is second to none. Why? Because our focus is on providing the service as part of an education program and, having provided the education, the Kids Cuts for Kids Foundation moves on, but continues to help facilitate equipment being made available for those with the new skills, so they can provide the care they know how to, thereby make us redundant. We aim to do ourselves out of a job!

## Kind Cuts for Kids Annual Award

The award is given to a person who is deemed by the Board of the Foundation 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 three 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

In 2011, the award has been presented to Sezar Jakupi, who has provided the drive for a broad group of people from the Albanian community in Albania and the Balkans, resulting in an idea becoming a marvelous reality in a short period of time. By the end of this year, there will have been three trips to the Balkans funded by the Albanian community, an Albanian surgeon will have travelled as part of the Kind Cuts for Kids visit to Mauritius and children who have previously had to come to Australia will have had surgery in their own country, with the help of surgeons in their own country. Soon our job will be done in the Balkans, thanks to Sezar Jakupi and his wonderful team.

## Committees

The following committees were set up during the year:

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

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

- Ray Bridger
- Stephen Flew
- Frank Miller
- Bernadette Pitcher

who contributed valuable work and advice.

## Company Limited by Guarantee

In March Kind Cuts for Kids was formed as a company limited by guarantee giving us Australia wide coverage. The Foundation will be wound up in the first half of the financial year 2011-2012.

# KIND CUTS FOR KIDS FOUNDATION INC

REG No. A0041866G

## FINANCIAL REPORT

### KIND CUTS FOR KIDS FOUNDATION INC

Reg No. A0041866G

Board members submit the financial report of the Kind Cuts for Kids Foundation Inc for the financial year ended 30 June 2011.

#### Board Members

The names of Board members throughout the financial year were:

Professor Patrick Dewan	Kim Neuhold
Maggie Hammerton	Dr Padma Rao
Gordon Kirk	Derek Shaw

A/Professor David Croaker and Hervé Rochecouste gave valuable service for part of the year as did Bernadette Pitcher who remains in the role of Finance Manager. Nicole Russell joined as a member towards the end of the year and 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. A significant change was the formation of the company limited by guarantee, Kind Cuts for Kids ABN 91147413241.

#### Operating Result

The profit (deficit) from ordinary activities before providing for income tax amounted to \$32439

#### 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                    2011

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

For the year ended 30 June 2011

	Notes	2011 \$	2010 \$
Revenue	2	80,784	23,634
		80,784	23,634
Administrative expenses		(3,873)	(1,902)
Medical supplies expenses		(10,805)	-)
Travel expenses		<u>(33,667)</u>	<u>(16,495)</u>
		<u>(48,345)</u>	<u>(18,397)</u>
Profit (deficit)		<u>32,439</u>	<u>5,237</u>
Total changes in equity	8	32,439	<u>5,237</u>

# KIND CUTS FOR KIDS FOUNDATION INC

REG No A0041866G

## BALANCE SHEET

As at 30 June 2011

	Notes	2011	2010
		\$	\$
<hr/>			
CURRENT ASSETS			
Cash and cash equivalents	3	73,153	40,714
Trade and other receivables	4		
TOTAL CURRENT ASSETS		<u>73,153</u>	<u>40,714</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5		
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS		<u>73,153</u>	<u>40,714</u>
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>73,153</u>	<u>40,714</u>
MEMBERS' FUNDS			
Accumulated Surplus		<u>73,153</u>	<u>40,714</u>
TOTAL MEMBERS' FUNDS	8	<u>73,153</u>	<u>40,714</u>

# KIND CUTS FOR KIDS FOUNDATION INC

REG No A0041866G

## DETAILED PROFIT AND LOSS STATEMENT

For the year ended 30 June 2011

	2011	2010
	\$	\$
<b>Income</b>		
Donations received	79,534.49	22,809.85
<u>Interest received</u>	1,249.17	824.16
Total income	80,783.66	23,634.01
<b>Expenses</b>		
Bank Fees and Charges	34.25	21.00
Equipment, Instruments, Suture Boxes	10,804.64	-
General Expenses	3,779.20	1,202.06
Postage	60.00	-
Printing and stationery		678.05
Travel, accom and conference	33,666.75	16,495.41
Total expenses	<u>48,344.84</u>	<u>18,396.52</u>
<b>Net Profit from Ordinary Activities before income tax</b>	<u>32,438.82</u>	<u>5,237.49</u>

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

# KIND CUTS FOR KIDS FOUNDATION INC

REG No. A0041866G

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

### 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 2011

#### (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

REG No. A0041866G

## 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 2011 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                      2011

# KIND CUTS FOR KIDS FOUNDATION INC

REG No. A0041866G

## 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 8<sup>th</sup> September 2011.
- (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 ..... day of September 2011

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Patrick Dewan (Board Member)

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Gordon Kirk (Board Member)

# KIND CUTS FOR KIDS FOUNDATION INC

REG No. A0041866G

## 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 2011.

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 2011 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**

**REG No. A0041866G**

**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 2011. 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