

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2009**

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

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**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**DIRECTORS' REPORT**

Your Directors present their report on the Company for the financial year ended 30 June 2009.

The names of the Directors in office at any time during or since the end of the year are

Darryl Hodgkinson  
Katherine Hodgkinson  
Ann Collins  
Wyben Briones  
Maureen Eddison  
Antonio Jalandoni (appointed 31/01/2009)

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The following person held the position of the Company secretary at the end of the financial year:

Mrs Katherine Hodgkinson – Medical Practice Manager. Mrs Hodgkinson has worked for Operation Restore Hope Australia Limited for the past 13 years, performing management roles. Mrs Hodgkinson was appointed company secretary on 8 March 1996.

The profit of the Company for the financial year after providing for income tax amounted to \$1,349.50.

A review of the operations of the Company during the financial year and the results of those operations found that

No significant changes in the Company's state of affairs occurred during the financial year.

The principal activities of the Company during the financial year were provision of plastic surgery and related subspecialty surgical and medical services to persons not for profit in developing countries.

The Company also acts as trustee of The Operation Restore Hope Philippines Relief Fund, a Deductible Gift Recipient (DGR).

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

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 and the result of those operations, or the state of affairs of the Company in future financial years.

Likely developments in the operations of the Company and the expected results of those operations in future financial years are as follows

The objects of the Company to provide plastic surgery and related subspecialty surgical and medical services to persons in developing countries will be continued. The Directors expect the objects of the Company to be continued successfully.

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No dividends were paid during the year.

The Directors do not recommend the payment of a dividend.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**DIRECTORS' REPORT**

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Information on Directors

Darryl Hodgkinson	(Chairman) Director
Qualifications	Medical Practitioner
Experience	Appointed Chairman 1996. Board member since 1996.
Katherine Hodgkinson	(Secretary) Director
Qualifications	Medical Practice Manager
Experience	Board member since 1996.
Ann Collins	(Vice President) Director
Qualifications	Medical Practitioner
Experience	Board member since 1996.
Wyben Briones	Director
Qualifications	Medical Practitioner
Experience	Board member since 1996.
Maureen Eddison	Director
Qualifications	Nursing Sister
Experience	Board member since 2008.
Antonio Jalandoni	Director
Qualifications	Medical Practitioner
Experience	Board member since 2009.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**DIRECTORS' REPORT**

Meetings of Directors

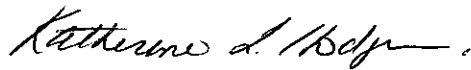
During the financial year 2 meetings of Directors were held.

	Number eligible to attend	Number attended
Darryl Hodgkinson	2	2
Katherine Hodgkinson	2	2
Ann Collins	2	2
Wyben Briones	2	2
Maureen Eddison	2	2
Antonio Jalandoni	1	1

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors



Katherine Hodgkinson  
**Director**

Ann Collins  
**Director**



**Dated this** 28 **day of** SEPTEMBER 2009

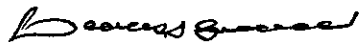
**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
OPERATION RESTORE HOPE  
AUSTRALIA LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2009 there have been

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**CHARLES J GRACE & CO  
Chartered Accountants**



**CHARLES JOHN GRACE  
Partner**

**109 PITT STREET SYDNEY NSW 2000**

**Dated this 20 day of AUGUST 2009**

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Revenue		7,895.05	23,960.13
Other expenses		(6,545.55)	(20,961.74)
<b>Profit before income tax</b>		<u>1,349.50</u>	<u>2,998.39</u>
<b>Profit attributable to members of the Company</b>		<u><u>1,349.50</u></u>	<u><u>2,998.39</u></u>

The accompanying notes form part of these financial statements.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**BALANCE SHEET  
AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	53,976.55	50,938.65
Trade and other receivables	3	1,045.16	1,645.09
<b>TOTAL CURRENT ASSETS</b>		<b>55,021.71</b>	<b>52,583.74</b>
<b>TOTAL ASSETS</b>		<b>55,021.71</b>	<b>52,583.74</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	1,088.47	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,088.47</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,088.47</b>	<b>-</b>
<b>NET ASSETS</b>		<b>53,933.24</b>	<b>52,583.74</b>
<b>EQUITY</b>			
Retained earnings	4 6	53,933.24	52,583.74
<b>TOTAL EQUITY</b>		<b>53,933.24</b>	<b>52,583.74</b>

The accompanying notes form part of these financial statements.

**OPERATION RESTORE HOPE  
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**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Retained Profits \$	Total \$
<b>Balance at 1 July 2007</b>		49,585.35	49,585.35
Profit attributable to the entity		2,998.39	2,998.39
<b>Balance at 30 June 2008</b>		<u>52,583.74</u>	<u>52,583.74</u>
Profit attributable to the entity		1,349.50	1,349.50
<b>Balance at 30 June 2009</b>		<u><u>53,933.24</u></u>	<u><u>53,933.24</u></u>

The accompanying notes form part of these financial statements.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from donations and subscriptions	5,896.81	23,121.20
Payments to suppliers	(4,787.15)	(20,315.50)
Interest received	1,998.24	838.93
Finance costs paid	(70.00)	(67.88)
<b>Net cash provided by operating activities</b>	<b>3,037.90</b>	<b>3,576.75</b>
Net increase in cash held	3,037.90	3,576.75
Cash at beginning of financial year	50,938.65	47,361.90
Cash at end of financial year	53,976.55	50,938.65

The accompanying notes form part of these financial statements.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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**1 Statement of Significant Accounting Policies**

This financial report has been prepared in accordance with the requirements of the Corporations Act 2001, for use by the Directors and members of the Company and is a special purpose financial report. The Directors have determined that the Company is not a reporting entity.

Operation Restore Hope Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

**Basis of Preparation**

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following Australian Accounting Interpretations:

AASB 101:	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 118:	Revenue
AASB 132:	Financial Instruments: Disclosure and Presentation
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards

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

**Reporting Basis and Conventions**

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

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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## **Financial Instruments**

### **Recognition and Initial Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments as at fair value through profit or loss immediately. Financial instruments are classified and measured as set out below.

### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed is recognised in profit or loss.

### **Classification and Subsequent Measurement**

#### **(i) Financial assets at fair value through profit and loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**(v) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

**Financial Guarantees**

Where material, financial guarantees issued, which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118 Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

**Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**Revenue and Other Income**

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

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**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

**Critical accounting estimates and judgments**

The Directors evaluate estimates and judgements into the financial report 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.

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>2 Cash and Cash Equivalents</b>		
<b>Current</b>		
Cash at Bank	<u>53,976.55</u>	<u>50,938.65</u>
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows		
Cash at Bank	<u>53,976.55</u>	<u>50,938.65</u>
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Other Debtors	<u>1,045.16</u>	<u>1,645.09</u>
<b>4 Trade and Other Payables</b>		
<b>Current</b>		
Other Creditors and Accruals	<u>1,088.47</u>	<u>-</u>

**5 Members Guarantee**

Operation Restore Hope Australia Limited is a not for profit Charitable Institution.

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$100.00 each towards meeting any outstanding obligations of the Company. At 30 June 2009 the number of members was 105 (2008: 101).

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

	2009 \$	2008 \$
<b>6 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	52,583.74	49,585.35
Net profit attributable to members of the Company	1,349.50	2,998.39
Retained earnings at the end of the financial year	<u>53,933.24</u>	<u>52,583.74</u>
<b>7 Cash Flow Information</b>		
<b>Reconciliation of net cash provided by operating activities to profit after income tax</b>		
Operating profit (loss) after income tax	1,349.50	2,998.39
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase) Decrease in current receivables	599.93	578.36
Increase (Decrease) in other creditors	1,088.47	-
	<u>3,037.90</u>	<u>3,576.75</u>

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

2009  
\$

2008  
\$

**8 Change in Accounting Policy**

The following Australian Accounting Standards which have been issued or amended but are not yet effective and are applicable to the company have not been adopted in preparation of the financial statements at reporting date.

AASB amendment	AASB Standard affected	Nature of change in accounting policy and Impact	Application date of the Standard	Application date for the company
AASB 2007-3	AASB 107 Cash Flow Statements	No change, no impact	1.1.2009	1.7.2009
	AASB 136 Impairment of Assets	No change, no impact	1.1.2009	1.7.2009
AASB 2007-6	AASB 101 Presentation of Financial Statements	No change, no impact	1.1.2009	1.7.2009
	AASB 107 Cash Flow Statements	No change, no impact	1.1.2009	1.7.2009
AASB 123 Borrowing Costs	AASB 123 Borrowing Costs	No change, no impact	1.1.2009	1.7.2009
AASB 2007-8	AASB 101 Presentation of Financial Statements	Requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity	1.1.2009	1.7.2009
AASB 101	AASB 101 Presentation of Financial Statements	As above	1.1.2009	1.7.2009

**OPERATION RESTORE HOPE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

**2009**  
**\$**

**2008**  
**\$**

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**9 Company Details**

The registered office of the Company is

20 Manning Road  
Double Bay NSW 2028

The principal place of business is

20 Manning Road  
Double Bay NSW 2028

**OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

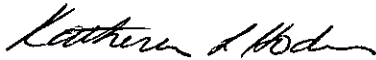
**DIRECTORS' DECLARATION**

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 outlined in Note 1 to the financial statements.

The Directors of the Company declare that

1. The financial statements and notes, as set out on pages 1 to 16 are in accordance with the Corporations Act 2001; and
  - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debt as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Katherine Hodgkinson  
**Director**



Ann Collins  
**Director**

**Dated this** 28 **day of** SEPTEMBER 2009

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**Report on the financial report**

We have audited the accompanying financial report of Operation Restore Hope Australia Limited (the company), which comprises the balance sheet as at year ended 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

**Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 provided to the Directors of Operation Restore Hope Australia Limited on 20 August 2009, would be in the same terms if provided to the Directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF OPERATION RESTORE HOPE  
AUSTRALIA LIMITED  
ABN 14 073 125 381**

**Audit Opinion**

In our opinion, the financial report of Operation Restore Hope Australia Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporation Regulations 2001.

**CHARLES J GRACE & CO**  
**Chartered Accountants**



**CHARLES JOHN GRACE**  
**Partner**

**109 PITT STREET SYDNEY NSW 2000**

**Dated this 30 day of SEPTEMBER 2009**