

**FOR THOSE WHO HAVE LESS -
ACTION AID AUSTRALIA LIMITED.**

A.B.N. 50 006 946 550

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2008

Directors: **Graham D.N. Dace F.C.A.**
Ken K. Y. Kwong C.A.
Simon A. Eccles C.A.
Consultant: **Bryan J. Waters F.C.A.**

**WATERS
DACE
PARTNERS PTY. LTD.**

3rd Floor, 329 Thomas Street, Dandenong 3175
Correspondence to: PO Box 447, Dandenong 3175
Telephone: (03) 9794 6488 Facsimile: (03) 9794 5494
Email: reception@watersdace.com.au

CHARTERED ACCOUNTANTS ABN 27 056 459 397
BUSINESS ADVISERS, TAXATION & FINANCIAL SERVICES



Chartered Accountant

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DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2008.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

Dr. Roger Hughes
Ian D. Pickering
Rev. Christopher J. Pittendrigh
Lyn Pickering
Andrea Pickering
Glenys Mary Hughes
Roger Griffiths – deceased 14th July 2008
Ann-Marie Maltby
Jess Fliegner
Kristin Burdett – appointed 18th October 2007
Graham Andrew Moore – appointed 21st February 2008
Amanda Jane Stone – appointed 21st February 2008

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

COMPANY SECRETARY

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

Rev Christopher J. Pittendrigh – Minister of Religion. Rev Christopher J. Pittendrigh has worked for For Those Who Have Less – Action Aid Australia Limited for the past 16 years. Rev Christopher J. Pittendrigh was appointed company secretary on 6 October 2000.

PRINCIPAL ACTIVITY

The principal activity of the company during the financial year was:
- an Overseas Aid Organisation.

No significant change in the nature of the entity's activity occurred during the financial year.

OPERATING RESULTS

The net profit/(loss) of the entity amounted to \$47,990.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

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DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS

In the opinion of the Directors, the results of the company's activities during the year were not substantially affected by any item, transaction or event of a material and unusual nature.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the entity's state of affairs occurred during the financial 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 entity, the results of those operations, or the state of affairs of the entity in future financial years.

FUTURE DEVELOPMENTS

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL ISSUES

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INFORMATION ON DIRECTORS

Ann-Marie Maltby

Qualifications:

Experience:

Chairperson

Dentist

Board member since 21 May, 2005

Dr. Roger L. Hughes:

Qualifications:

Experience:

Vice-Chairperson

Associate Professor of Engineering -
University of Melbourne

Board member since 2 May, 1988;
also served as Chairman

Rev. Christopher J. Pittendrigh:

Qualifications:

Experience:

Secretary

Minister of Religion

Originally appointed 1 October, 1992

Retired 28 October 1998

Re-appointed 16 December 1998

Ian David Pickering:

Qualifications:

Experience:

Director

Self-Employed Nurseryman

Board member since 1 October, 1992
also served as Chairman

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DIRECTORS' REPORT (Continued)

| | |
|--|---|
| Lynette Margaret Pickering: Qualifications: Experience: | Director Secretary & Office Manager Board member since 14 October, 1993 |
| Andrea Pickering Qualifications: Experience: | Treasurer Office Manager Board member since 18 October, 1996 |
| Glenys Mary Hughes: Qualifications: Experience: | Director Community Support Co-Ordinator Board member since 28 October, 1997 |
| Roger Griffiths Qualifications: Experience: | Director Retired Board member since 29 January, 2002 |
| Jess Fliegner Qualifications: Experience: | Director Student Board member since 14 October, 2005 |
| Kirstin Burdett Qualifications: Experience: | Director Anthropologist, IT Business Analyst. Board member since 18 October, 2007 |
| Graham Moore Qualifications: Experience: | Director Teacher – Environmental Engineering Board member since 21 February, 2008 |
| Amanda Stone Qualifications: Experience: | Director Secondary School Teacher Board member since 21 February, 2008 |

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of directors were held. Attendees by each director were as follows:

| | <u>Directors' Meetings</u> | |
|---------------------------------|----------------------------|-----------------|
| | <u>Number eligible</u> | <u>Number</u> |
| | <u>to attend</u> | <u>attended</u> |
| Ann-Marie Maltby | 10 | 10 |
| Dr. Roger Hughes | 10 | 9 |
| Rev. Christopher J. Pittendrigh | 10 | 9 |
| Ian D. Pickering | 10 | 9 |
| Lyn Pickering | 10 | 9 |
| Andrea Pickering | 10 | 6 |
| Glenys Mary Hughes | 10 | 9 |
| Roger Griffiths | 10 | 6 |
| Jess Fliegner | 10 | 6 |
| Kirstin Burdett | 7 | 6 |
| Graham Moore | 4 | 4 |
| Amanda Stone | 4 | 4 |

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF FOR THOSE WHO HAVE LESS – ACTION AID
AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 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.

WATERS DACE PARTNERS
Chartered Accountants


.....
B J Waters – F.C.A.

3rd Floor
329 Thomas Street
Dandenong Vic 3175

Dated this

7th day of

October

2008.

**FOR THOSE WHO HAVE LESS -
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A.B.N. 50 006 946 550**

**INCOME STATEMENT
FOR THE YEAR ENDED
30 JUNE 2008**

| | <u>NOTE</u> | <u>2008</u> | <u>2007</u> |
|---|-------------|-------------------|--------------------|
| | | \$ | \$ |
| INCOME | | | |
| Subscriptions from Members | | 1,932 | 2,071 |
| Donations and Appeals | | <u>170,899</u> | <u>147,266</u> |
| | | 172,831 | 149,337 |
| Investment Income | | <u>1,745</u> | <u>1,649</u> |
| TOTAL INCOME | | <u>174,576</u> | <u>150,986</u> |
| LESS: EXPENDITURE | | | |
| Audit Fees | 2 | 2,200 | 2,080 |
| Bank Charges | | 34 | 71 |
| Depreciation | | 498 | 401 |
| Fundraising | | 1,011 | 691 |
| Insurance, Workcover and Superannuation | | 444 | 444 |
| Overseas and Local Travel | | - | 12,516 |
| Postage and Telephone | | 1,733 | 1,430 |
| Printing, Stationery and Advertising | | 2,120 | 2,635 |
| Subscriptions | | 1,420 | 1,400 |
| Sundries | | 310 | 43 |
| Training | | - | - |
| | | <u>9,770</u> | <u>21,711</u> |
| OPERATING SURPLUS | | 164,806 | 129,275 |
| DISBURSEMENTS | | | |
| India | | 75,719 | 88,272 |
| Philippines | | 26,067 | 17,655 |
| Bangladesh | | <u>15,030</u> | <u>30,893</u> |
| | | <u>116,816</u> | <u>136,820</u> |
| TRANSFER TO MEMBERS' FUNDS | | <u>47,990</u> | <u>(7,545)</u> |

The accompanying notes form part of these financial statements.

**FOR THOSE WHO HAVE LESS -
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**BALANCE SHEET
AS AT
30 JUNE 2008**

| | <u>NOTE</u> | <u>2008</u> | <u>2007</u> |
|----------------------------------|-------------|----------------|---------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash assets | 3 | 101,453 | 53,039 |
| Tax assets | 4 | <u>222</u> | <u>156</u> |
| TOTAL CURRENT ASSETS | | <u>101,675</u> | <u>53,195</u> |
| NON-CURRENT ASSETS | | | |
| Office equipment | 5 | <u>826</u> | <u>1,324</u> |
| TOTAL NON-CURRENT ASSETS | | <u>826</u> | <u>1,324</u> |
| TOTAL ASSETS | | <u>102,501</u> | <u>54,519</u> |
| CURRENT LIABILITIES | | | |
| Tax liabilities | 6 | 181 | 142 |
| Other | 7 | <u>818</u> | <u>864</u> |
| TOTAL CURRENT LIABILITIES | | <u>999</u> | <u>1,006</u> |
| NET ASSETS | | <u>101,502</u> | <u>53,513</u> |
| EQUITY | | | |
| Retained earnings | 8 | <u>101,502</u> | <u>53,513</u> |
| TOTAL EQUITY | | <u>101,502</u> | <u>53,513</u> |
| CONTINGENT LIABILITIES | 9 | | |

The accompanying notes form part of these financial statements.

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**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED
30 JUNE 2008**

| | <u>NOTE</u> | Retained Earnings | Total |
|-----------------------------------|-------------|------------------------------|----------------|
| Balance at 1 July 2006 | | 61,059 | 61,059 |
| Profit attributable to the entity | | <u>(7,545)</u> | <u>(7,545)</u> |
| Balance at 30 June 2007 | | 53,513 | 53,513 |
| Profit attributable to the entity | | <u>47,990</u> | <u>47,990</u> |
| Balance at 30 June 2008 | | <u>101,502</u> | <u>101,502</u> |

The accompanying notes form part of these financial statements.

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**CASH FLOW STATEMENT
FOR THE YEAR ENDED
30 JUNE 2008**

| | <u>NOTE</u> | <u>2008</u> | <u>2007</u> |
|---|-------------|----------------|----------------|
| | | \$ | \$ |
| <u>CASH FLOW FROM OPERATING ACTIVITIES</u> | | | |
| Receipts from operating income | | 172,824 | 149,209 |
| Payments for operating expenses | | (126,156) | (158,041) |
| Interest received | | <u>1,745</u> | <u>1,649</u> |
| Net cash generated from operating activities | 10 | <u>48,413</u> | <u>(7,183)</u> |
| <u>CASH FLOW FROM INVESTING ACTIVITIES</u> | | | |
| Payment for office equipment | | - | <u>(1,000)</u> |
| Net cash used in investing activities | | - | <u>(1,000)</u> |
| Net increase/(decrease) in cash held | | 48,413 | (8,183) |
| Cash at the beginning of the financial year | | <u>53,039</u> | <u>61,222</u> |
| Cash at the end of the financial year | | <u>101,453</u> | <u>53,039</u> |

The accompanying notes form part of these financial statements.

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A.B.N. 50 006 946 550**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in accordance with the Corporations Act 2001. The financial report is for For Those Who Have Less - Action Aid Australia Limited as an individual entity, incorporated and domiciled in Australia.

Basis of Preparation

The report has been prepared in accordance with the requirements of the Corporations Act 2001. No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conversions

The financial report has been prepared on an accruals basis and is based on historical cost. It does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair value of the consideration given in exchange for assets.

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

(a) Revenue

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

(b) Equipment

Equipment is measured on the cost basis less depreciation and impairment losses. The carrying amount of equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

NOTE 2: AUDITORS REMUNERATION

| | <u>2008</u> | <u>2007</u> |
|-------------------------|-------------|-------------|
| Remuneration of auditor | \$ | \$ |
| • audit or review | 1,900 | 1,900 |
| • other services | 300 | 180 |

**FOR THOSE WHO HAVE LESS -
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008 (Continued)**

| | <u>NOTE</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|----------------|---------------|
| | | \$ | \$ |
| NOTE 3: CASH AND CASH EQUIVALENTS | | | |
| Cash at bank | | <u>101,453</u> | <u>53,039</u> |
| NOTE 4: TAX ASSETS | | | |
| Input tax credits | | <u>222</u> | <u>156</u> |
| NOTE 5: OFFICE EQUIPMENT | | | |
| Office equipment - at cost | | 1,000 | 1,000 |
| Less accumulated depreciation | | <u>457</u> | <u>129</u> |
| | | <u>543</u> | <u>871</u> |
| Low value asset pool at net written down value | | <u>283</u> | <u>453</u> |
| Total office equipment | | <u>826</u> | <u>1,324</u> |
| NOTE 6: TAX LIABILITIES | | | |
| GST Collected | | <u>181</u> | <u>142</u> |
| NOTE 7: OTHER | | | |
| Income in Advance | | <u>818</u> | <u>864</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008 (Continued)**

| | <u>NOTE</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|----------------|---------------|
| | | \$ | \$ |
| NOTE 8: RETAINED PROFITS | | | |
| Retained profits at the beginning of the financial year | | 53,513 | 61,059 |
| Net profit/(loss) attributable to members of the company | | 47,990 | (7,545) |
| Dividends provided for or paid | | — | — |
| Retained profits at the end of the financial year | | <u>101,502</u> | <u>53,513</u> |

NOTE 9: CONTINGENT LIABILITIES

As at the date of preparation of the financial statements and on advice from the Board of Directors, the following funds are committed to the projects and cost areas listed hereunder:

| | |
|-----------------------------------|------------------|
| Bangladesh: River Project | \$ 10,000 |
| Bangladesh: TTIS Project | 7,500 |
| India: S.E.D.S. Project | 2,954 |
| India: S.E.D.S. Child Sponsorship | 17,325 |
| India: ABWU Sponsorship | 9,041 |
| Philippines: Project | <u>20,000</u> |
| | <u>\$ 66,820</u> |

Cash funds available to meet these commitments at 30 June 2008 total \$101,453 as per the Statement of Financial Position representing a surplus of \$34,633.

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A.B.N. 50 006 946 550**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008 (Continued)**

| | <u>NOTE</u> | <u>2008</u> | <u>2007</u> |
|--|-------------|----------------|----------------|
| | | \$ | \$ |
| NOTE 10: CASH FLOW INFORMATION | | | |
| (a) Reconciliation of Cash | | | |
| Cash at end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows: | | | |
| Cash at bank | | <u>101,453</u> | <u>53,039</u> |
| (b) Reconciliation of cash flow from operations with operating profit/(loss) after disbursements | | | |
| Operating profit/(loss) after disbursements | | 47,989 | (7,545) |
| Non-cash flows in operating profit/(loss) | | | |
| Depreciation | | 498 | 401 |
| Changes in assets and liabilities | | | |
| (Increase)/Decrease in sundry debtors | | - | 60 |
| Increase/(Decrease) in prepaid income | | (67) | (116) |
| (Increase)/Decrease in tax assets | | 39 | 84 |
| Increase/(Decrease) in tax liabilities | | <u>(45)</u> | <u>(66)</u> |
| Cash flows from operations | | <u>48,413</u> | <u>(7,183)</u> |

NOTE 11: MEMBERS' GUARANTEE

The entity is incorporated under the Corporations 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 \$50 each towards meeting any outstanding obligations of the company. At 30 June 2008 the number of members was 66 (2007: 82).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008 (Continued)**

NOTE 12: COMPARATIVE FIGURES

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

NOTE 13: COMPANY DETAILS

The registered office and principal place of business of the company is:

159 Cranbourne Road
Narre Warren VIC 3805

Graham D.N. Dace F.C.A.
Ken K. Y. Kwong C.A.
Simon A. Eccles C.A.

WATERS DACE PARTNERS

3rd Floor, 329 Thomas Street, Dandenong 3175
Correspondence to: PO Box 447, Dandenong 3175
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Email: reception@watersdace.com.au

CHARTERED ACCOUNTANTS ABN 98 918 211 297
REGISTERED COMPANY AUDITORS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
FOR THOSE WHO HAVE LESS -
ACTION AID AUSTRALIA LIMITED.
A.B.N. 50 006 946 550

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of For Those Who Have Less - Action Aid Australia Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, a summary of significant accounting policies, 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 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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.



Chartered Accountant

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 judgement, 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 requirements 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

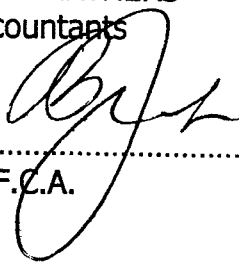
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of For Those Who Have Less – Action Aid Australia Limited on 7 October 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

Audit Opinion

In our opinion, the financial report of For Those Who Have Less - Action Aid 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 2008 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 complying with the Corporations Regulations 2001.

WATERS DACE PARTNERS
Chartered Accountants



.....
B J Waters – F.C.A.

3rd Floor
329 Thomas Street
Dandenong Vic 3175

Dated this 7th day of October 2008.