

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011



**WATERS
DACE
PARTNERS** PTY. LTD.

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

Directors: Graham D.N. Dace F.C.A.
Ken K. Y. Kwong C.A.
Simon A. Eccles C.A.
Marc O. Di Genova C.A.
Ryan W. O'Shea C.A.

Consultant: Bryan J. Waters F.C.A.

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 Accountant

Liability limited by a scheme approved
under Professional Standards Legislation

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2011.

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
Ann-Marie Maltby
Kristin Burdett
Graham Andrew Moore
Amanda Jane Stone
Mary Dunne

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

PRINCIPAL ACTIVITY

The principal activity of the entity during the financial year was an Overseas Aid Organisation. No significant changes in the nature of the entity's activity occurred during the financial year.

THE ENTITY'S SHORT TERM OBJECTIVE IS:

To promote and assist with local community and economic development projects. Work includes watershed management, job skill training, eye-care camps, women's self-help groups, school programs and child sponsorship.

THE ENTITY'S LONG TERM OBJECTIVE IS:

To improve the living standards through environmentally sustainable approaches in rural and urban areas in developing countries.

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DIRECTORS' REPORT (Continued)

TO ACHIEVE THESE OBJECTIVES, THE ENTITY HAS ADOPTED THE FOLLOWING STRATEGIES.

- Selecting and managing all projects with respect and sensitivity to local values and customs, never using access to donors' money to impose our cultural values on counterpart agencies, or recipient communities.
- Ensuring that any potential conflict arising from a mismatch between the values of the sponsors and/or the Board of Partners In Aid Ltd, and the cultural values of the counterpart agency and/or recipient country, is avoided by the careful selection of both projects and overseas partners.
- Working closely with counterpart agencies to endeavour to ensure at all times that donors' money is spent in accordance with the initial project proposals.
- Being open and accountable to Partners In Aid Ltd donors.
- Guaranteeing that, if for some reason beyond the control of Partners In Aid Ltd, money donated for a particular purpose cannot be effectively used in the way intended, donors will be informed, and alternative uses of the money proposed.
- Endeavouring at all time to keep the proportion of donors' money spent on administration to below 15%.
- Embracing the Partners In Aid Ltd guiding principles.

INFORMATION ON DIRECTORS

Ann-Marie Maltby

Qualifications:

Experience:

Deputy Chairperson

Dentist

Board member since 21 May, 2005

Dr. Roger L. Hughes:

Qualifications:

Experience:

Director

Country Director - Bangladesh

Associate Professor of Engineering -
University of Melbourne

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

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

DIRECTORS' REPORT (Continued)

Rev. Christopher J. Pittendrigh:

Qualifications:

Experience:

Director

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

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

Country Director – Philippines

Community Support Co-Ordinator

Board member since 28 October, 1997

Kirstin Burdett

Qualifications:

Experience:

Director and Secretary

Anthropologist, IT Business Analyst.

Board member since 18 October, 2007

Graham Moore

Qualifications:

Experience:

Chairperson

Teacher – Environmental Engineering

Board member since 21 February, 2008

Amanda Stone

Qualifications:

Experience:

Country Director - India

Secondary School Teacher

Board member since 21 February, 2008

Mary Dunne

Qualifications:

Experience:

Director

Marketing Consultant

Board Member since 18th June 2009

PARTNERS IN AID LIMITED
A.B.N. 50 006 946 550

DIRECTORS' REPORT (Continued)

MEETINGS OF DIRECTORS

During the financial year, 11 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	11	8
Dr. Roger Hughes	11	10
Rev. Christopher J. Pittendrigh	11	8
Ian D. Pickering	11	10
Lyn Pickering	11	10
Andrea Pickering	11	7
Glenys Mary Hughes	11	11
Kirstin Aitken	11	5
Graham Moore	11	11
Amanda Stone	11	8
Mary Dunne	11	3

MEMBERS' GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the entity. At 30 June 2011 the number of members was 73.

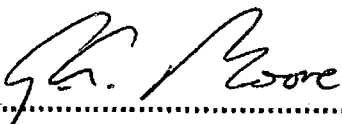
PARTNERS IN AID LIMITED
A.B.N. 50 006 946 550


DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and is attached to the directors' report.

Signed in accordance with a resolution of the Board of Directors.


.....
Graham Moore


.....
Andrea Pickering

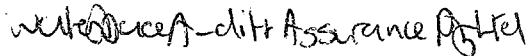
Dated this 3rd day of November 2011

Auditor's Independence Declaration

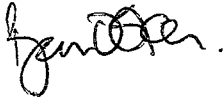
To the directors of
Partners In Aid Limited

As lead engagement partner for the audit of Partners In Aid Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of 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 Audit and Assurance Pty Ltd

Waters Dace Audit and Assurance Pty Ltd



Ryan O'Shea - CA
Director
Level 3, 329 Thomas Street
Dandenong Victoria 3175
3 November 2011

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2011**

	<u>NOTE</u>	<u>2011</u>	<u>2010</u>
		\$	\$
INCOME			
Subscriptions from Members		1,659	1,750
Donations and Appeals		<u>159,434</u>	<u>126,315</u>
		161,093	128,065
Bequests Received		99,637	-
Sundry Income		-	1,269
Investment Income		<u>4,575</u>	<u>442</u>
TOTAL INCOME	1	<u>265,305</u>	<u>129,776</u>
LESS: EXPENDITURE			
Accounting and Audit Fees	2	2,161	2,734
Bank Charges		28	22
Depreciation – Office Equipment		121	194
Fundraising		135	107
Insurance, Workcover and Superannuation		464	444
Overseas and Local Travel		5,068	8,063
Filing Fees		41	-
Postage and Telephone		1,349	1,197
Printing, Stationery and Advertising		2,770	3,209
Subscriptions		1,508	1,480
Sundries		(3)	40
Company Expenses		-	250
Training		-	164
		<u>13,642</u>	<u>17,904</u>
OPERATING SURPLUS		251,663	111,872
DISBURSEMENTS			
India		99,268	80,960
Philippines		27,530	21,740
Bangladesh		<u>17,250</u>	<u>34,500</u>
		<u>144,048</u>	<u>137,200</u>
PROFIT (LOSS) FROM OPERATIONS		<u>107,615</u>	<u>(25,328)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME OF THE COMPANY		<u>107,615</u>	<u>(25,328)</u>

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	<u>NOTE</u>	<u>2011</u>	<u>2010</u>
		\$	\$
CURRENT ASSETS			
Cash assets	3	89,387	54,311
Tax assets	4	285	117
Receivables	5	1,350	-
Term Deposit	6	<u>80,000</u>	<u>10,000</u>
TOTAL CURRENT ASSETS		<u>171,022</u>	<u>64,428</u>
NON-CURRENT ASSETS			
Office equipment	7	<u>201</u>	<u>322</u>
TOTAL NON-CURRENT ASSETS		<u>201</u>	<u>322</u>
TOTAL ASSETS		<u>171,223</u>	<u>64,750</u>
CURRENT LIABILITIES			
Tax liabilities	8	13	132
Other	9	<u>136</u>	<u>1,159</u>
TOTAL CURRENT LIABILITIES		<u>149</u>	<u>1,291</u>
NET ASSETS		<u>171,074</u>	<u>63,459</u>
EQUITY			
Issued capital	10	-	-
Retained earnings		<u>171,074</u>	<u>63,459</u>
TOTAL EQUITY		<u>171,074</u>	<u>63,459</u>
CONTINGENT LIABILITIES	11		

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED
A.B.N. 50 006 946 550

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2011

	\$	\$
	Retained Earnings	Total
Balance at 1 July 2009	88,787	88,787
Profit (Loss) attributable to the company	<u>(25,328)</u>	<u>(25,328)</u>
Balance at 30 June 2010	63,459	63,459
Profit (Loss) attributable to the company	<u>107,615</u>	<u>107,615</u>
Balance at 30 June 2011	<u>171,074</u>	<u>171,074</u>

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2011**

	<u>NOTE</u>	<u>2011</u>	<u>2010</u>
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Donations		157,965	126,314
Memberships		636	2,358
Payments for operating expenses		(157,737)	(156,780)
Sundry Income		99,637	1,269
Interest received		<u>4,575</u>	<u>442</u>
Net cash generated from operating activities	12	<u>1 05,076</u>	<u>(26,397)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Investments		<u>(70,000)</u>	<u>-</u>
Net cash generated from investing activities		<u>(70,000)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash generated from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		35,076	(26,397)
Cash at the beginning of the financial year		54,311	90,708
Less: Derecognition of term deposit as a cash and cash equivalent		<u>-</u>	<u>(10,000)</u>
Cash at the end of the financial year	3	<u>89,387</u>	<u>54,311</u>

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report is for Partners in Aid Limited (formerly known as For Those Who Have Less - Action Aid Australia Limited) as an individual entity, incorporated and domiciled in Australia. Partners In Aid Ltd is a public company limited by guarantee.

The financial report has been prepared on an accruals basis and is based on historical cost unless otherwise stated in the notes. 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.

Accounting Policies

(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 statement of financial position.

Interest income is recognised as revenue when received.

Subscription income is recognised as revenue when incurred and any prepaid income is treated as a prepayment on the statement of financial position.

Sundry Income is recognised as revenue when received being a share of a deceased estate. The amount received from the deceased estate is \$99,637.33.

(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.

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Depreciation

The depreciable amount of all fixed assets (equipment) is depreciated on a diminishing value method over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rate used for all equipment is 37.5%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets' carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments *JB*

The term deposit with the ^{*Westpac*} ~~ANZ~~ is a fixed interest security valued at its face value. It is classified as a current asset in the statement of financial position as its maturity date is less than 12 months.

(e) Impairment of Assets

At the end of each reporting period, the directors review the carrying values of its tangible assets to determine whether there is any indication of impairment. If such an indicator exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(f) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on short term deposits which can be accessed within two working days. Term deposits are not considered a cash and cash equivalent.

PARTNERS IN AID LIMITED
A.B.N. 50 006 946 550

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the item is GST free (i.e. donations collected). Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis.

(h) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(i) Comparative Figures

Certain comparative figures have been changed to conform with changes in presentation in the current financial year.

	<u>2011</u>	<u>2010</u>
	\$	\$
NOTE 2: AUDITORS REMUNERATION		
Remuneration of auditor		
• audit or review	1,952	1,925
• other services to related practises of the auditor	<u>209</u>	<u>809</u>
	<u>2,161</u>	<u>2,734</u>

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at Bank	<u>89,387</u>	<u>54,311</u>
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PARTNERS IN AID LIMITED
A.B.N. 50 006 946 550

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011

	<u>2011</u>	<u>2010</u>
	\$	\$
NOTE 4: TAX ASSETS		
Input tax credits	<u>285</u>	<u>117</u>
NOTE 5: RECEIVABLES		
Sundry Debtor	<u>1,350</u>	<u>-</u>
NOTE 6: FINANCIAL ASSETS		
Term Deposit	<u>80,000</u>	<u>10,000</u>
NOTE 7: OFFICE EQUIPMENT		
Office Equipment - at cost	1,000	1,000
Less: Accumulated Depreciation	<u>868</u>	<u>788</u>
	<u>132</u>	<u>212</u>
Low value asset pool at net written down value	<u>69</u>	<u>110</u>
Total Office Equipment	<u>201</u>	<u>322</u>
NOTE 8: TAX LIABILITIES		
GST Collected	<u>13</u>	<u>132</u>

PARTNERS IN AID LIMITED

A.B.N. 50 006 946 550

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

	<u>2011</u>	<u>2010</u>
	\$	\$
NOTE 9: OTHER		
Income in Advance	<u>136</u>	<u>1,159</u>

NOTE 10: MEMBERS' GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the entity. At 30 June 2011 the number of members was 73.

NOTE 11: 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	\$ 9,131
Bangladesh: TTIS Project	8,369
India: S.E.D.S. Project	2,954
India: S.E.D.S. Child Sponsorship	21,384
India: ABWU Sponsorship	<u>8,424</u>
	\$ <u>50,262</u>

Cash funds available to meet these commitments at 30 June 2011 total \$169,387 as per the statement of financial position.

PARTNERS IN AID LIMITED
A.B.N. 50 006 946 550

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2011 (Continued)

NOTE 12: CASH FLOW INFORMATION	<u>2011</u>	<u>2010</u>
	\$	\$
Reconciliation of cash flow from operations with operating profit/(loss) after disbursements		
Operating profit/(loss) after disbursements	107,615	(25,328)
Non-cash flows in operating profit/(loss)		
Depreciation	121	194
Changes in assets and liabilities:		
(Increase)/Decrease in sundry debtors	(1,350)	65
Increase/(Decrease) in prepaid income	(1,023)	545
(Increase)/Decrease in tax assets	(168)	403
Increase/(Decrease) in tax liabilities	(119)	(2)
Increase/(Decrease) in sundry creditors	_____ -	(2,274)
Cash flows from operations	<u>105,076</u>	<u>(26,397)</u>

NOTE 13: SEGMENT REPORTING.

The company operates in one business segment, being the provision of charitable aid in countries outside Australia.

NOTE 14: ENTITY DETAILS

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

159 Cranbourne Road
Narre Warren VIC 3805

NOTE 15: SUBSEQUENT EVENTS

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

PARTNERS IN AID LIMITED
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DIRECTORS' DECLARATION

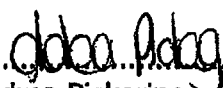
The directors have determined that the company is a reporting entity and that this general purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

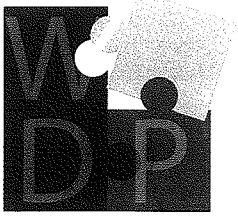
1. The financial statements and notes are in accordance with the Corporations Act 2001:
 - (i) comply with Australian Accounting Standards; and
 - (ii) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
3. The directors ensure compliance with International Financial Reporting Standards.

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


.....
Graham Moore


.....
Andrea Pickering

Dated this 3rd day of November 2011.



WATERS DACE AUDIT & ASSURANCE PTY. LTD.

CHARTERED ACCOUNTANTS

ABN 52 138 965 241

REGISTERED COMPANY AUDITORS

Director: Ryan W. O'Shea C.A.
Associates: Graham D. N. Dace F.C.A.
Simon A. Eccles C.A.
Marc O. Di Genova C.A.

3 November 2011

Independent Auditor's Report

To the members of Partners In Aid Limited

Report on the Financial Report

We have audited the accompanying financial report of Partners In Aid Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 of the financial report that gives a true and fair view 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.

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*, which has been given to the directors of Partners In Aid Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Opinion

In our opinion:

- (a) the financial report of Partners In Aid Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Waters Dace Audit & Assurance Pty Ltd
Waters Dace Audit and Assurance Pty Ltd

Ryan O'Shea
Ryan O'Shea - CA

3 November 2011

Level 3, 329 Thomas Street
Dandenong Victoria 3175