

PARTNERS IN AID LIMITED

**(Formerly known as FOR THOSE WHO HAVE LESS -
ACTION AID AUSTRALIA LIMITED)**

A.B.N. 50 006 946 550

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2010

PARTNERS IN AID LIMITED
(Formerly known as FOR THOSE WHO HAVE LESS -
ACTION AID AUSTRALIA 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 2010.

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
Jess Fliegner - *Resigned 6/10/2009*
Kristin Aitken
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:

Chairperson

Dentist

Board member since 21 May, 2005

Dr. Roger L. Hughes:

Qualifications:

Experience:

Vice-Chairperson

Country Director - Bangladesh

Associate Professor of Engineering -
University of Melbourne

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

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DIRECTORS' REPORT (Continued)

Rev. Christopher J. Pittendrigh:	Director
Qualifications:	Minister of Religion
Experience:	Originally appointed 1 October, 1992 Retired 28 October 1998 Re-appointed 16 December 1998
Ian David Pickering:	Director
Qualifications:	Self-Employed Nurseryman
Experience:	Board member since 1 October, 1992 also served as Chairman
Lynette Margaret Pickering:	Director
Qualifications:	Secretary & Office Manager
Experience:	Board member since 14 October, 1993
Andrea Pickering	Treasurer
Qualifications:	Office Manager
Experience:	Board member since 18 October, 1996
Glenys Mary Hughes:	Director
Qualifications:	Country Director – Philippines
Experience:	Community Support Co-Ordinator Board member since 28 October, 1997
Jess Fliegner – Resigned	Director
Qualifications:	Student
Experience:	Board member since 14 October, 2005
Kirstin Aitken	Secretary
Qualifications:	Anthropologist, IT Business Analyst.
Experience:	Board member since 18 October, 2007
Graham Moore	Director
Qualifications:	Teacher – Environmental Engineering
Experience:	Board member since 21 February, 2008
Amanda Stone	Country Director - India
Qualifications:	Secondary School Teacher
Experience:	Board member since 21 February, 2008
Mary Dunne	Director
Qualifications:	Marketing Consultant
Experience:	Board Member since 18 th June 2009

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DIRECTORS' REPORT (Continued)

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	8
Dr. Roger Hughes	10	8
Rev. Christopher J. Pittendrigh	10	7
Ian D. Pickering	10	9
Lyn Pickering	10	10
Andrea Pickering	10	9
Glenys Mary Hughes	10	9
Jess Fliegner - Resigned	10	2
Kirstin Aitken	10	5
Graham Moore	10	9
Amanda Stone	10	6
Mary Dunne	10	7

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 2010 the number of members was 66.

PARTNERS IN AID LIMITED
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DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and is attached to the directors' report.

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

.....
Anne-Marie Maltby


.....
Andrea Pickering

Dated this 20th day of September 2010.

PARTNERS IN AID LIMITED
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF PARTNERS IN AID LIMITED (FORMERLY KNOWN AS 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 2010 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 AUDIT AND ASSURANCE PTY LTD
Chartered Accountants

.....
Ryan O'Shea – C.A.

3rd Floor
329 Thomas Street
Dandenong Vic 3175

Dated this 20th day of September 2010.

PARTNERS IN AID LIMITED
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**INCOME STATEMENT
 FOR THE YEAR ENDED
 30 JUNE 2010**

	<u>NOTE</u>	<u>2010</u>	<u>2009</u>
		\$	\$
INCOME			
Subscriptions from Members		1,750	1,818
Donations and Appeals		<u>126,315</u>	<u>177,975</u>
		128,065	179,793
Sundry Income		1,269	25,000
Investment Income		<u>442</u>	<u>1,120</u>
TOTAL INCOME		<u>129,776</u>	<u>205,913</u>
LESS: EXPENDITURE			
Accounting and Audit Fees	2	2,734	2,100
Bank Charges		22	20
Depreciation – Office Equipment		194	310
Fundraising		107	544
Insurance, Workcover and Superannuation		444	444
Overseas and Local Travel		8,063	6,942
Fines & Penalties		-	270
Filing Fees		-	80
Name Change Expenses		-	2,251
Postage and Telephone		1,197	1,806
Printing, Stationery and Advertising		3,209	3,482
Repairs & Maintenance		-	96
Subscriptions		1,480	1,450
Sundries		40	120
Company Expenses		250	-
Training		<u>164</u>	<u>160</u>
		<u>17,904</u>	<u>20,075</u>
OPERATING SURPLUS		111,872	185,838
DISBURSEMENTS			
India		80,960	117,753
Philippines		21,740	38,110
Bangladesh		<u>34,500</u>	<u>42,690</u>
		<u>137,200</u>	<u>198,553</u>
PROFIT (LOSS) FROM OPERATIONS		<u>(25,328)</u>	<u>(12,715)</u>

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED
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BALANCE SHEET
AS AT
30 JUNE 2010

	<u>NOTE</u>	<u>2010</u>	<u>2009</u>
		\$	\$
CURRENT ASSETS			
Cash assets	3	54,311	80,708
Tax assets	4	117	521
Receivables	5	-	65
Term Deposit – ANZ	6	<u>10,000</u>	<u>10,000</u>
TOTAL CURRENT ASSETS		<u>64,428</u>	<u>91,294</u>
NON-CURRENT ASSETS			
Office equipment	7	<u>322</u>	<u>516</u>
TOTAL NON-CURRENT ASSETS		<u>322</u>	<u>516</u>
TOTAL ASSETS		<u>64,750</u>	<u>91,810</u>
CURRENT LIABILITIES			
Tax liabilities	8	132	135
Payables	9	-	2,274
Other	10	<u>1,159</u>	<u>614</u>
TOTAL CURRENT LIABILITIES		<u>1,291</u>	<u>3,023</u>
NET ASSETS		<u>63,459</u>	<u>88,787</u>
EQUITY			
Issued capital	11	-	-
Retained earnings		<u>63,459</u>	<u>88,787</u>
TOTAL EQUITY		<u>63,459</u>	<u>88,787</u>
CONTINGENT LIABILITIES	12		

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2010**

	\$	\$
	Retained Earnings	Total
Balance at 1 July 2008	101,502	101,502
Profit (Loss) attributable to the company	<u>(12,715)</u>	<u>(12,715)</u>
Balance at 30 June 2009	88,787	88,787
Profit (Loss) attributable to the company	<u>(25,328)</u>	<u>(25,328)</u>
Balance at 30 June 2010	<u>63,459</u>	<u>63,459</u>

The accompanying notes form part of these financial statements.

PARTNERS IN AID LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2010

	<u>NOTE</u>	<u>2010</u>	<u>2009</u>
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Donations		126,314	177,975
Memberships		2,358	1,503
Payments for operating expenses		(156,780)	(216,343)
Sundry Income		1,269	25,000
Interest received		<u>442</u>	<u>1,120</u>
Net cash generated from operating activities	13	<u>(26,397)</u>	<u>(10,745)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash generated from investing activities		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash generated from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(26,397)	(10,745)
Cash at the beginning of the financial year		90,708	101,453
Less: Derecognition of term deposit as a cash and cash equivalent		<u>(10,000)</u>	<u>-</u>
Cash at the end of the financial year	3	<u>54,311</u>	<u>90,708</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010**

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 balance sheet.

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 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010 (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

The term deposit with the ANZ is a fixed interest security valued at its face value. It is classified as a current asset in the balance sheet 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 income statement.

(f) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on deposit.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010**

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 Balance Sheet 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>2010</u>	<u>2009</u>
	\$	\$

NOTE 2: AUDITORS REMUNERATION

Remuneration of auditor

• audit or review	1,925	1,900
• other services to related practises of the auditor	<u>809</u>	<u>200</u>
	<u>2,734</u>	<u>2,100</u>

NOTE 3: CASH AND CASH EQUIVALENTS

Cash at Bank	<u>54,311</u>	<u>80,708</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
NOTE 4: TAX ASSETS		
Input tax credits	117	337
GST Suspense:		
GST on Debtors	-	(6)
GST on Creditors	-	<u>190</u>
Total GST Suspense	-	184
Total Tax Assets	<u>117</u>	<u>521</u>
NOTE 5: RECEIVABLES		
Sundry Debtor	<u>-</u>	<u>65</u>
NOTE 6: FINANCIAL ASSETS		
ANZ Term Deposit	<u>10,000</u>	<u>10,000</u>
NOTE 7: OFFICE EQUIPMENT		
Office Equipment - at cost	1,000	1,000
Less: Accumulated Depreciation	<u>788</u>	<u>661</u>
	<u>212</u>	<u>339</u>
Low value asset pool at net written down value	<u>110</u>	<u>177</u>
Total Office Equipment	<u>322</u>	<u>516</u>
NOTE 8: TAX LIABILITIES		
GST Collected	<u>132</u>	<u>135</u>

PARTNERS IN AID LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED
 30 JUNE 2010 (Continued)**

	<u>2010</u>	<u>2009</u>
	\$	\$
NOTE 9: PAYABLES		
Sundry Creditors	<u>-</u>	<u>2,274</u>
NOTE 10: OTHER		
Income in Advance	<u>1,159</u>	<u>614</u>

NOTE 11: 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 2010 the number of members was 66.

NOTE 12: 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	7,950
India: S.E.D.S. Project	2,954
India: S.E.D.S. Child Sponsorship	17,622
India: ABWU Sponsorship	<u>8,256</u>
	<u>\$ 46,782</u>

Cash funds available to meet these commitments at 30 June 2010 total \$64,311 as per the Balance Sheet.

PARTNERS IN AID LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED
 30 JUNE 2010 (Continued)**

NOTE 13: CASH FLOW INFORMATION	<u>2010</u> \$	<u>2009</u> \$
Reconciliation of cash flow from operations with operating profit/(loss) after disbursements		
Operating profit/(loss) after disbursements	(25,328)	(12,715)
Non-cash flows in operating profit/(loss)		
Depreciation	194	310
Changes in assets and liabilities:		
(Increase)/Decrease in sundry debtors	65	(65)
Increase/(Decrease) in prepaid income	545	(204)
(Increase)/Decrease in tax assets	403	(299)
Increase/(Decrease) in tax liabilities	(2)	(46)
Increase/(Decrease) in sundry creditors	<u>(2,274)</u>	<u>2,274</u>
Cash flows from operations	<u>(26,397)</u>	<u>(10,745)</u>

NOTE 14: SEGMENT REPORTING.

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

NOTE 15: ENTITY DETAILS

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

159 Cranbourne Road
 Narre Warren VIC 3805

NOTE 16: 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:

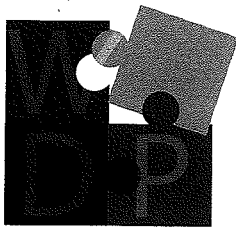
1. The financial statements and notes are in accordance with the Corporations Act 2001:
 - (i) comply with Australian Accounting Standards; and
 - (ii) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the entity.
2. In the 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.

.....
Anne-Marie Maltby


.....
Andrea Pickering

Dated this 20th day of September 2010.



WATERS DACE AUDIT & ASSURANCE PTY. LTD.

CHARTERED ACCOUNTANTS

ABN 52 138 965 241

REGISTERED COMPANY AUDITORS

Directors: Ken K. Y. Kwong C.A.
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.

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF**

PARTNERS IN AID LIMITED

(Formerly known as 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 general purpose financial report of Partners in Aid Limited (formerly known as For Those Who Have Less - Action Aid Australia Limited), which comprises the balance sheet as at 30 June 2010, income statement, statement of changes in equity and statement of cash flows for the year then ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The Responsibility of the Directors 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 Interpretation) and the Corporations Act 2001. 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.



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.

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 Partners In Aid Limited on 20th September 2010, 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 Partners in Aid 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 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1;
- b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001; and
- c) complying with the International Financial Reporting Standards.

Waters Dace Audit & Assurance

Waters Dace Audit & Assurance Pty Ltd
Chartered Accountants

Ryan O'Shea
.....
Ryan O'Shea

3rd Floor
329 Thomas Street
Dandenong Vic 3175
Dated this 20th day of September 2010.