

Partners In Aid Limited

ABN: 50 006 946 550

Financial Statements

For the Year Ended 30 June 2018

Partners In Aid Limited

ABN: 50 006 946 550

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For the Year Ended 30 June 2018

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Partners In Aid Limited

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Directors' Report 30 June 2018

The directors present their report on Partners In Aid Limited for the financial year ended 30 June 2018.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

| Names | Position | Appointed/Resigned |
|-------------------|-----------------|---------------------------|
| Cecily Neil | Chairperson | |
| Graham Moore | Secretary | |
| Andrea Pickering | Treasurer | |
| Ian Pickering | | Resigned 10 November 2017 |
| Lynette Pickering | | |
| Kristin Aitken | | |
| Daniel Bentley | | |

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

Information on directors

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

Cecily Neil

| | |
|--------------------------|---|
| Qualifications | Bachelor - Geography, Indonesian and Malaysian Studies, Masters degree - Sociology, Doctor of Philosophy - Labour and Industrial Relations |
| Experience | She has worked in various academic roles in universities and as a research scientist for the CSIRO. She has many years experience providing social impact consulting services. Cecily joined the Board in 2015. |
| Special responsibilities | Chairperson |

Graham Moore

| | |
|--------------------------|---|
| Qualifications | Teacher - Environmental Engineering |
| Experience | Graham has 30 years experience in education and research related to international development. Graham is also on the Register of Engineers for Disaster Relief and a Certified Practising Engineer. |
| Special responsibilities | Secretary |

Andrea Pickering

| | |
|--------------------------|------------------------------------|
| Qualifications | Office Manager |
| Experience | Board member since 18 October 1996 |
| Special responsibilities | Treasurer |

Ian Pickering

| | |
|----------------|---|
| | Resigned 10 November 2017 |
| Qualifications | Self - Employed Nurseryman |
| Experience | Board member since 1 October 1992 (previously served as Chairman) |

Partners In Aid Limited

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Directors' Report

30 June 2018

Information on directors

Lynette Pickering

Qualifications Secretary & Office Manager
Experience Board member since 14 October 1993

Kristin Aitken

Qualifications Anthropologist, IT Business Analyst
Experience Board member since 21 February 2008

Daniel Bentley

Qualifications Operations Manager and Service Designer
Experience Held many leadership roles within large corporations working in customer service, strategy, innovation, sales, marketing and operations. Board member since 19 November 2016

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

Principal activities

The principal activity of Partners In Aid Limited 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.

Short term objectives

The Company's short term objectives are to:

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

Long term objectives

The Company's long term objectives are to:

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

Strategy for achieving the objectives

To achieve these objectives, the Company 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.

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Directors' Report

30 June 2018

Strategy for achieving the objectives

- 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 times to keep the proportion of donors' money spend on administration to below 15%.
- Embracing the Partners In Aid Ltd guiding principles.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by generating the funds to fund the projects set out in the objectives.

Performance measures

The following measures are used within the Company to monitor performance:

- ensure that administration costs do not exceed 15% of donor receipts
- actual versus budgeted results

Members guarantee

Partners In Aid Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 50 for members, subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$ 2,200 (2017: \$ 2,250)

Operating results and review of operations for the year

Operating result

The surplus of the Company for the financial year after providing for income tax amounted to \$ 10,850. (2017: deficit \$ (21,446)).

Partners In Aid Limited

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Directors' Report

30 June 2018

Operating results and review of operations for the year

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that revenue decreased by 5%, primarily as a result of a decrease in SEDS Child Sponsorship received by \$9,410 compared to the previous year. Disbursements overseas reduced by \$38,196. Other expenses slightly decreased by 1.53% compared with prior year.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

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

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

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

Meetings of directors

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

| Directors' Meetings | |
|---------------------------|-----------------|
| Number eligible to attend | Number attended |
| Cecily Neil | 7 |
| Graham Moore | 7 |
| Andrea Pickering | 7 |
| Ian Pickering | 4 |
| Lynette Pickering | 7 |
| Kristin Aitken | 7 |
| Daniel Bentley | 7 |

Partners In Aid Limited

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Directors' Report
30 June 2018

Indemnification and insurance of officers and auditors

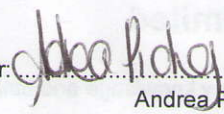
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Partners In Aid Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2018 has been received and can be found on page 6 of the financial report.

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

Director: 
Cecily Neil

Director: 
Andrea Pickering

Dated this 17 day of November 2018

Partners In Aid Limited

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Partners In Aid Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Ryan H. Dummett
Director



Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

16 November 2018

Dingley

Partners In Aid Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

| | 2018 | 2017 |
|---|---------------|-----------------|
| Note | \$ | \$ |
| Donations | 154,588 | 162,616 |
| Member subscriptions | 1,250 | 1,182 |
| Interest received | 2,244 | 2,476 |
| India disbursements | (98,677) | (112,398) |
| Bangladesh disbursements | (33,900) | (33,905) |
| Philippines disbursements | (2,000) | (26,470) |
| Travel expenses | (4,832) | (5,792) |
| Insurance expense | (799) | (779) |
| Postage | (972) | (1,476) |
| Accounting fees | (500) | (690) |
| Audit fees | (3,100) | (3,100) |
| ACFID fees | (1,696) | (1,671) |
| Other expenses | (756) | (1,439) |
| Surplus/(Deficit) before income tax | 10,850 | (21,446) |
| Income tax expense | - | - |
| Surplus/(Deficit) for the year | 10,850 | (21,446) |
| Other comprehensive income, net of income tax | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Nil | - | - |
| Items that will be reclassified to profit or loss when specific conditions are met | | |
| Nil | - | - |
| Total comprehensive income/(loss) for the year | 10,850 | (21,446) |

The accompanying notes form part of these financial statements.

Partners In Aid Limited

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Statement of Financial Position

30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|-----------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 136,300 | 127,223 |
| Trade and other receivables | | 39 | 14 |
| Financial assets | 4 | 71,680 | 70,000 |
| TOTAL CURRENT ASSETS | | <u>208,019</u> | <u>197,237</u> |
| TOTAL ASSETS | | <u>208,019</u> | <u>197,237</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Other financial liabilities | | <u>500</u> | <u>568</u> |
| TOTAL CURRENT LIABILITIES | | <u>500</u> | <u>568</u> |
| TOTAL LIABILITIES | | <u>500</u> | <u>568</u> |
| NET ASSETS | | <u>207,519</u> | <u>196,669</u> |
| EQUITY | | | |
| Accumulated surplus | | <u>207,519</u> | <u>196,669</u> |
| TOTAL EQUITY | | <u>207,519</u> | <u>196,669</u> |

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 2018

2018

| | Accumulated Surplus | Total |
|--------------------------------|------------------------|----------------|
| Note | \$ | \$ |
| Balance at 1 July 2017 | 196,669 | 196,669 |
| Surplus for the year | 10,850 | 10,850 |
| Balance at 30 June 2018 | <u>207,519</u> | <u>207,519</u> |

2017

| | Accumulated Surplus | Total |
|--------------------------------|------------------------|----------------|
| Note | \$ | \$ |
| Balance at 1 July 2016 | 218,115 | 218,115 |
| Deficit for the year | (21,446) | (21,446) |
| Balance at 30 June 2017 | <u>196,669</u> | <u>196,669</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 2018

| | 2018 | 2017 |
|---|-------------------------|-----------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from operating income | 155,813 | 163,863 |
| Payments for operating expenses | (148,980) | (187,674) |
| Interest received | 2,244 | 2,476 |
| Net cash provided by/(used in) operating activities | <u>9,077</u> | <u>(21,335)</u> |
| | | |
| Net increase/(decrease) in cash and cash equivalents held | 9,077 | (21,335) |
| Cash and cash equivalents at beginning of year | <u>127,223</u> | <u>148,558</u> |
| Cash and cash equivalents at end of financial year | 3 <u><u>136,300</u></u> | <u><u>127,223</u></u> |

The accompanying notes form part of these financial statements.

Partners In Aid Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Partners In Aid Limited as an individual entity. Partners In Aid Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Partners In Aid Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 17 November 2018.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Partners In Aid Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(d) Financial instruments

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(d) Financial instruments

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

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Notes to the Financial Statements For the Year Ended 30 June 2018

3 Cash and Cash Equivalents

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | \$ | \$ |
| Cash at bank | 131,966 | 127,215 |
| Other cash and cash equivalents | 4,334 | 8 |
| | <u>136,300</u> | <u>127,223</u> |

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Cash and cash equivalents | 136,300 | 127,223 |
| Balance as per statement of cash flows | <u>136,300</u> | <u>127,223</u> |

4 Financial assets

| | 2018 | 2017 |
|-----------------------------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Held-to-maturity financial assets | (a) 71,680 | 70,000 |
| Total current assets | <u>71,680</u> | <u>70,000</u> |

(a) Held-to-maturity investments comprise:

| | 2018 | 2017 |
|--------------|---------------|---------------|
| | \$ | \$ |
| Term deposit | 71,680 | 70,000 |
| | <u>71,680</u> | <u>70,000</u> |

5 Members' Guarantee

The Company 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 outstandings and obligations of the Company. At 30 June 2018 the number of members was 44 (2017: 45).

6 Auditors' Remuneration

| | 2018 | 2017 |
|--|--------------|--------------|
| | \$ | \$ |
| Remuneration of the auditor of the company, Ashfords Audit and Assurance Pty Ltd, for: | | |
| - auditing the financial statements | 3,100 | 3,100 |
| - preparation of financial statements | 500 | 500 |
| Total | <u>3,600</u> | <u>3,600</u> |

Partners In Aid Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

7 Contingencies

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

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Contingent Liabilities | | |
| Bangladesh | | |
| JRDP Project | 20,300 | 21,000 |
| TTIS Project | 12,500 | 12,931 |
| Total commitments to Bangladesh | <u>32,800</u> | <u>33,931</u> |
| India | | |
| SEDS Project | 38,303 | 37,222 |
| SEDS Low Carbon Project | 17,320 | 26,560 |
| SEDS Child Sponsorship | 20,736 | 21,036 |
| ABWU Sponsorship | 15,543 | 15,746 |
| Total commitments to India | <u>91,902</u> | <u>100,564</u> |
| Philippines | | |
| Project | <u>12,070</u> | <u>12,000</u> |
| Total Commitments for the year ended 30 June 2018 | <u>136,772</u> | <u>146,495</u> |

Cash funds available to meet these commitments at 30 June 2018 total \$136,300 (2017: \$127,223) as per the statement of financial position. Commitments to the above projects are subject to the company having sufficient cash funds available. Commitments beyond 30 June 2019 have not been included above as it is uncertain whether the company will have sufficient cash flow to meet such commitments.

8 Events after the end of the Reporting Period

The financial report was authorised for issue on 17 November 2018 by the Board of Directors.

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

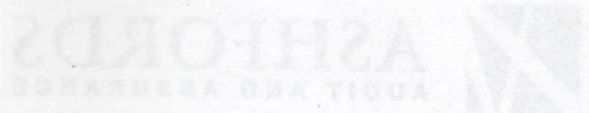
9 Company Details

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

Partners In Aid Limited
159 Cranbourne Road
Narre Warren VIC 3805

Partners In Aid Limited

ABN: 50 006 946 550




Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 16, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 
Cecily Neil

Director 
Andrea Pickering

Dated this 17 day of November 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERS IN AID LIMITED

Opinion

We have audited the financial report of Partners In Aid Limited, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board of management.

In our opinion the financial report of Partners In Aid Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERS IN AID LIMITED (CONT'D)

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERS IN AID LIMITED
(CONT'D)**

We communicate with the responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink that reads "Ashfords Audit and Assurance".

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

A handwritten signature in blue ink that reads "Ryan H. Dummett".

Ryan H. Dummett
Director

Suite 5, 14 Garden Boulevard, Dingley Vic 3172

On 23 November 2018