# Partners In Aid Limited

ABN: 50 006 946 550

## Financial Statements

For the Year Ended 30 June 2019

**Partners In Aid Limited**

ABN: 50 006 946 550

# Contents

## For the Year Ended 30 June 2019

Ashfords Audit & Assurance Pty Ltd
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**Partners In Aid Limited**

**ABN: 50 006 946 550**

# Auditor's Independence Declaration under Section 60-40 of the 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 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Ryan H Dummett - C.A
Director

11 November 2019

Dingley

# Statement of Profit or Loss and Other Comprehensive Income
## For the Year Ended 30 June 2019

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Donations | 160,528 | 154,588 |
| Member subscriptions | 1,318 | 1,250 |
| Interest received | 2,168 | 2,244 |
| India disbursements | (114,220) | (98,677) |
| Bangladesh disbursements | (32,800) | (33,900) |
| Philippines disbursements | (18,195) | (2,000) |
| Travel expenses | (2,218) | (4,832) |
| Insurance expense | (833) | (799) |
| Postage | (872) | (972) |
| Accounting fees | (4,685) | (500) |
| Audit fees | (3,400) | (3,100) |
| ACFID fees | (1,726) | (1,696) |
| Other expenses | (757) | (756) |
| Surplus/(Deficit) before income tax | (15,692) | 10,850 |
| Income tax expense | - | - |
| Surplus/(Deficit) for the year | (15,692) | 10,850 |
| Other comprehensive income, net of income tax | | |
| Total comprehensive income/(loss) for the year | (15,692) | 10,850 |

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

**Partners In Aid Limited**

**ABN: 50 006 946 550**

# Statement of Financial Position

## As At 30 June 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 122,814 | 136,300 |
| Trade and other receivables | | - | 39 |
| Financial assets | 6 | 73,400 | 71,680 |
| TOTAL CURRENT ASSETS | | 196,214 | 208,019 |
| TOTAL ASSETS | | 196,214 | 208,019 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 3,955 | - |
| Other liabilities | 8 | 432 | 500 |
| TOTAL CURRENT LIABILITIES | | 4,387 | 500 |
| TOTAL LIABILITIES | | 4,387 | 500 |
| NET ASSETS | | 191,827 | 207,519 |
| EQUITY | | | |
| Accumulated surplus | | 191,827 | 207,519 |
| | | 191,827 | 207,519 |
| TOTAL EQUITY | | 191,827 | 207,519 |

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

## Partners In Aid Limited

ABN: 50 006 946 550

# Statement of Changes in Equity

**For the Year Ended 30 June 2019**

**2019**

| | Accumulated Surplus $ | Total $ |
|---|---|---|
| **Balance at 1 July 2018** | 207,519 | 207,519 |
| Deficit for the year | (15,692) | (15,692) |
| **Balance at 30 June 2019** | 191,827 | 191,827 |

**2018**

| | Accumulated Surplus $ | Total $ |
|---|---|---|
| **Balance at 1 July 2017** | 196,669 | 196,669 |
| Surplus for the year | 10,850 | 10,850 |
| **Balance at 30 June 2018** | 207,519 | 207,519 |

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

**Partners In Aid Limited**

**ABN: 50 006 946 550**

# Statement of Cash Flows

## For the Year Ended 30 June 2019

| | Note | 2019<br>$ | 2018<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Receipts from operating income | | 160,222 | 155,813 |
| Payments for operating expenses | | (175,876) | (148,980) |
| Interest received | | 2,168 | 2,244 |
| Net cash provided by/(used in) operating activities | | (13,486) | 9,077 |
| | | | |
| Net increase/(decrease) in cash and cash equivalents held | | (13,486) | 9,077 |
| Cash and cash equivalents at beginning of year | | 136,300 | 127,223 |
| Cash and cash equivalents at end of financial year | 5 | 122,814 | 136,300 |

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## For the Year Ended 30 June 2019

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

The principal activities of the Company for the year ended 30 June 2019 were providing support for struggling rural communities in India, Bangladesh and Philippines and shipping livestock from Australia in order to improve the quality of local stock and thus provide improved food supplies for these communities.

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

The financial report was authorised for issue by those charged with governance on 06 November 2019.

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 Change in Accounting Policy

**Financial Instruments - Adoption of AASB 9**

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income . In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

There was no restatement of comparatives resulting from the adoption of AASB 9.

**Classification of financial assets**

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

### 2 Change in Accounting Policy

**Financial Instruments - Adoption of AASB 9**

**Classification of financial assets**

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - debt instruments (FVOCI - debt)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

**Impairment of financial assets**

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

**Classification of financial assets and financial liabilities**

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

| | Classification under AASB 139 | Classification under AASB 9 | Carrying amount under AASB 139 | Reclassific-ation | Re-measurem e-nts | Carrying amount under AASB 9 |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |
| **Financial assets** | | | | | | |
| Term deposits (i) | Held to maturity | Amortised cost | 71,680 | 71,680 | - | 71,680 |
| **Total financial assets** | | | 71,680 | 71,680 | - | 71,680 |

Notes to the table:

(i) Reclassification from Held to Maturity to Amortised Cost

Term deposits that would previously have been classified as held to maturity are now classified at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these assets.

## 3 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

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Donations**

Donations and bequests are recognised as revenue when received.

**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.

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

For comparative year

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;

## 3 Summary of Significant Accounting Policies

### (d) Financial instruments

**Financial assets**

- 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.

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 Company 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.

## 3 Summary of Significant Accounting Policies

### (d) Financial instruments

**Financial assets**

*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.

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.

# Notes to the Financial Statements

## For the Year Ended 30 June 2019

### 3 Summary of Significant Accounting Policies

#### (d) Financial instruments

**Impairment of Financial Assets**
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.

For current year

Financial instruments are recognised initially 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**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

*Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and

## 3 Summary of Significant Accounting Policies

### (d) Financial instruments

**Financial assets**

- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Fair value through other comprehensive income*

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

### 3 Summary of Significant Accounting Policies

#### (d) Financial instruments

**Financial assets**

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

*Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### (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 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

### 4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

# Notes to the Financial Statements

**For the Year Ended 30 June 2019**

## 4 Critical Accounting Estimates and Judgments

### Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## 5 Cash and Cash Equivalents

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| Cash at bank and in hand | 118,919 | 131,966 |
| Other cash and cash equivalents | 3,895 | 4,334 |
| | 122,814 | 136,300 |

## 6 Other Financial Assets

### (a) Comparative year - held-to-maturity investments

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Term deposit | - | 71,680 |
| | - | 71,680 |

### (b) Current year - amortised cost

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Term deposits | 73,400 | - |
| | 73,400 | - |

# Notes to the Financial Statements

## For the Year Ended 30 June 2019

### 7 Trade and Other Payables

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Trade payables | 3,950 | - |
| GST payable | 5 | - |
| | 3,955 | - |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 8 Other Liabilities

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| CURRENT | | |
| Membership received in advance | 432 | 500 |
| Total | 432 | 500 |

### 9 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 below:

| | 2019 | 2018 |
|---|---|---|
| | $ | $ |
| **Contingent Liabilities** | | |
| **Bangladesh** | | |
| JRDP Project | 20,300 | 20,300 |
| TTIS Project | 12,500 | 12,500 |
| Total commitments to Bangladesh | 32,800 | 32,800 |
| **India** | | |
| SEDS Project | 36,380 | 38,303 |
| SEDS Low Carbon Project | 16,620 | 17,320 |
| SEDS Child Sponsorship | 19,200 | 20,736 |
| ABWU Sponsorship | 18,306 | 15,543 |
| Total commitments to India | 90,506 | 91,902 |
| **Philippines** | | |
| Project | 18,000 | 12,070 |
| Total commitments for the year ended 30 June 2019 | 141,306 | 136,772 |

## 10 Events after the end of the Reporting Period

The financial report was authorised for issue on 08 November 2019 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.

## 11 Statutory Information

The registered office 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 responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director ..........................................................
Cecily Neil

Treasurer ..........................................................
Bryan Rossi

Dated 08 November 2019

Ashfords Audit & Assurance Pty Ltd
ABN 52 138 965 241
Suite 5, 14 Garden Blvd, Dingley VIC 3172
PO Box 1462, Clayton South VIC 3169
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**Partners In Aid Limited**

# Independent Audit Report to the members of Partners In Aid Limited

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Partners In Aid Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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:

(i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 201*3.

**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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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 - Reduced Disclosure Requirements 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, the 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.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

# Independent Audit Report to the members of Partners In Aid Limited

### 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 the responsible entities.

- Conclude on the appropriateness of the responsible entities' 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.

**Partners In Aid Limited**

## Independent Audit Report to the members of Partners In Aid Limited

We communicate with those charged with governance 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.

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Ryan H Dummett - C.A
Director

Dingley
11 November 2019