

Assisi Aid Projects – India Inc

ABN 56 511 265 170

Registered Office:

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www.assisi.org.au

Committee of Management & Regional Representatives 2005-2006

President

Tom Dumaresq JP,
 Agriculturalist (Tatura)

Vice Presidents

Carol Payne (Traralgon)

John Schwarzman BA, TPTC
 (Ballarat)

Treasurer

Andrew Gilchrist CPA (Swan Hill)

Secretary

Felicity O'Keefe BA (Melbourne)

Members

Barry Counsel BA, DipPubAdmin.
 (Melbourne)

Brian Bleaser Agriculturalist
 (Mildura)

David Hayes ACA, FAICD
 (Diamond Creek)

Lui Basile Solicitor, Mayor of
 Gannawarra Shire Council (Kerang)

Marie Basile (Kerang)

Lina Molinaro (Diamond Creek)

Mona Pereira (retired 1 March 2006)
 (Melbourne)

Tony Britt BVSc, MPharm, MACVS
 (Bendigo)

Office Managers

Mary Sweeney TPTC Cert A

Helen Sweeney Bcomm, DFP

President's Report

Dear Assisi Supporters,

During 2005/6, Assisi Aid Projects (Assisi) continued to sponsor development activities amongst the poor, including tsunami survivors, in southern India. Our projects focus on the support of women and their families. We encourage and assist impoverished women to form Self Help Groups (SHGs), and within SHGs establish credit cooperatives and small-scale income generating businesses. The 1,400 SHGs operating today build women's confidence and organisational and business skills. Beneficiaries of the work of Assisi during the year include 25,000 SHGs members and the opportunities it brings flow through to all members of their families.

Funds raised in Australia are dispatched to our partner charity in India managed by Sr Stella who is well known in Australia. Unfortunately Sr Stella has not been in the best of health and during the year has relied heavily on Sr Puisha and Sr Deepthi to manage day-to-day project work. The dedication of these people and their support staff is inspirational. Importantly, their commitment and integrity ensures that projects operate effectively for the benefit of the poor, regardless of their religious or caste affiliations.

During 2005/6, Committee of Management members Felicity O'Keefe, Barry Counsel and Brian Bleaser visited project areas in India to inspect development activities and provide assistance and advice. On their return, they have provided valuable updates to the Committee and our many supporters on activities in India.

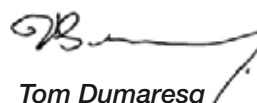
A key initiative during the year has been the creation of a new website at www.assisi.org.au which began operating in late 2005.

The website complements the regular newsletters that are distributed to supporters.

I would like to note that Assisi continues to operate with extremely modest overheads. Supporters, who provide their time and expertise on an unpaid basis, run the majority of Assisi's Australian operations.

Mary Sweeney has worked diligently as Office Manager, ably supported by her daughter, Helen. I have no doubt that without their effort and considerable organisational skills; Assisi would have struggled to meet its commitments to our partner in India. I would also like to thank members of Assisi's Committee of Management for their dedication and hard work during the year.

It has been a privilege to be President of Assisi Aid Projects. Thank you again for your support, kind donations and interest in Assisi and our work with the poor in southern India.



Tom Dumaresq
 President

Statement of Goals and Purposes

Assisi is an Australian not-for-profit organisation supporting development works in southern India. Our partner in India is Assisi Farm and Training Centre (AF&TC) managed by Sr Stella Edattu.

In partnership with AF&TC, we work to empower the poor through the provision of basic educational and health services and by supporting initiatives designed to break the cycle of poverty.

Guiding Principles

The Committee of Management has endorsed the following guiding principles as part of its 2004 to 2007 Strategic Plan. Assisi will:

- a) Acknowledge and respect the views of the people in the areas targeted for development activities,
- b) Provide support without consideration of the racial and religious affiliations of recipients,
- c) Not support or condone the proselytising of recipients by staff involved in development activities in India,
- d) Emphasise the involvement and empowerment of women in development activities,
- e) Support development projects that will protect the environment and lead to a sustainable positive impact on the lives of recipients and their families,
- f) Effectively consult and communicate with, and be guided by AF&TC in respect to development priorities and strategies.
- g) Operate an accessible, supporter friendly and cost effective administration that will be responsive to the needs of AF&TC, donors and AusAID.
- h) Operate at Board and administration level in an open, honest and transparent manner.
- i) Communicate effectively with the Australian community to inform and foster interest in, and support for, the work of Assisi and AF&TC.

Summary of overall program activities

Development strategy

Assisi assists AF&TC to implement a dynamic development model that encourages community involvement in and 'ownership' of key activities. Our development model involves:

- Training women selected by their local communities, with the skills to establish and operate Self Help Groups (SHGs), credit cooperatives and small-scale income generating initiatives.
- Supporting and assisting trained Community Development Workers to establish SHGs, typically involving poor women.
- Supporting SHG credit cooperatives and income generating initiatives through training and professional assistance.
- Providing educational and health services and training to deal with illiteracy and preventable disease.

Projects

During 2005/6, Assisi supported the following projects:

- Health Works
- Foundation for Growth
- Tsunami Rehabilitation and
- Sustainable Tribal Empowerment

Health Works

At the request of Sr Stella, Assisi Aid Projects agreed to fund this new project that commenced in early 2006, focusing on impoverished families in a number of villages near the southern tip of India. Health Works comprises a variety of health and education related activities. Assisi provided \$24,145 for Health Works in 2005/6 and its major activities included:

- Training 400 community leaders to counsel people affected by urbanisation, alcohol, drug abuse and the psychological impact of unrelenting poverty and unemployment.
- Assisting 300 families in 15 villages that have a family member with HIV/AIDs.
- Providing remedial education to approximately 350 children in 10 villages.

Foundation for Growth

Foundation for Growth has operated for two financial years in an area approximately 60km west of Chennai (formerly Madras). The key issues for people here are indebtedness to moneylenders, illiteracy, limited and seasonal employment opportunities and a high incidence of preventable disease and malnutrition, particularly amongst children. Most adults are unskilled.

Assisi has assisted the formation of 302 women's Self Help Groups (SHGs) involving 4,430 members.

Most of these SHGs have established credit cooperatives and are working towards the establishing small-scale businesses.

During 2005/6, \$104,867 was expended in support of this project. It included the provision of a medical clinic for the local community, an office and meeting rooms for project facilitation.

Assisi will continue to fund development work in this region during 2006/7 and beyond in a new project called Integrated Village Development. The focus of projects will continue on health, sanitation and SHGs establishing sustainable small-scale businesses. Assisi will assist with training, basic business planning and by improving the packaging and marketing of SHG goods.

Sustainable Tribal Empowerment Project (STEP)

STEP commenced in 2004, focusing on 48 impoverished tribal hill settlements with 3,187 families.

Funding of \$82,004 was dispatched to India during 2005/6.

The main activities in the STEP project are:

- Training of locally recruited Community Development Workers.
- Establishing basic educational and health services
- Building a cooperative spirit amongst community members.
- Building a cooperative spirit between these communities and our partner in India, Assisi Farm & Training Centre.
- Installation of 50 latrines and 100 smokeless cookers in houses.
- Construction of community meeting places.
- Income generating training on bee keeping, goat rearing, and rubber processing and herbal medicine production.

Tsunami

Assisi continues to deal with very personal issues as a result of the tsunami. We provide grief counselling and psychological support services in the area to help families get back on their feet.

Since the Boxing Day 2004 tsunami, AF&TC has been able to use its local knowledge and ideally located office infrastructure to successfully network with UNICEF, Care India, Plan International, Save the Children and other international and domestic Non Government Organisations (NGO). Assisi has pinpointed specific areas of need and brought support to them by the teaming up NGO skills and resources.

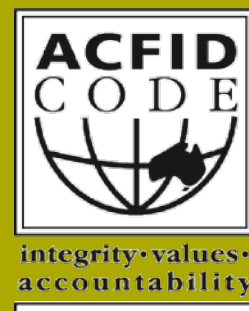
Tsunami Rehabilitation achievements include the re-activation of hundreds of SHGs and the creation of job opportunities with the opening of a garment manufacture centre. Assisi also operates a retail outlet called "Aussi Shoppy" in the nearby town of Ambasamudram where craft, food and household products produced by the 400 SHGs are sold.

Assisi committed \$156,650 for Tsunami Rehabilitation in 2005/6.

It is anticipated that the remaining \$54,614 donated during Assisi's tsunami relief appeal in early 2004 will be totally expended during 2006/7.

Assisi Aid Projects is a signatory to the Australian Council for International Development (ACFID) Code of Conduct that defines minimum standards of governance, management and accountability for non-government development organisations. An independent Code of Conduct Committee elected from the NGO community monitors adherence to the Code. Our voluntary adherence to the Code of Conduct demonstrates our commitment to ethical practice and public accountability.

More information about the ACFID Code of Conduct can be obtained from Assisi Aid Projects and from ACFID at: ACFID, Private Bag 3, Deakin, ACT 2600 Tel: (02) 6285 1816 Fax: (02) 6285 1720 www.acfid.asn.au



BALANCE SHEET AS AT 30TH JUNE 2006

2005 \$			2006 \$
	ASSETS		
335,440	Cash & Investments	353,388	
-	Other	814	
418	Property, Plant & Equipment	235	
<u>335,858</u>	TOTAL ASSETS		<u>354,437</u>
	LIABILITIES		
2,281	Payables	-	
<u>2,281</u>	TOTAL LIABILITIES		<u>-</u>
<u>333,577</u>	NET ASSETS		<u>354,437</u>
	EQUITY		
<u>333,577</u>	Funds Available For Future Use		<u>354,437</u>

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2006

\$	REVENUE		\$
496,124	Donations And Gifts	305,648	
187,048	Grants	68,359	
6,192	Interest Received	16,377	
<u>689,364</u>	TOTAL REVENUE		<u>390,384</u>
	DISBURSEMENTS		
5,098	Community Education		8,790
2,676	Fundraising Costs - Public		4,594
-	Fundraising Costs - Gov't & Multilaterals Overseas Projects		-
355,481	Funds To Overseas Projects	330,296	
5,352	Australian Project Costs	7,923	
<u>360,833</u>			<u>338,219</u>
8,940	Charitable Donations		400
-	Domestic Projects Administration		-
4,640	Contract Labour	960	
4,000	Tsunami Appeal Administration	-	
7,340	Other Administration Costs	16,561	
<u>15,980</u>			<u>17,521</u>
<u>393,527</u>	TOTAL DISBURSEMENTS		<u>369,524</u>
<u>295,837</u>	EXCESS OF REVENUE OVER DISBURSEMENTS		<u>20,860</u>

TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES FOR THE YEAR ENDED 30TH JUNE 2006

	Cash at beginning of year	AusAID Grant	Donations & other income	Cash Disbursed during year	Cash available at end of year
Foundation for Growth	21,134	35,810	47,923	104,867	-
Healthworks	-	20,215	42,252	24,145	38,322
Tsunami	107,116	-	103,680	156,650	54,146
STEP	39,000	12,334	95,686	82,004	65,016
Plant Nursery	1,275	-	-	1,275	-
All other purposes	166,915	-	32,484	3,495	195,904
	335,440	68,359	322,025	372,436	353,388

Independent Audit Report to the members of Assisi Aid Projects – India Inc.

SCOPE

We have audited the summarised financial report of Assisi Aid Projects-India Inc. for the year ended 30 June 2006 in accordance with Australian Auditing Standards and to provide reasonable assurance as to whether the Assisi Aid Projects – India Inc. has complied in all material respects with the relevant requirements of the Australian Council for International Development Code of Conduct.

AUDIT OPINION

In our opinion Assisi Aid Projects - India Inc. has complied in material respects, with the requirements of Australian Council for International Development Code of Conduct and the information reported in the summarised financial report is consistent with the annual statutory financial report from which it is derived and upon which we expressed a qualified audit opinion in our report to the members. For better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

Dated this 16th day of August, 2006

WHK Smith Read Audit

WHK Smith Read Audit
Chartered Accountants

Eric A Thomas

Eric A Thomas
Partner
Melbourne

Audited full financial statements are available on request.

ASSISI AID PROJECTS – INDIA INC
BALANCE SHEET
AS AT 30 JUNE 2006

2005 \$			2006 \$
ASSETS			
CASH			
16,662	Cash at Commonwealth Bank	3,734	
47,498	Cash at Community Sector Bank	120,978	
271,280	Term Deposits at Community Sector Bank	227,595	
-	Staff Benefit A/C's at Community Sector Bank	1,081	
<u>335,440</u>			<u>353,388</u>
OTHER			
-	Goods & Services Tax		814
2,341	Plant & Equipment - at Cost	2,341	
(1,923)	Less Provision for Depreciation	(2,106)	
<u>418</u>			<u>235</u>
<u>335,858</u>	TOTAL ASSETS		<u>354,437</u>
LIABILITIES			
CREDITORS & BORROWINGS			
2,281	Goods & Services Tax		-
-	PROVISIONS		-
<u>2,281</u>	TOTAL LIABILITIES		<u>-</u>
<u>333,577</u>	NET ASSETS		<u>354,437</u>
EQUITY			
-	Reserves		-
333,577	Funds Available for Future Use		354,437
<u>333,577</u>	TOTAL EQUITY		<u>354,437</u>

The accompanying notes form part of these financial statements.

**ASSISI AID PROJECTS – INDIA INC
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005 \$			2006 \$
	REVENUE		
	DONATIONS AND GIFTS		
144,054	AusAID Project	163,396	
3,940	Charitable Donations	100	
159,049	Development	36,700	
-	Membership Subscriptions	5	
-	Legacies & Bequests	-	
1,152	Non Monetary Donations	8,682	
187,929	Tsunami Humanitarian Appeal	-	
	Tsunami Rehabilitation	96,765	
496,124			305,648
	GRANTS		
-	AusAID - General	-	
51,625	AusAID - Foundation for Growth	56,025	
8,150	AusAID - Plant Nursery Project	-	
-	AusAID - STEP	12,334	
100,000	AusAID - Tsunami SIORDF	-	
27,273	Community Foundation - Tsunami	-	
-	Other Overseas	-	
187,048			68,359
6,192	INTEREST RECEIVED		16,377
-	OTHER INCOME		-
689,364	TOTAL REVENUE		390,384

The accompanying notes form part of these financial statements.

ASSISI AID PROJECTS – INDIA INC
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

2005 \$			2006 \$
	DISBURSEMENTS		
	ADMINISTRATION		
1,207	Bank Charges	567	
4,640	Contract Labour	960	
69	Depreciation	183	
-	Employment Costs	9,445	
1,603	Insurance	782	
36	Licences, Registrations, Permits	37	
270	Office Expenses	409	
828	Postage	565	
1,209	Printing & Stationery	806	
450	Staff Training	328	
1,256	Subscriptions - ACFID	3,066	
34	Sundry Expenses	14	
378	Telephone	359	
-	Travelling Expenses	-	
11,980			17,521
	TSUNAMI APPEAL ADMINISTRATION		
193	Bank Fees	-	
2,068	Credit Card Fees	-	
87	Internet & Email	-	
455	Telephone	-	
655	Postage	-	
234	Printing & Stationery	-	
308	Office Supplies	-	
4,000			-
	COMMUNITY EDUCATION		
595	Brochures	-	
880	Contract Labour	240	
-	Displays	413	
-	Employment Costs	1,702	
1,627	Newsletters	3,081	
1,447	Postage	3,354	
549	Travelling Expenses	-	
5,098			8,790

The accompanying notes form part of these financial statements.

ASSISI AID PROJECTS – INDIA INC
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

2005 \$		2006 \$
	FUNDRAISING COSTS - PUBLIC	
236	Advertising & Promotions	62
160	Brochures	-
1,120	Contract Labour	240
-	Employment Costs	1,723
351	Newsletters	1,417
717	Postage	1,152
92	Reference Books	-
2,676		4,594
-	FUNDRAISING COSTS - GOVERNMENT & MULTILATERALS	-
	OVERSEAS PROJECTS	
-	Domestic Projects	-
	FUNDS TO OVERSEAS PROJECTS	
75,490	Foundation for Growth	48,429
-	Kanchipuram Clinic	43,500
-	Health Works	24,117
17,905	Plant Nursery Project	1,275
54,000	STEP	69,122
208,086	Tsunami	143,769
-	Bank Transfer Fees	84
3,360	Contract Labour	960
-	Employment Costs	1,745
225	Internet & Email Costs	220
480	Training	-
1,287	Travelling Expenses	4,998
360,833		338,219
8,940	CHARITABLE DONATIONS	400
393,527	TOTAL DISBURSEMENTS	369,524
	EXCESS OF REVENUE OVER DISBURSEMENTS (SHORTFALL)	
295,837	BEFORE EXTRAORDINARY ITEMS	20,860
-	EXTRAORDINARY ITEMS	-
	EXCESS OF REVENUE OVER DISBURSEMENTS (SHORTFALL)	
295,837	AFTER EXTRAORDINARY ITEMS	20,860
37,740	FUNDS AVAILABLE FOR FUTURE USE AT BEGINNING OF FINANCIAL YEAR	333,577
-	AMOUNTS TRANSFERRED TO (FROM) RESERVES	-
333,577	FUNDS AVAILABLE FOR FUTURE USE AT END OF THE FINANCIAL YEAR	354,437

The accompanying notes form part of these financial statements.

**ASSISI AID PROJECTS – INDIA INC
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

2005		2006
\$		\$
CASHFLOWS FROM OPERATING ACTIVITIES		
494,972	Donations & Gifts	297,567
205,753	Grants	75,195
(394,108)	Payments to Suppliers & Employees	(363,504)
(14,395)	Payment of Goods & Services Tax	(7,687)
6,192	Interest Received	16,377
298,414	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (Note 6b)	17,948
CASHFLOWS FROM INVESTING ACTIVITIES		
(536)	Fixed Asset Purchases	-
(536)	NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-
CASHFLOWS FROM FINANCING ACTIVITIES		
-	NET CASH USED IN FINANCING ACTIVITIES	-
297,878	NET INCREASE IN CASH HELD	17,948
37,562	CASH AT THE BEGINNING OF FINANCIAL YEAR	335,440
335,440	CASH AT THE END OF FINANCIAL YEAR (Note 6a)	353,388

The accompanying notes form part of these financial statements.

ASSISI AID PROJECTS – INDIA INC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1 Statement of Significant Accounting Policies

The financial report is a special purpose financial report in order to satisfy the financial reporting requirements of the Associations Incorporations Act (Victoria). The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Victoria) and the following Australian Accounting Standards:

AASB107 Cash Flow Statements
AASB110 Events after the Balance Sheet Date
AASB116 Property, Plant & Equipment

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on a cash basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Plant & Equipment

Plant and Equipment is valued at historical cost and depreciated on a straight line basis in accordance with its useful life. Computer assets have a useful life of 3 years and other office assets have a useful life of 2 years

(b) Income tax

The association is endorsed by the Australian Taxation Office as a charity. It is therefore exempt from income tax. The association is also endorsed as a Public Benevolent Institution.

(c) Reporting Format

This financial report is prepared in accordance with the Australian Council for International Development (ACID) Code of Conduct financial reporting format.

ASSISI AID PROJECTS – INDIA INC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

2 Non-monetary donations

Assisi records some non-monetary (in-kind) donations in its financial accounts. These donations mainly take the form of supporters paying administrative expenses on Assisi's behalf. Invoices and documentary evidence support all these entries. Only the actual receipted value of the donation is entered in the financial accounts.

3 Voluntary donations of time and skill

Assisi records the time that volunteers donate and it is noted in the financial statements for two reasons:

- * To officially recognise and appreciate the voluntary contributions made by many supporters in helping Assisi
- * Certain categories of volunteered time may be counted as Recognised Development Expenditure (RDE). When included in Assisi's externally audited financial accounts, this volunteer time may count for AusAID funding purposes in future years.

Australian Administration

Assisi supporters gifted labour to assist with the general running of the Australian Office. From 1 July 2005 to 30 June 2006, Assisi supporters logged 872 hours of voluntary labour. This is a very conservative estimate of actual time worked.

In-country monitoring

In October 2005, the Assisi secretary travelled to India to monitor the progress of Tsunami works and existing projects and determine capacity and opportunity for future projects to be undertaken. The Secretary carried out this task without remuneration and 80 hours of work for Assisi were logged in association with the visit. For the purposes of RDE, this voluntary donation of time equates to \$2,086.40.

4 Administrative costs

Assisi now has two part time employees working a combined 23 hours per week to maintain its office. Other supporters continue to provide additional human resources during the year on a voluntary basis.

5 Community Sector Bank

Community Sector Banking ABN 88 098 858 765 is a joint venture between Bendigo Bank Limited ABN 11 068 049 178 and Community 21 Ltd ABN 79 097 612 416

ASSISI AID PROJECTS – INDIA INC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

6 Cash Flow Information	2006	2005
a Reconciliation of Cash		
Cash at bank	125,794	64,160
Cash on deposit	<u>227,594</u>	<u>271,280</u>
	353,388	335,440
b Reconciliation of Net Cash Provided by Operating Activities to Profit from Ordinary Activities		
Profit from Ordinary activities	20,860	295,837
Depreciation	183	69
Changes in assets and liabilities		
Increase/(Decrease) in tax payable	(3,095)	2,508
Net cash provided by operating activities	17,948	298,414
c There are no credit stand-by or finance facilities in place.		
d There were no non-cash financing or investing activities during the period.		

Dear Sir(s)

Pursuant to your request and in connection with your examination of the financial statements for Assisi Aid Projects – India Inc. for the year ended 30 June 2006, we submit the following representations, after making appropriate enquiries and according to the best of our knowledge and belief:

General

1. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the relevant requirements of the Australian Council for International Development Code of Conduct.
2. All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the financial statements.
3. There have been no irregularities involving any member of management or other employees of the co-operative that could have a material effect on the financial statements.
4. There have been no:
 - Violations or possible violations of law or regulations, the effects of which should be considered for disclosure in the financial statements or as a basis for recording a contingent loss; or
 - Communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.

Assets

5. Adequate provision has been made for allowances which may be given and for losses which may be sustained in connection with the collection of accounts receivable and non-trade receivables.
6. There are no agreements to repurchase assets previously recorded in the accounting records as sold.


Liabilities

7. All liabilities which have arisen or which will arise out of the activities of the co-operative to the end of the financial year have been included in the financial report.
8. There were no contractual commitments for capital expenditure at balance date not included in the financial report or the notes thereto.
9. There were no contingent liabilities, including guarantees, at balance date which are not disclosed in the financial report or the notes thereto.

Other

10. No events have occurred subsequent to balance date which would require adjustment to or disclosure in the financial statements.
11. The co-operative has no plans or intentions that may materially affect the book value or classification of assets and liabilities at balance date.
12. Other than as detailed in the co-operative's financial statements, the co-operative is not aware of any breach or non-compliance with the terms of any contractual arrangements, however caused which could initiate claims on the co-operative which would have effect on the co-operative's financial statements.
13. The co-operative has an established procedure whereby an officer reviews at least annually the adequacy of insurance cover on all assets and insurable risks. This review has been performed, and where it is considered appropriate, assets and insurable risks of the co-operative are adequately covered by insurance.
14. The minutes of meetings made available to you are a complete and authentic record of all meetings since 30 June 2006 to the date of this letter. All statutory records were properly kept during the period.
15. Records maintained during the period were in accordance with the Australian Taxation Office requirements.
16. We have responded fully to all enquiries made to us during the course of your examination.
17. Nothing has come to our attention that would indicate that the financial report is inaccurate, incomplete or otherwise misleading.

Yours faithfully



Felicity O'Keefe
Secretary



Andrew Gilchrist
Treasurer

Independent Audit Report to the members of Assisi Aid Projects – India Inc.

SCOPE

We have audited the financial report of Assisi Aid Projects- India Inc. for the year ended 30 June 2006, which includes the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements. The Committee is responsible for the financial report and has determined that the accounting policies used are appropriate to meet the needs of the Associations Incorporation Act Victoria and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion to the members of Assisi Aid Projects – India Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act Victoria. We disclaim any assumption of responsibility for any reliance on this report to which it relates to any person other than the members, or for any purpose other than for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in the report has been formed on the above basis.

QUALIFICATION

As an audit procedure, it was not practical to extend our examination of income generated from fundraising and donations beyond accounting for those amounts received as shown in the books and records. As a result our audit procedures have been applied to those income amounts actually recorded. While we have no reason to believe that income has not been accounted for appropriately, given this intrinsic limitation, we have been unable to determine whether all income has been completely accounted for during the period.

QUALIFIED AUDIT OPINION

In our opinion, subject to the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report presents a true and fair view of the financial position of Assisi Aid Projects - India Inc. as at 30 June 2006 and the results of its operation and its cash flows for the year ended in accordance with the accounting policies described in Note 1 to the financial statements.

Dated this 16th day of August, 2006

WHK Smith Read Audit

WHK Smith Read Audit

Chartered Accountants

Eric A Thomas

Eric A Thomas

Partner

Melbourne