

A person is seen from behind, walking away on a dirt path through a lush green field. They are carrying a large stack of goods on their back, including what appears to be a large green bag or sack on top, and a colorful patterned bag or sack below it. The path is surrounded by tall grass and various trees and shrubs, creating a dense, natural setting. The lighting suggests it's daytime, with shadows cast on the path.

AID

WATCH

Action on Aid, Trade and Debt

Annual Report 2010



Annual Report 2010

Table of Contents

AID/WATCH Chair Report	4
AID/WATCH Campaigner's Report	5
AID/WATCH Fundraising Report	6
People & Partners	7
Campaigns	8-11
Community Education and Events	12
International Campaigns & Networks	12
Financial Statement	13
Auditor's Report	14
Statement of Income & Expenditure	16
Balance Sheet	17
Notes to, and forming part of the Accounts	18

AID/WATCH INC.

ABN: 97 491 078 647 Charitable Reg No: 17671 Registered Assn No: Y1724231

19 Eve Street, ERSKINEVILLE NSW 2043 Australia
Ph: (02) 9557 8944 Fax: (02) 9557 9822
Email: info@aidwatch.org.au Website: www.aidwatch.org.au

© 2011 AID/WATCH Inc – all rights reserved.

About AID/WATCH

Our purpose

AID/WATCH is an independent membership-based watchdog on aid, trade and debt, working with communities in the Global South. We challenge practices which undermine the ability of communities to determine their own futures, and promote development alternatives based on social and environmental justice. We research and evaluate development policies and practices, and we campaign around these issues as part of the global justice movement.

Our vision

A thriving global justice movement, based on mutual solidarity, and on social and environmental justice. A world free from structural inequalities, where people can determine their own futures within a global framework of mutual respect for the environment and for one another. A world where trade, aid and debt no longer exploit peoples, but instead promote environmental and social justice.

Our values

We believe in solidarity not charity

We are committed to global justice and equality. We campaign as much for our futures as for the futures of others. We are respectful of the different approaches and views of others in the movement for global justice. We acknowledge and aim to strengthen the power and agency of communities.

We are independent and fearless

We are a member-based organisation. We do not take funds from governments or corporations. We respect diversity of ideas. We are free to make critical comment and are uncompromising in advocating for social and environmental justice. We are principled and where necessary pugnacious. We are never afraid to say what we think.

We are informed and transformative

Our campaigns are grounded in experience and our research is thorough and constructive. We believe in building alternative futures, founded on experience and on community-level capacity. In this respect we are innovative and creative.

We are activist and movement-based

We are a member-driven activist organisation, working as part of the wider global justice movement. Our campaigns provoke public debate to generate engagement with development issues, and to inspire public participation in efforts to transform development policies and practices.

AID/WATCH Chair Report

AID/WATCH supporters saw 2010 end on a high with the High Court re-endorsing our charitable status in December. This marked the end of a four-year legal battle with the Australian Taxation Office to define the meaning of 'charity' in the context of an organisation that advocates for change in the Australian Government's overseas aid policy.

AID/WATCH incorporated v Commissioner of Taxation 2010 has proven to be a significant test case. The decision overturns over 90 years of Australian law defining the role of charities. The High Court ruling has given legal and financial certainty to charities and broadened the definition of what they can do 'in the public interest'. Charities can now participate in public debate and lobby governments for change on issues relevant to their mission – be it the eradication of poverty, climate change action or refugee rights.

Those who worked on the case can feel justly proud that the outcome of this case will shape the role of charities in Australian public life. AID/WATCH was only able to take the case this far with the support of our members, other organisations in the charitable sector and our lawyers. A big thank you to those who supported us throughout the process.

Despite the court case, AID/WATCH has still been doing what we do best – campaigning. Recognising that "Land is Life", AID/WATCH continues to collaborate closely with the Melanesian Indigenous Land Defence Alliance (MILDA) to prevent the imposition of unwanted land reforms that threaten the livelihoods and cultures of Melanesian peoples. AID/WATCH brought two Melanesian land rights activists to Australia to meet with the public and government representatives and inform them of key concerns surrounding Australian involvement in land tenure reform programs in Melanesia.

We have been monitoring negotiations of a regional trade agreement between Australia, New Zealand and the Pacific island countries, commonly referred to as PACER-Plus, which will likely have lasting negative impacts on Pacific Island economies and communities.

Bilateral aid is still a major focus for AID/WATCH's campaigning, with AID/WATCH taking a keen interest and involvement in the Government's Independent Review into the Effectiveness of Australia's Aid Program. AID/WATCH has also had success in its campaign to reduce the aid program's reliance on the use of foreign advisers.

AID/WATCH has continued to produce excellent publications. In November we launched *Where is Your Aid Money Going?*, our online guide to the aid and development. We contributed to the International Reality of Aid's 2010 Report, *Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy* and, in collaboration with MILDA, published *In Defence of Melanesian Customary Land*.

Thanks to the extraordinarily hard work of its staff, Committee of Management, volunteers and supporters, AID/WATCH continues to achieve big things for a very small organisation. I hope the next year sees us expanding our supporter base in line with our expansive vision to promote development alternatives based on social and environmental justice.

Catherine Coorey

Chair

AID/WATCH Campaigner's Report

The year 2010 saw AID/WATCH continue its focus on the Pacific islands region which includes some of the largest recipients of Australian aid. Throughout the year, AID/WATCH deepened its collaboration with the Melanesian Indigenous Land Defence Alliance (MILDA) – a regional network that supports and coordinates community efforts to maintain control over their land. Our work with grassroots partner organisations has continued to underscore and guide the essential work AID/WATCH does to ensure aid funding focuses on poverty reduction in accordance with the rights and interests of local communities.

A highlight of our land campaign was a two-week speaking tour in March, which saw two leading land rights activists from Melanesia travel around the country to communicate their priorities and concerns – and engage in dialogue with – Australian NGOs, academics, decision-makers and the broader public.

Pacific civil society organisations have also been vocal in highlighting their concerns around PACER-Plus, a proposed free trade agreement between Australia, New Zealand and Pacific island countries. In the lead-up to the Pacific Islands Forum leaders' meeting in August, AID/WATCH helped coordinate a statement supporting calls by Pacific civil society organisations for a moratorium on PACER-Plus negotiations. AID/WATCH was also involved in organising forums on health and trade in the Pacific, which helped strengthen linkages between researchers, activists and health professionals.

With the support of an amazing team of volunteers, 2010 saw the launch of an updated version of *Where is Your Aid Money Going?* The online guide builds on AID/WATCH research and campaigns over the years, providing a break-down of where and how Australian aid money is spent, and how people can hold the Australian Government accountable for its aid program.

A big thank you to the many volunteers, members and activists who gave their support to AID/WATCH's work and campaigns this year. I am looking forward to continuing this momentum in 2011.

Gary Lee
Co-Director

AID/WATCH Fundraising Report

Financial support from members and donors to monitor and analyse the impacts of aid and development on the lives, land and livelihoods of recipient communities is still strong at AID/WATCH. We sincerely thank every single one of them.

Income from general fundraising by AID/WATCH in 2010 came from a combination of appeals, the promotion of our regular giving program, launch and fundraising events (such as the popular Trivia Night), and from our various campaign events. The total from these sources was \$50,466, with revenue from memberships being \$1750.

As overseas grants – being from the generous commitments of The Christensen Fund – totaled \$63,502, this means our local supporters' contributions represented around 44 per cent of our overall income as at 31 December 2010. This is a result similar to last year.

There were two major direct-mail appeals run in 2010 – one for end of the financial year (in May/June) and another again before Christmas. The June appeal was especially successful, alone raising almost \$19,000 in donations from individuals and a small number of institutions.

AID/WATCH's non-tax-deductible Action Aid for Justice (AAJ) program was supported in 2010 to the tune of \$22,122 (up on the 2009 figure of \$20,715). The AAJ program gives donors an option to opt out of tax-deductibility if they wish. For some of our supporters this is a matter of principle, while many of our donors realise choosing this option allows AID/WATCH a free hand on how to apply the funds, which are usually utilised on our modest administration and systems costs, and staff wages – the life blood of an organisation, and often considered a less-important use of donations. However, without our office, our photocopier, our computers, etc., AID/WATCH cannot continue its campaigns, and we are so appreciative of the attitude of those who support us in this very meaningful of ways.

Our highly valued tax-deductible donations to the AID/WATCH Fund continued to fund our research, education and other public awareness campaigning around land and environment. The balance of donations in 2010 with tax-deductible status was \$28 344 – well up on the 2009 amount of \$20,513.

Thank you to our members and supporters

AID/WATCH sincerely thanks all our sponsors, members and friends who supported us in achieving these great outcomes. These same people and organisations also supported us through the climax of our battle to retain our charity status (and consequently our deductible gift recipient status) in the High Court of Australia.

We were equally inspired by the response to our win from our members and supporters, and justifiably proud of what had been achieved. It was a major case with implications for the entire charity sector in this country, and “the AID/WATCH case” will be remembered by it for a long time to come and act as an important precedent. The dedication of our supporters and the integrity of our cause means we can continue our work with additional confidence and resolve.

Mandy Lamkin
Co-Director

People & Partners

Staff in 2010

Azadeh (Ozzie) Etminan
Mandy Lamkin
Gary Lee

Committee of Management

The Committee of Management (CoM) is elected from the AID/WATCH membership.

Throughout the course of 2010, the following members gave generously of their time by serving on the CoM:

Tim Anderson	James Arvanitakis
Jemma Bailey	Pooja Chowdhary
Catherine Coorey	Nishan Disayanake
James Goodman	Matt Hilton
Hannah Ireland	Ashleigh Jones
Duncan McDuire-Ra	Sam Porter
Ariel Salleh	

Our thanks go to all of them for their leadership, energy, dedication and involvement.

Volunteers and Interns

Volunteers' efforts are the backbone of AID/WATCH, and we cannot thank enough all those who gave so generously of their time and effort.

A special thank you to Lisa Arnold and Mike Egan who dedicated significant time and skills to support AID/WATCH's accounting and administration.

We also acknowledge Mary Ann Hudson and Gemma Wong for generously sharing their time and design skills to our publications. We'd also like to thank Debopriyo Bal, Gareth Bryant, Nicholas Crofts, Primrose, Claire Parfitt and many more for their contribution to AID/WATCH in 2010.

Partners

AID/WATCH extends a very special thanks to our funding partner, The Christensen Fund for its ongoing support and collaboration.

Campaigns in 2010

■ Land is Life

Working with communities and local organisations to protect customary land tenure systems has been a key focus of AID/WATCH's work over many years. As aid agencies such as AusAID press on with their land tenure reform programs in Pacific island countries, local communities and organisations have increasingly raised their voices in defence of customary land. In 2010, AID/WATCH continued to collaborate closely with the Melanesian Indigenous Land Defence Alliance (MILDA) to prevent the imposition of unwanted land reforms that threaten the livelihoods and cultures of Melanesian peoples.

'Our Land, Our Future: Melanesian Land Speaking Tour'

In March, AID/WATCH travelled around the east coast of Australia with two leading land rights activists from Melanesia, Steven Sukot (Bismarck Ramu Group, PNG) and Joel Simo (Land Desk, Vanuatu Cultural Centre) to highlight concerns about Australia's support for land reform in Melanesia. The two-week long tour included several public forums and media interviews to raise awareness about the importance of customary land in Melanesia and the major threats to customary tenure. Various meetings were held with academics, NGOs, and activists to facilitate knowledge exchange and identify future collaborations to support MILDA. Meetings were held with AusAID and Bob McMullen, then-Parliamentary Secretary for International Development, to discuss land-related policies and inform them of key concerns surrounding Australian involvement in land tenure reform programs and projects in Melanesia, in particular the Pacific Land Program.

Publication: In Defence of Melanesian Customary Land

AID/WATCH in collaboration with MILDA published *In Defence of Melanesian Customary Land*, a publication that presents Melanesian and Australian perspectives on Melanesian customary land. The chapters touch on the broad themes of customary land in the region, including land tenure conversion, incorporated land groups, leases, the productive value of customary land, women and land, land tenure reform programs, and the social security features of traditional land tenure systems.

The publication was launched at the Australian Association for the Advancement of Pacific Studies (AAAPS) conference in Melbourne in April 2010. As part of the launch, Dr. Tim Anderson, AID/WATCH Committee member and one of the co-editors of the publication, presented a keynote address at the AAAPS conference, entitled *Customary Land: the Pacific Genius* and was interviewed by Radio Australia's Pacific Beat program about the publication. AID/WATCH also convened a session on land and livelihoods, which included a screening of 'Defending Melanesian Land'. The publication and the DVD were well received at the conference with a number of academic participants commenting on the usefulness of having accessible resources that focus on Melanesian perspectives and understandings of customary land tenure systems.

MILDA annual meeting

In June, AID/WATCH campaigner Gary Lee and Committee member Tim Anderson participated in MILDA's second annual meeting in Mele village, Port Vila, Vanuatu. At the end of the meeting, MILDA members adopted a declaration reaffirming its commitment to indigenous control of customary land systems. The declaration was publicly launched at a press conference organised by Vanuatu-based members to coincide with the annual Pacific Islands Forum Leaders' meeting in August 2010. MILDA called on the Forum leaders, and particularly the leaders of the Melanesian states, to reject all policies that require customary land be registered as a precondition for business or development activities, and to cease all pressures for customary land registration, whether voluntary or involuntary.



*Images from Port Vila, Vanuatu by Gary Lee
(see Report opposite)*

■ Aid for Trade/PACER-Plus

In 2010, AID/WATCH continued to monitor the negotiations of a regional trade agreement between Australia, New Zealand and the Pacific island countries, commonly referred to as PACER-Plus. PACER-Plus is envisaged as a comprehensive agreement that seeks to liberalise trade in goods, services and investment, as well as improve trade and investment facilitation and economic cooperation measures. Requiring reciprocal liberalisation of trade with their largest regional neighbours (Australia and New Zealand), PACER-Plus is likely to have wide-ranging and lasting implications for Pacific Island economies and communities.

Pacific island governments and civil society organisations have expressed concerns over PACER-Plus because of the potential adverse impacts of the agreement (e.g. significant losses in government revenue, undermining of public services, business closures and loss of policy space), and because of the inadequate process by which PACER-Plus negotiations has been moved forward to date (e.g. insufficient national consultations, research, and negotiating capacity).

AID/WATCH has been working with organisations in the Pacific and Australia to raise awareness of the potential impacts of PACER-Plus and expose how Australian aid for trade initiatives are being used to push for greater trade liberalisation in the region.

Forums on health and trade in the Pacific

In April, AID/WATCH participated in a forum on health and trade in the Pacific, which brought together researchers, activists and health professionals to discuss a range of health issues at the stake in PACER-Plus negotiations. Following the success of the forum in Melbourne, AID/WATCH co-organised a similar forum in Sydney in July. Both forums have contributed to not only strengthening links between researchers, activists and health professionals, but also broadening the base of individuals and organisations working to ensure that Australia's trade policy does not undermine sustainable development and the right to health in the Pacific.

Call for a moratorium on PACER-Plus negotiations

Concerned at the lack of consultation with civil society, Pacific civil society organisations issued a statement calling for a moratorium on PACER-Plus negotiations in August. Launched to coincide with Pacific Islands Forum Leaders' meeting, the statement called on the leaders to put the development priorities of the Pacific ahead of political timelines. AID/WATCH helped coordinate a statement of solidarity from Australian and New Zealand NGOs, supporting Pacific CSO calls for a moratorium.

While PACER-Plus negotiations are ongoing, the key points outlined in the 2010 moratorium statement remain relevant and continue to be used to communicate concerns regarding the structure, content and process of negotiations.

Navigating Pacific Trade Winds

In November, AID/WATCH campaigner participated in a regional civil society workshop hosted by Pacific Network on Globalisation (PANG), Pacific Conference of Churches and Monash University. The workshop brought together activists from the Pacific islands, Australia and New Zealand, to discuss the implications of PACER-Plus and plan future activities.

AID/WATCH will continue to monitor PACER-Plus negotiations closely and work with organisations in the Pacific and Australia to ensure that concerns about the social and economic impacts of PACER Plus are heard and addressed and to expose the Australian Government's use of 'aid for trade' deals to push neoliberal reforms onto Pacific island countries.

■ Bilateral aid

If targeted effectively, aid can work to improve people's wellbeing and promote justice. A fundamental principle for effective aid is that it be focused on reducing poverty and inequality and that it be driven by those whose needs are being addressed. In other words, the interests and rights of the poor and marginalised must be at the centre of any program. As the Australian Government's aid budget continues to grow, AID/WATCH has worked to ensure bilateral aid is accountable, transparent, and effective, and that it promotes human and environmental rights. AID/WATCH continues to oppose the use aid to serve Australia's commercial, foreign policy and strategic interests.

AID/WATCH undertook a variety of activities in the bilateral aid campaign area this year:

Use of advisers in the aid program

AID/WATCH capitalised on the opportunities presented by the findings of the review of Australian aid to Papua New Guinea (published April 2010) to push for reduced reliance on technical assistance and use of advisers in the aid program. Over the years AID/WATCH has been critical of the over-reliance on technical assistance due to its high costs and lack of effectiveness. This view was supported by the review of aid to PNG, which highlighted that the "capacity building through advisors" model is not working – and that real change is needed.

Ongoing advocacy by AID/WATCH and other organisations and individuals contributed significantly to public debate and scrutiny about the use of foreign advisors and the effectiveness of Australia's aid program. In mid-2010 the Australian Government announced that it was conducting a review of the use of advisers in the aid program. Following the release of the report in early 2011, the Government announced it would phase out over one quarter of advisers in the aid program. This is a great success for AID/WATCH and other organisations that have been calling for a reduction in the role of advisors for many years.

Where is Your Aid Money Going?

In the latter half of 2010, considerable effort was put towards updating *Where is Your Aid Money Going?* our online guide to the complex world of aid and development. Coordinated by an amazing team of volunteers, the updated online guide provides a breakdown of where and how Australian aid money is spent, and how members of the public can become more informed and take action.

The new-look guide and accompanying summary brief was launched at a public forum in November, along with the Reality of Aid 2010 report (see below). The launch coincided with the Government's announcement of a review of the aid program, which enabled AID/WATCH to attract significant media attention on key issues and concerns highlighted in the guide, including commercialisation of aid, over-reliance on technical assistance and the need for greater transparency in the aid program.

Reality of Aid Report 2010

AID/WATCH contributed to the International Reality of Aid's 2010 Report, *Aid and Development Effectiveness: Towards Human Rights, Social Justice and Democracy*. With contributions from civil society organisations in 30 countries, the report highlights the limitations of the aid effectiveness reform agenda and calls for a bolder approach to development cooperation.

AID/WATCH and Friends of the Earth made a joint contribution, which analyses the use of Australian aid to secure UN endorsement of climate offsets for reduced deforestation under the program for 'Reducing Emissions from Deforestation and Degradation' (REDD).

Community Education and Events

Throughout the year we have ensured that community education remains integral to our work. It is vital that the Australian public be informed of the impact of Australian aid and participates in holding our government to account on aid spending.

In March, AID/WATCH travelled around the East Coast of Australia for two weeks with two leading land rights activists from PNG and Vanuatu to highlight the importance of land to Melanesian peoples and concerns about the impacts of land reforms on their cultures, economies and livelihoods.

AID/WATCH Committee of Management member Tim Anderson was a keynote speaker in April at the Australian Association for the Advancement of Pacific Studies Conference

July saw AID/WATCH co-organise a forum to explore the impact of trade on sustainable development and health in the Pacific islands.

In November, AID/WATCH hosted the launch of the *Where is Your Money Going?* – our online guide to the complex world of aid and development.

Furthermore, we have delivered our message around Australia through a diverse array of media including *Sydney Morning Herald*, *The Age*, ABC Radio Australia, 2SER Sydney, 3CR Melbourne and others.

Finally, we always enjoy letting our hair down with our members and friends at our fundraising events, particularly our annual trivia night. As always, these events offer a unique opportunity for us to catch up with our members and networks.

International Campaigns and Networks

In 2010, AID/WATCH participated in a number of international networks and campaigns. This comprises part of our focus on building and reinforcing partnerships with activists, communities and civil society groups from around the Asia Pacific region and internationally. Australian and international networks that AID/WATCH worked with in 2010, include:

APRN: The Asia Pacific Research Network (APRN) comprises 37 leading research organisations in 17 countries in the Asia-Pacific region, and is still growing. Members of the network produce research supporting the need for information, education and advocacy of grassroots organisations and social movements.

Australian Civil Society Network on Pacific Trade, which links trade unions, church groups and nongovernment organisations interested in trade and development policies in the Pacific.

Australian Free Trade and Investment Network (AFTINET): A national network of community organisations and individuals concerned about trade and investment policy.

Melanesian Indigenous Land Defence Alliance: Established in June 2009, MILDA is a regional civil society network that supports and coordinates community efforts to main control over their land. Its principal aim is to assist “Indigenous peoples in Melanesia maintain control over their land, sea, water, air and resources through the continued use of their customary tenure systems.”

The Reality of Aid Network (RoA): The Reality of Aid Network is an international coalition of civil society groups, both large and small, that analyses international development cooperation strategies and promotes new approaches to poverty eradication that are based on solidarity, equity and human rights.

Financial Statement

Statement by the Committee of Management of AID/WATCH Incorporated

In the opinion of the Committee:

- a) The attached financial report presents fairly the financial position of AID/WATCH Inc. as 31 December 2009 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board
- b) At the date of this statement, there are reasonable grounds to believe that AID/WATCH Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management of AID/WATCH Inc. and is signed for, and on behalf of, the Committee by:

Catherine Coorey

Chairperson
10 August 2011

Declaration by the chairperson of the Committee of Management of AID/WATCH Inc.

In my opinion,

- a) the attached accounts give a true and fair view of all income and expenditure during the year ended 31 December 2009 with respect to fundraising appeals;
- b) the Balance Sheet as at 31 December 2009 gives a true and fair view of the state of affairs of AID/WATCH Inc. with respect to fundraising appeals;
- c) the provisions of the Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by AID/WATCH Inc.; and
- d) the internal controls exercised by AID/WATCH inc. are as appropriate and effective as is practicable in accounting for all income received and applied by AID/WATCH Inc. from any of its fundraising appeals.

Catherine Coorey

Chairperson
10 August 2011

ROSS N. ARKINSTALL

Chartered Accountant
ABN 85 297 876 486

PO BOX 950,
CHATSWOOD NSW 2057
LEVEL 2, 66-70 ARCHER STREET
CHATSWOOD NSW 2067
BUS TEL : (02) 9969 4041
FAX: (02) 9411 1478

AUDITOR'S REPORT

I have audited the attached special purpose financial report for Aid/Watch for the year ended 31 December 2010. Your association's Committee of Management is responsible for the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the constitution of Aid/Watch and are appropriate to meet the needs of the members. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of Aid/Watch. 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 distribution to members for the purpose of fulfilling the Committee of Management's financial reporting requirements under the Aid/Watch's constitution. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the organisation's financial position, the results of its operation and its cash flows.

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

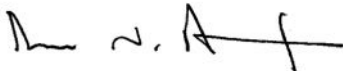
Qualifications

Receipts from donations and other fundraising activities are a significant source of revenue for Aid/Watch. Aid/Watch has determined that it is impracticable to establish control over the collection of donations and other fundraising activity revenue prior to entry in the accounting records. Accordingly, as the evidence available to me regarding revenue from these sources was limited, my audit procedures with respect to donations and other fundraising activity revenue had to be restricted to the amounts recorded to the financial records. I therefore am unable to express an opinion on whether donations and other fundraising activity revenue obtained by Aid/Watch are complete.

Qualified Audit Opinion

In my opinion, except for 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 does give a true and fair view of Aid/Watch's financial position as at 31 December 2010 and of its performance for the year ended on that date. I also report that, subject to any effect of the adjustments outlined in the qualification

- a) the financial statements show a true and fair view of the financial results of fundraising appeals conducted during the year
- b) the accounting and associated records have been properly kept in accordance with the Charitable Fundraising Act 1991 legislation and regulations
- c) monies received from fundraising throughout the year have been properly accounted for and applied in accordance with Charitable Fundraising Act
- d) at the date of this report, there are reasonable grounds to believe that Aid/Watch will be able to pay its debt as and when they fall due.



Ross N Arkinstall
Chartered Accountant
Registered Company Auditor
8 July 2011

AID/WATCH INC.
STATEMENT OF INCOME AND EXPENDITURE
for the year ended 31 December 2010

2009		2010
\$		\$
	Income	
50,964	Grants - Overseas	63,502
-	- Australia	-
2,195	Membership/Sponsorship	1,750
20,513	Donations (Tax Deductible)	28,344
21,715	Donations (Not Tax Deductible)	22,122
182	Interest Received	214
2,384	Fundraising Income (Note 2)	3,953
3,298	Other	26,731
<u>101,251</u>	Total Income	<u>146,616</u>
	Expenses	
77,872	Salaries & On-costs	63,246
	Campaign Expenditure	
5,668	Overseas Projects	7,901
4,833	Australian Projects	23,551
200	Community Education	
	Administration	
1,000	Auditors fees (Note 3)	1,860
1,972	Depreciation	1,972
592	Fundraising Expenditure	753
14,087	Other	12,127
	Bank Fees	536
	Insurance	5,391
	Leasing	547
	Office Costs	951
	Printing & Promotion	4,825
	Telephone & Internet	2,688
6,509	Rent	4,600
<u>112,733</u>	Total Expenses	<u>130,948</u>
<u>- 11,482</u>	Operating Surplus/Deficit	<u>15,668</u>

AID/WATCH INC.

BALANCE SHEET AS AT 31 DECEMBER 2010

2009		2010
\$		\$
	Current Assets	
49,179	A Cash at Bank	73,330
137	B Petty Cash	-
2,310	C Receivables	-
<u>51,626</u>	Total Current Assets	<u>73,330</u>
	Non-current Assets	
5,073	D Plant & Equipment - at Cost	5,073
2,283	D Less: Accumulated Depreciation	3,805
3,000	D Intangible Assets - at Cost	3,000
450	D Less: Accumulated Depreciation	900
<u>5,340</u>	Total Non-current Assets	<u>3,368</u>
<u>56,966</u>	Total Assets	<u>76,698</u>
	Less Current Liabilities	
40,661	E Unspent Grants	43,160
4,665	F Accounts Payable	8,482
6,608	G Accrued Employee Entitlements	4,356
<u>51,934</u>	Total Current Liabilities	<u>55,998</u>
<u>\$ 5,032</u>	NET ASSETS	<u>\$ 20,700</u>
	Represented by	
16,514	Retained Earnings	5,032
11,482	Surplus(Deficit) for the year	15,668
5,032	Emergency Reserve Fund	20,700
<u>\$ 5,032</u>	TOTAL	<u>\$ 20,700</u>

AID/WATCH Inc.

Notes to, and forming part of, the Accounts for the year ended 31 December 2010

Note 1 Accounting Policies
Aid/Watch Inc. adopted accrual accounting from 1 January 2004

Note 2 Fundraising Income			
2009			2010
\$			\$
2,384	Gross proceeds		3,953
592	Less Expenditure (excluding staff costs)		753
<u>\$ 1,792</u>	Net Proceeds		<u>\$ 3,200</u>

All proceeds were applied for services delivered by Aid/Watch Inc.

Note 3 Auditor's Remuneration			
2009			2010
\$			\$
1,000	Audit of financial report		1,000
800	Tax compliance service		860
<u>\$ 1,800</u>	Total		<u>\$ 1,860</u>





ABN: 97 491 078 647
Registered Association No: Y1724231

AID/WATCH Incorporated
19 Eve Street, ERSKINEVILLE NSW 2043 Australia

Ph: (02) 9557 8944
Fax: (02) 9557 9822

Email: info@aidwatch.org.au
Website: www.aidwatch.org.au

© 2011 AID/WATCH Inc – all rights reserved.