



**Afghan Australian Development Organisation**

# ANNUAL REPORT 2010

## **Statement of purpose**

The Afghan Australian Development Organisation (AADO) is a voluntary, non-profit non-government member organisation. Its primary purpose is to implement projects that assist in the reconstruction and sustainable development of communities within Afghanistan. Within Australia AADO seeks to support the Afghan community.

## **History of AADO**

The Afghan Australian Development Organisation (AADO) was established in Australia in 2002 with the aim of providing community development assistance to the people of Afghanistan.

AADO empowers disadvantaged Afghan people by the provision of opportunities to access formal and informal education and training which leads to sustainable livelihoods, improved health and stronger communities.

Projects for rural women and girls have included literacy and health care programs. Vocational training in carpentry have provided a livelihood for young men. The provision of sewing machines and carpentry tools has enabled employment for both. In Australia, AADO assists newly arrived Afghan refugees and immigrants, supports Afghan-Australian communities, raises awareness about the humanitarian situation in Afghanistan and advocates for a just refugee policy.

AADO receives generous support from Australian foundations, corporations and community groups.

AADO is registered as an international non-government organisation (NGO) with the Ministry of Education (MoEC) in Afghanistan and is incorporated in Victoria, Australia.

AADO is also a member of the Australian Council for International Development (ACFID) and is a signatory to the council's Code of Conduct which defines minimum standards of governance, management, financial control and reporting with which Australian non-government development

organisations (NGDOs) should comply.

A small team of local project management and field staff are employed by AADO in Afghanistan.

AADO relies entirely on the work of dedicated volunteers in Melbourne for organisational management and governance, financial oversight and fundraising. The committee composes members who have experience in public sector management, health services, business administration and fundraising.

Dr Nouria Salehi is the Executive Director and founder of AADO and has oversight of the establishment and progress of all programs. Nouria travels to Afghanistan twice yearly.

## President's Report 2009-2010

It is an honour to be giving the President's Report for the Afghan Australian Development Organisation for the year ending 30 June 2010. At this AGM we celebrate a significant year in AADO's life. It's an excellent opportunity for us to share what has been happening for AADO and what we are now planning.

Although negative news bulletins keep reporting on the ways in which development funds get lost in countries in so much distress as Afghanistan, we are confident and very proud that AADO's contributions continue to directly reach their targets.

Our programs are specifically designed to support Afghan people in developing their skills to change their lives and those of others around them. In the last week, we received fresh confirmation of this from our team in Kabul. In the latest report on lessons learned from the 7th round of Science Teacher Training, one of the participants had responded: "this is my first time in my life using microscopes and doing practical experiments, thanks to AADO for running STT project and inviting most needed teachers from Parwan province I was blind and the brightness torch of AADO STT project give brightness to my knowledge".



*Refreshing skills*

We are proud of these quiet but powerful stories underscoring how Australians can contribute to lasting change. However, the context within which the delivery of AADO's

programs actually happens is extremely challenging. With little or no local infrastructure, we are always aware of how heavily we rely on having local personal and family networks in place to ensure delivery. Sometimes this is not without risk to the individuals involved. Nouria Salehi as AADO's Chief Executive is the lynchpin for this. She is in constant contact with our local Kabul-based staff and has just returned from Afghanistan, her second visit this year. Nouria will shortly share some of the latest news and new success stories.

At the beginning of this year we were invited to meet with Senator Bob McMullan, the then Parliamentary Secretary for Foreign Aid in the Australian Government. An AADO working group visited him in his office in Canberra in early January. They took with them a package of AADO projects for which financial support was urgently required especially the major program related to Science Teacher Training. During the year AADO also received the endorsement of the Afghan Ministry of Education for this significant initiative aimed towards improving education outcomes for year 12 students. The response was emphatic that it would be essential for us to prepare a case for AADO accreditation by AusAID in order to first be recognised as a deductible gift recipient of foreign aid funds and then to also receive Australian Government annual grants. We note that the recently appointed Minister for Foreign Affairs, Mr Kevin Rudd, has announced that he will now take direct responsibility for AusAID.

Following the Canberra meeting and with support from others, we were encouraged to establish contact with the Planet Wheeler Foundation. We were rather overwhelmed when Planet Wheeler responded so enthusiastically with full support for the STT program for the next two years.

Since AADO's beginnings, our efforts have all been voluntary with minimal infrastructure costs. Along with its STT support, Planet Wheeler also recognized that while AADO was

achieving good things, it needed a breathing space to set the foundations for much more. This was reflected by PWF also advancing the costs for AADO to appoint a Project and Communications Coordinator who would not only establish an office base for AADO in Melbourne, but also draw together all of the necessary items and systems to support a successful AADO application next year for AusAID accreditation. Other tasks would include work on evaluating the impact of our programs.

In total, AADO is to receive just over \$495,000 from Planet Wheeler over two years. In years to come, we have no doubt that this support will be recognized as a significant turning point in AADO's history. Right now the fully-funded next round of teacher training has started. By the end of the funded period, along with those who participated in earlier programs, over 1000 teachers will have completed the programs.

The other focus of the support from PWF has also been implemented. We advertised the position of Co-ordinator and by the end of June we were very pleased to confirm the appointment of Bianca Pilla to the position. Now in this new financial year, with the added strength of Bianca's excellent leadership, we are very conscious of a new burst of energy. We are delighted to have secured office space with Australian Volunteers International, major efforts are already underway in the preparation of our AusAID material, and the extension of some of our evaluation processes.

During the 2009 – 2010 year, we also received support from Planet Wheeler to continue our village-based programs for women. We also value the contributions and encouragement that we received from other funding bodies such as Cabrini Hospital, Portland House, The Asia Foundation and the Social Justice Fund and SMEC. There has also been excellent support from the Direct Aid Program managed by the Australian Embassy in Kabul. In terms of making it happen, we have really appreciated help from Mark Purcell, CEO and the Australian Council for International Development.

Last year we celebrated the personal contribution made by Dick Marquardt through his amazing bike ride from Adelaide to Darwin in aid of AADO. In May, Dick and his wife Rosemary, our Treasurer, were able to visit Afghanistan to see the real results of what \$14,000 dollars can mean in terms of delivering water and sanitation to schools which had nothing before. Dick is going to tell you more about this achievement shortly. At this meeting we can pay further tribute to Dick for his efforts, showing that even one person with a passion can really make a difference.

In June at the time of the winter solstice, with the help of Homaira Mershedhi who has been leading our local Afghan Support Group, AADO was able to participate in the Festival of Light at Federation Square. It was a wonderful opportunity to bring together Melbourne Afghan community leaders, to see Afghans here participating in bringing light to the communities of Victoria and sharing music and culture. Homaira responded to many specific needs over the year in helping Afghan people become orientated to Australia. With practical assistance, she was very active in supporting their inclusion and participation. Homaira was then appointed to be part of the Australian Government's immigration team based in Indonesia and had to leave our Committee. We record here AADO's appreciation for her significant contribution in the interests of her people. Jenny Sharwood who we also farewell today, joined the Committee a few months ago, providing fresh ideas and enthusiasm. We thank her for her interest in being involved.

Our Committee meets monthly with always much to be done in between. Each of the people who sit around the table provide strong leadership and commitment to their areas of responsibility. Over the last year Jude Mahoney has continued to be our highly efficient Secretary and Rosemary Marquardt has also continued as our dedicated Treasurer. AADO's programs involve tracking very small amounts of money into the field. Rosemary has continued to closely monitor programs and their costs. Her visit to Afghanistan in May meant she could

more directly work with our Kabul staff and together they were able to further refine our processes.

I must also thank Mark Drew for his wise input and efforts over the past year, and we also valued Jacky Willox's input especially for the meeting with the Australian Government in January.

We were most grateful for the assistance with Committee meeting space which came from the Ecumenical Migration Centre. With rebuilding in progress for the EMC, we relocated our meetings to the Afghan Gallery Restaurant for much of the year. Nouria Salehi and the staff there have been wonderful hosts. Nouria's role at the Restaurant is another one to add to her professional life elsewhere as well as being AADO's Founder and Chief Executive. Her efforts are tireless, determined and dogged in seeking help for Afghan people. Any possible source of help, any idea with promise is instantly explored. She continues unwavering as a change agent with a remarkable network of interest.

At this AGM we celebrate a special year of positive outcomes and new opportunities.

Lee Tregloan  
President

## **Executive Director's Report 2009-2010**

I am pleased to report the eighth annual report of the Afghan Australian Development Organisation (AADO). This is the ninth year since AADO has been established with the clear goals of introducing peace and development through health and education programs to the Afghan people most of whom have been born and raised in an environment of conflict.

The challenge to identify and follow AADO's primary purpose to implement projects that introduce peace through rehabilitation and assist in the capacity building and sustainable development of Afghan communities, continues to be essential for Afghan people in Afghanistan. In Australia, AADO's efforts in providing settlement assistance and human rights advocacy for new arrived Afghan immigrants and genuine refugees, is a vital step for the future citizens of Australia.

During the June 'Gift of Light' festival held in Federation Square, AADO and volunteers from the Afghan community demonstrated their willingness to celebrate the unity and respect for different ethnic groups in Afghanistan as a part of the festival, bringing communities together and advocating on their behalf. In Afghanistan AADO has three main projects:

- Empowering in-service science teachers to improve their knowledge and skills through science teacher training, in order to deliver better teaching for the Year 11 and 12 students in their schools. Since 2007 AADO has successfully trained 793 in-service science teachers from Kabul city and Kabul province, Parwan province, Herat province.
- Life skills improvement through basic literacy, basic health and vocational training for rural Afghan women and girls in the Qarabagh district.
- Since 2006 AADO has trained almost 320 women in sixteen different villages.



*Women at work*

- Carpentry vocational training is playing a key role in the capacity building of Afghan youth, and the wider Afghan community. The project started in 2008 with 16 young boys having successfully qualified and gained employment.

We are greatly encouraged by the growing support AADO is receiving from individuals and philanthropic trusts. Contributions have been received from Planet Wheeler Foundation, Portland House Foundation, SMEC Foundation and Melbourne Social Services. We also acknowledge the support received from the Australian Embassy in Kabul through their Direct Aid Program (DAP); our relationship with the Australian Embassy in Kabul is characterised by courtesy and respect.

In the future, and with further funding, we will look to move towards training 120 master science teacher trainers from 10 provinces, enabling the local provincial teachers to empower their knowledge and train the local teachers in their provinces.

Nouria Salehi  
Executive Director

### **Vocational training for young men in Kabul: Carpentry and Joinery**

Thousands of youth in Afghanistan have to work to support themselves and their families. These youth often become involved in dangerous or exploitative labour that damages their health, affects their development and denies them access to education.

Few Afghans with technical and trade skills have returned since the defeat of the Taliban in 2002. At a time when widespread reconstruction is taking place, skilled tradespeople are urgently needed. Specialised vocational training is a step towards the reconstruction of Afghanistan through the provision of trade specific skills to young people facing a future of poverty.

The AADO carpentry and joinery program has continued this year following the great success of the pilot program. 16 young men have successfully completed their 12 month intensive training in AADO's Kabul learning Centre since 2008, with all achieving immediate employment. Past trainees continue to visit their former trainers, offering help and guidance to new trainees. Mr Sarwar, a trainer for the program since its inception, is very appreciative of the opportunity that he has to train and support street children, as all of the past trainees have now become breadwinners for their families.

Another five trainees have recently started their program, coming in two different shifts every day so that they may attend school at the same time. Trainees learn to make goods using both manual and electric machinery, so that they have the skills to make furniture in any conditions. Trainees also receive first aid training, lectures on the value and history of carpentry in society and lessons on how to protect nature and minimise waste and materials during construction.

Through these classes, young men are equipped with a means to provide for themselves and their families and in doing so develop self-confidence and a sense of responsibility.



## Science Teacher Training

Many teachers in Afghanistan have little training and lack the knowledge to teach students to the levels required for further education or university entrance. As a result of our capacity building program, AADO has now successfully trained 793 secondary teachers in the subjects of Chemistry, Biology, Physics and Mathematics. AADO collaborates closely with the Ministry of Education to find both eligible trainees and suitable trainers. Trainees continually express their gratitude for such experienced, patient and enthusiastic trainers who willingly adapt the course to trainees' specific needs.

Practical experiments have formed a vital part of this curriculum, as the Ministry of Education has distributed laboratory equipment to many schools which, until now, teachers have been unable to use due to a lack of formal training. One trainee teacher commented that "Before, we were not able to do most of the experiments even using very simple equipment. Now I am able to do many experiments and I am sure it will have excellent effects on our students." In Biology and Chemistry, trainees participate in more than 100 practical experiments using a wide range of equipment. For the trainees from the rural Parwan province, who had never used a microscope before, the practical element was especially useful. One trainee enthused that "I was blind and the brightness torch of the AADO STT project gave light to my knowledge".



*Science teacher training in a laboratory equipped by AADO*



*Sharing knowledge*

Trainees from round 7 STT were meeting hours prior to the official start of lessons, so that they could exchange ideas with each other, practice exercises from the day before and share knowledge. Trainees commented on the benefits of meeting with teachers from different provinces and learning from each other.



*Enthusiastic learners*

Thanks to the ongoing support of the Planet Wheeler foundation and the Australian Embassy in Kabul, AADO's 8<sup>th</sup> round of Science Teacher Training starting in June this year is able to run for 26 weeks, instead of 14, following the overwhelming demand from trainees over the past 3 years for longer running programs. The longer program will allow for more training time to cover subject curricula, solve particular/complex teaching problems and to reinforce trainees' new knowledge.

### **Life Skills Training: community-based education for rural women**

Rural female adult literacy in Afghanistan is estimated to be between 4 to 10 percent. In 2009/2010, in collaboration with the local Government of Qara Bagh District, 100 women from five different villages undertook their life skills training, which was completed in May 2010. This brings the total number of women trained by AADO to 320. AADO continued its approach of working with community leaders to ensure local support and involvement in the women's life skills projects. In addition, holding training within the local villages means that women are allowed to attend.

The year-long program is aimed at improving the life skills of poor, illiterate, rural women and girls aged 16-35. The first six months is comprised of literacy, numeracy and basic health training, including necessary life skills such as physiology, hygiene, nutrition and proper social etiquette. The second six months provides vocational training in the form of dressmaking, tailoring and embroidery, interwoven with continuing literacy, numeracy and health skills.



*Trainee receiving her own sewing machine at graduation*

The outcome of literacy education being embedded with other life skills and livelihood training is that trainees have the genuine need to use their literacy skills throughout different training, which helps in cementing this knowledge. This project continues to be a very successful and beneficial one for Afghan women and girls.

The increasing number of women and girls being educated and trained continues to result in a greater number who are empowered to better their lives and the lives of their families.



*Enjoying reading and discussion*

Overall, we found that women who appeared very shy and reserved at the beginning of the course changed to women who could speak and talk about the health issues, news around the world and their daily activities. Information from the courses also filters back to the women's families, with most women being very enthusiastic to share their new knowledge, infusing new ideas into the community. Most participants were very ambitious, asking for further training.

One woman said that the basic health component of the course was useful because: "In our village, we are farmers, we work on the land, and we use human waste on our fields. In this course we have learnt how important it is to wash our hands after coming from our fields to prevent ourselves from becoming sick." The life skills training for rural Afghan women has had a significant impact on building the capacity and confidence of the women. At the end of the program, all participants had a basic grasp of reading and writing, they were able to help their families read documents and encourage their children to attend school, as they are now able to relate to their children's studies.



They also had a sound knowledge of how to minimise illness within their families, through taking proper health and safety precautions, and adopting stricter standards of hygiene within their homes and communities.

## **Governing Body 2009-2010**

### **Lee Tregloan *President AADO***

Dip. N.T.Ed(Lond), BEd(LaTrobe), Grad Dip EdAdmin(Melb),  
Fellow of the Australian Society of Association Executives,  
Director of Open Agenda.

### **Nouria Salehi OAM, *Executive Director AADO***

Senior Physicist, Dept of Nuclear Medicine, RMH,  
International Society of Human Rights, Refugee Council of  
Australia, Charter member of the Brotherhood of  
St Laurence

### **Rosemary Marquardt *Treasurer AADO***

Company Director

### **Judith Mahoney *Secretary AADO***

BA(Hon), Grad Dip Information Management, Librarian  
Cabrini Health

**Committee members:** Jacki Willox, Mark Drew, Jenny  
Sharwood, Homaira Mershed

### **Afghanistan office:**

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Char Rahi Haji Yaqoob  
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Shar-e-Naw-Kabul  
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Tel: +93 (700) 005554

### **Melbourne office:**

AADO  
Co Australian Volunteers International  
71 Argyle Street  
Fitzroy Vic 3065  
Australia  
Tel: (03) 9279-1845

### **Postal address:**

AADO  
PO Box 8  
Fitzroy Vic 3065  
Australia



The Afghan Australian Development Organisation is a signatory to the Australian Council for International Development (ACFID) Code of Conduct which defines minimum standards of governance, management and accountability for non-government development organisations. Adherence to the Code is monitored by an independent Code of Conduct Committee elected from the NGO community. Our voluntary adherence to the Code of Conduct demonstrates our commitment to ethical practice and public accountability.

**FINANCIAL STATEMENTS**

**2009-2010**

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC  
25 274 698 213

INCOME STATEMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2010

REVENUE	2010 \$	2009 \$
Donations and gifts		
• Monetary restricted	380,082	204,226
• Monetary – non restricted	3,012	5,762
• Non-monetary	43,455	000
Bequests and legacies	000	000
Grants		
• Ausaid	000	000
• DAP Grants in Kabul	35,343	35,335
• Other overseas	000	000
Investment income	000	000
Other Income	3,004	910
Revenue for international Political or Religious Proselytisation Programs	000	000
<b>Total Revenue</b>	<b>464,896</b>	<b>246,233</b>
<b>EXPENDITURE</b>		
International Aid and Development Programs Expenditure		
International programs		
• Funds to international programs	255,292	217,377
• Program support costs	4,500	25,456
Community education	000	000
Fundraising costs		
• Public	105	200
• Government, multilateral & private	000	000
Accountability and Administration	6,844	4,623
Non-Monetary Expenditure	43,455	000
<b>Total International Aid and Development Programs Expenditure</b>	<b>310,196</b>	<b>247,656</b>
Expenditure for International Political or Religious Proselytisation Programs	000	000
Domestic Programs Expenditure	000	000
<b>TOTAL EXPENDITURE</b>	<b>310,196</b>	<b>247,656</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURE</b>	<b>154,700</b>	<b>(1,423)</b>

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC  
252 746 982 13

BALANCE SHEET  
AS AT 30 JUNE 2010

	2010 \$	2009 \$
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	218,462.00	74,111.00
Trade and other receivables	0.00	0.00
Inventories	0.00	0.00
Assets held for sale	0.00	0.00
Other financial assets	851.00	4,325.00
<b>Total Current Assets</b>	<b>219,313.00</b>	<b>78,436.00</b>
Non Current Assets		
Trade and other receivables	0.00	0.00
Other financial assets	0.00	0.00
Property, plant and equipment	8,412.00	8,412.00
Investment property	0.00	0.00
Intangibles	0.00	0.00
Other non-current assets	0.00	0.00
<b>Total Non Current Assets</b>	<b>8,412.00</b>	<b>8,412.00</b>
<b>TOTAL ASSETS</b>	<b>227,725.00</b>	<b>86,848.00</b>
<b>LIABILITIES</b>		
Current Liabilities		
Trade and other payables	0.00	0.00
Borrowings	0.00	0.00
Current tax liabilities	0.00	0.00
Other financial liabilities	0.00	0.00
Provisions	2,189.00	0.00
Other	0.00	16,012.00
<b>Total Current Liabilities</b>	<b>2,189.00</b>	<b>16,012.00</b>
Non Current Liabilities		
Borrowings	0.00	0.00
Other financial liabilities	0.00	0.00
Provisions	0.00	0.00
Other	0.00	0.00
<b>Total Non Current Liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL LIABILITIES</b>	<b>2,189.00</b>	<b>16,012.00</b>
<b>NET ASSETS</b>	<b>225,536.00</b>	<b>70,836.00</b>
<b>EQUITY</b>		
Reserves	0.00	0.00
Retained earnings	225,536.00	70,836.00
<b>TOTAL EQUITY</b>	<b>225,536.00</b>	<b>70,836.00</b>

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC  
252 746 982 13

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

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**1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared for use by the committee of the organisation. The committee has determined that the organisation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the ACFID Code of Conduct and the following Australian Accounting Standards:

AAS 5: Materiality  
AASB 1018: Statement of Financial Performance

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

The financial report is also prepared on an accruals 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 value of in-kind volunteer service donations have been calculated according to the standard salary levels as set out in the AusAid Collective Agreement 2006-2009.

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

AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC  
252 746 982 13

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010

Cash Flow from Operating Activities	\$
Interest Received	61.00
Donations and Grants	418,436.00
Fund Raising	2,754.00
Memberships	<u>190.00</u>
Total	421,441.00
Payments	(266,741.00)
Cash at Beginning of Year	70,836.00
Cash at End of Year	225,536.00



## AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION

### Table of Cash Movements for Designated Purposes for the year ended 30th June 2010

	cash available at beginning of year	cash raised during year	cash disbursed during year	cash available at end of year	comments
Basic Health & Literacy Training in Qarabagh for rural women	\$13,177	\$20,000	\$10,926	\$22,251	6 village programs completed in May 2010 and new programs now begun
Womens Literacy Education & Vocational Training in Qarabagh villages	\$2,905	\$70,354	\$44,820	\$28,439	6 village programs completed in May 2010, 1 village ongoing and 4 new programs begun
Retraining year 12 science and maths teachers in Kabul	\$20,151	\$224,979	\$158,691	\$86,439	100 teachers trained in Parwan Province in Aug 2009 and 200 in Kabul in 2009/2010
Carpentry training for youths in Kabul	\$10,234	\$11,387	\$17,380	\$4,241	6 Trainees completed basic carpentry and now employed. 5 new youths now training
AADO Capacity Building	\$4,544	\$76,335	\$4,500	\$76,379	New funding received in May 2010. First employee commenced in July 2010.
Riding for Afghanistan for wells	\$12,938	\$11,485	\$21,728	\$2,695	one well sunk and 2 spring water pipes and storage installed for 3 schools in Qarabagh district
Total for other purposes	\$6,887	\$6,902	\$8,697	\$5,092	Includes sponsorship, community strengthening, fees, fund raising, insurance and commission
<b>TOTAL</b>	<b>\$70,836</b>	<b>\$421,442</b>	<b>\$266,742</b>	<b>\$225,536</b>	

### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC 252 746 982 13

#### Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of AFGHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC which comprises the balance sheet as at 30 June 2010, changes of equity statement for the year then ended, an income and expenditure statement attachment, a cash flow statement, a summary of significant accounting policies and other explanatory notes and the Governing Body's Declaration.

#### Committee's Responsibility for the Financial Report

The committee of the organisation is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the organisation's constitution and are appropriate to meet the needs of the members. The committee's responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the company's constitution. I disclaim any assumption of responsibility for any reliance in 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Independence**

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

#### **Auditor's opinion**

In my opinion, the financial report presents fairly, in all material aspects, the financial position of the AFGFHAN AUSTRALIAN DEVELOPMENT ORGANISATION INC as at 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

**Name of Firm:** W.F.Titchener & Co. Pty. Ltd  
Certified Practising Accountant

**Name of Director:**   
Mark Donald Crew CPA

**Address:** Suite 1/84 Johnston Street, Fitzroy, 3065

**Dates this 15th day of October 2010**