



**TRANSPARENCY INTERNATIONAL AUSTRALIA**

**(A Company Limited by Guarantee)**

**ABN: 23 068 075 525**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2013**



**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
**(A Company Limited by Guarantee)**

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**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
(A Company Limited by Guarantee)

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Transparency International Australia ("*the Company*") for the year ended 30 June 2013 and the Auditor's Report thereon.

**Directors**

The directors, at any time during the financial year, are:

<b>Michael Ahrens</b>	Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Chief Executive of Transparency International Australia from 1 March 2006.
<b>AJ Brown</b>	Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Appointed Director of TI Australia on 24 September 2010.
<b>Jane Ellis Seabrook</b>	Principal, Assertia Pty Ltd. Board Member of WaterAID. Director of Transparency International Australia since 6 February 2008 (previously a Director 2001-2005). Former partner of law firm, Ashurst Australia.
<b>Roger Gyles AO QC</b>	Mediator and Arbitrator, previously a barrister and then a judge of the Federal Court from 1999 until 2008. Appointed Director of TI Australia on 10 November 2010 and Chairman from 1 January 2011.
<b>Grahame Leonard AM</b>	Lawyer and Consultant. Chairman of Escrow Angel Pty Ltd, Diffuze Pty Ltd and Digital Collective Pty Ltd. Commissioner Victorian Multicultural Commission, Director of Nirosoft Australia Pty Ltd and Sunnymarsh Pty Ltd. Chief Executive Officer of Transparency International Australia from 13 May 2003 to 1 March 2006. Director since 11 December 2002.
<b>David Mattiske</b>	Retired Telstra Executive and International Telecommunications Consultant. Director of TI Australia from 6 October 2005 to 29 November 2012.
<b>Elizabeth O'Keeffe</b>	Strategic Management Consultant. Previously a senior executive in the Victorian Public Service. Director of TI Australia since 7 August 2006.
<b>Greg Thompson</b>	Director of Australian Volunteers International; Director of TI Australia since 16 June 1995. Executive Director International of TI Australia since 18 November 2009.
<b>Graham Tupper</b>	National Liaison Manager, Australian Conservation Foundation. Former Executive Director, Australian Council for International Development. Director of TI Australia since 6 October 2005.
<b>Wendy Tyrrell</b>	General Manager Community at Orica. Director of TI Australia since 4 December 2012.
<b>Harold Werksman</b>	Partner, Holding Redlich; Lawyers. Director of TI Australia since 27 January 2009.
<b>Peter Willis</b>	Barrister. Chairman, Ivanhoe East Primary School Co-Operative Ltd. Director of TI Australia since 20 February 1997.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**DIRECTORS' REPORT (continued)**

**Directors' Meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

	Number attended	Number held or eligible to attend
Michael Ahrens	6	6
AJ Brown	5	6
Jane Ellis Seabrook	5	6
Roger Gyles AO QC	6	6
Grahame Leonard AM	5	6
David Mattiske	3	3
Elizabeth O'Keeffe	5	6
Greg Thompson	6	6
Graham Tupper	1	6
Wendy Tyrrell	3	3
Harold Werksman	5	6
Peter Willis	3	6

**Principal Activities**

The Company's principal activities are to promote transparency, accountability and integrity nationally in Australia and globally through the network of Transparency International (TI) by:

- mobilising a broad-based nationwide coalition as part of the global TI movement
- fostering and supporting research, development and dissemination of effective corruption prevention and enforcement
- raising awareness and advocating action by government, business and civil society.

It is a non-profit organisation and accredited as the Australian national chapter of TI, the worldwide movement against corruption. It is funded mainly by subscription income from individual and organisation members.

In Australia, the Company seeks to build a national coalition of those committed to reducing corruption through state-based and national activities mainly in co-operation with other organisations. It does not investigate or expose specific cases but works to improve conduct and systems in Australia and overseas.

**Results**

The net surplus for the company for the financial year was \$56,567 (2012: \$2,886)

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**DIRECTORS' REPORT (continued)**

**Review of Operations**

Company operations have proceeded as previously (raising awareness of corruption and anti-corruption measures in Australia through newsletters, electronic updates and the website; organising and participating in anti-corruption events; and public speaking) with a number of initiatives to continue to strengthen awareness, institutions, systems and the political will to recognise and combat corruption in the Asia Pacific Region and beyond.

Efforts have continued to increase the membership of TI Australia by companies, NGOs and individuals, and the extent of collaboration with supporters.

Implementation of the Strategic Plan for 2012 – 2015 has continued. The Plan will ensure that TIA's program is in line with the TI Movement's Strategy 2015' and further strengthened through strategic engagement with the wider movement. It will also inform the development of the TI Australia Corporate Partnerships program.

**Regional Committees established**

TIA is pleased to confirm the development of active Regional Committees in Brisbane, Perth and Canberra. A number of initiatives are being undertaken and members recruited. This element of our Strategic Plan is an important extension of our activities, reaching out to new audiences, and gaining new perspectives and valuable contributions from the organisers as we address corruption risks.

**Private Sector**

During the year the release of new surveys, workshop materials and a new guide, 'Diagnosing Bribery Risk – for the conduct of effective Bribery Risk Assessment', enabled us to actively engage with a number of companies in relation to compliance with anti-bribery laws and good practice for the prevention of corruption.

**Revenue Transparency**

TI Australia welcomed the Australia Government's decision to undertake a trial implementation of the Extractive Industries Transparency Initiative (EITI) and is represented on the Multi-stakeholder Group for the Pilot. Our Executive Director, Greg Thompson, has been very active advocating for the EITI. During the year he has spoken at: a Roundtable hosted by the International Mining for Development Centre in Perth; a panel on the EITI at the IACC in Brasilia; a panel for the ICMM at the Mining Indaba in Cape Town; and a UNDP Roundtable on Extractive Industries in the Pacific in Fiji.

**Whistleblower Protection - Commonwealth Legislation**

A breakthrough was the enactment in June 2013 by the Federal Parliament of an amended Public Interest Disclosure Bill, with active aid and endorsement of the final version by Prof. AJ Brown, a TIA Director. The Bill covers the Commonwealth public sector. We also welcome the same protective measures enacted for others in the ACT. The continued lack of protection for private sector whistleblowers who expose offences in breach of federal law is a significant gap.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**DIRECTORS' REPORT (continued)**

**National Anti-Corruption Plan**

The Government's commitment in 2011 to develop a National Anti-Corruption Plan (NAP) was welcomed by TIA, and the UNCAC and OECD visiting delegations. TIA has been actively engaged in this process, which is led by the Attorney General's department. TIA lodged a 10 Point Submission in the public consultation, supporting the development of the NAP. As part of that process, TIA also lodged a supplementary submission in relation to how policy and operational matters could be better handled to deal with both criminal and non-criminal corruption issues at federal level. For unknown reasons, the NAP was not released before the Election.

**Federal Elections**

In the lead up to the September Federal election, TIA submitted 10 questions relating to integrity in Government to the 3 major parties. These were also publicised. The Australian Greens made the most positive and detailed commitments in response to the questions. The objectives for Government raised in the questions deserved a much higher profile in the election period than actually occurred.

Internationally, during this past year TIA participated actively in serious initiatives to strengthen the capacity of the TI network at the IACC, AMM and TI Global and Asia Pacific meetings in Brazilia, Wellington and Phnom Penh.

**State of affairs**

In the opinion of the directors there were no other significant changes or matters in the state of affairs of the Company during the financial year under review not otherwise disclosed in this report or the financial statements.

**Derivatives and other financial instruments**

The Company does not consider itself exposed in any material manner to any exchange rate fluctuations or interest rate risks.

The Company has strict credit policy, and only deals with reputable banks. [Financing facilities and] operating cash flows are managed to ensure the company is not exposed to any adverse liquidity risks.

**Environmental regulation**

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**DIRECTORS' REPORT (continued)**

**Events subsequent to balance date**

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.


**Indemnification**

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company, other than that contained in the Company's constitution. Under this the Company indemnifies past and present officers against any liability which results from their service with the Company in that capacity, other than liabilities which the Company is prohibited by law from indemnifying.

**Insurance premiums**

The Company does not hold any insurance contracts in respect of Directors' and Officers' liability.

Signed in accordance with a resolution of the directors:

GL x   
.....  
**Director** **Melbourne**

21. 10. 2013  
.....  
**Date**

GL x   
.....  
**Director** **Melbourne**

22. 10. 2013  
.....  
**Date**



## Auditor's Independence Declaration

As lead auditor for the audit of Transparency International Australia Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Transparency International Australia Limited during the period.

A handwritten signature in black ink, appearing to read 'Paul Lewis', is written over a large, faint circular watermark.

Paul Lewis  
Partner  
PricewaterhouseCoopers

Melbourne  
22/10/2013

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Freshwater Place, 2 Southbank Boulevard, **SOUTHBANK VIC 3006**, GPO Box 1331, **MELBOURNE VIC 3001**  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

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**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
Subscription Revenue		111,260	50,905
Donated funds		1,742	1,366
Other revenues from ordinary activities		<u>28,436</u>	<u>24,683</u>
<b>Total Revenue</b>		141,438	76,954
Administrative expenses		<u>(84,871)</u>	<u>(74,068)</u>
<b>Surplus/(Deficit) from ordinary activities before related tax expense</b>	<b>2</b>	56,567	2,886
Income tax attributable to operating deficit	<b>1(c)</b>	—	—
<b>Net surplus/(deficit)</b>		<u>56,567</u>	<u>2,886</u>

There were no non-owner transactions entered into during the year which changed the equity of the Company.

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 12 to 17.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**BALANCE SHEET**  
**AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>Current Assets</b>			
Cash		148,608	120,485
Receivables	7	<u>35,767</u>	<u>13,970</u>
		<u>184,375</u>	<u>134,455</u>
<b>Non Current Assets</b>			
Fixed assets	6	—	—
<b>Total Assets</b>		<u>184,375</u>	<u>134,455</u>
<b>Current Liabilities</b>			
Payables	8	15,342	8,249
Deferred Subscriptions	9	<u>24,225</u>	<u>36,200</u>
		<u>39,567</u>	<u>44,449</u>
<b>Non Current Liabilities</b>			
Deferred Subscriptions	9	<u>2,255</u>	<u>4,020</u>
<b>Total Liabilities</b>		<u>41,822</u>	<u>48,469</u>
<b>Net Assets</b>		<u>142,553</u>	<u>85,986</u>
<b>Accumulated Surplus</b>			
Accumulated surplus	3	<u>142,553</u>	<u>85,986</u>
<b>Accumulated Surplus</b>		<u>142,553</u>	<u>85,986</u>

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 12 to 17.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>Accumulated surplus</b>	<b>TOTAL \$</b>
<b>Balance at 1 July 2011</b>	83,100	83,100
Net surplus for the year ended 30 June 2012	<u>2,886</u>	<u>2,886</u>
<b>Balance at 30 June 2012</b>	<u>85,986</u>	<u>85,986</u>
<b>Balance at 1 July 2012</b>	85,986	85,986
Net surplus for the year ended 30 June 2013	<u>56,567</u>	<u>56,567</u>
<b>Balance at 30 June 2013</b>	<u>142,553</u>	<u>142,553</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 12 to 17.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		145,368	114,694
Interest Received		4,059	2,927
Cash payments in the course of operations		<u>(121,304)</u>	<u>(88,919)</u>
<b>Net cash (used)/provided by operating activities</b>	<b>10</b>	<u><b>28,123</b></u>	<u><b>28,702</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		—	—
<b>Net cash (used in) investing activities</b>		—	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash provided by/(used) in investing activities</b>		—	—
<b>Net (decrease)/increase in cash held</b>		<u><b>28,123</b></u>	<u><b>28,702</b></u>
<b>Cash at the beginning of the financial year</b>		<u><b>120,485</b></u>	<u><b>91,783</b></u>
<b>Cash at the end of the financial year</b>		<u><b>148,608</b></u>	<u><b>120,485</b></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 12 to 17.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1 STATEMENT OF ACCOUNTING POLICIES**

The significant policies adopted in the preparation of these financial statements are:

**(a) Basis of preparation**

In the opinion of the directors, Transparency International Australia is not a reporting entity. The financial report of the Company has been drawn up as a special purpose financial report for distribution to the members and for the purposes of fulfilling the requirements of the Corporations Act 2001.

The financial report has been prepared on the accrual basis of accounting as defined in AASB 108 Accounting Policies, using the historical cost convention and a going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year.

The Financial Report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

There are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the Company's financial report in the period of initial application. There were no Australian Accounting Standards that have been adopted early.

**(b) Revenue recognition**

Revenue consists of subscriptions and project grants received. Subscription revenue is brought to account over the period of subscription.

**(c) Income taxes**

Based on advice received the directors believe the Company to be tax exempt.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Receivables**

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

Other receivables to be settled within 60 days are carried at amounts due.

**(e) Depreciation**

Plant and Equipment are depreciated over their estimated useful lives. Plant and equipment are first depreciated in the year of acquisition using the straight line method. The depreciation rate used for plant and equipment is 20%.

**(f) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

The Company became registered for GST on 1 May 2003.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**2 SURPLUS FROM ORDINARY ACTIVITIES**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Operating surplus has been arrived at after including:		
Revenue from operating activities:		
Subscription revenue	111,260	50,905
Interest income	5,669	2,927
Other revenue	<u>24,509</u>	<u>23,122</u>
	<u>141,438</u>	<u>76,954</u>
Operating expenses:		
Administrative expenses	<u>64,871</u>	<u>74,068</u>
Included within administrative expenses		
Depreciation expense	-	-

No single appeal or other form of fundraising for a designated purpose generated 10% or more of total income for the year.

**3 ACCUMULATED SURPLUS**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Accumulated surplus at beginning of year	85,986	83,100
Surplus/(Deficit) for the year	<u>56,567</u>	<u>2,886</u>
Accumulated surplus at end of year	<u>142,553</u>	<u>85,986</u>

**4 AUDITOR'S REMUNERATION**

Audit and other services have been provided without charge by PricewaterhouseCoopers.

**5 RELATED PARTIES**

The names of persons holding the position of director of the Company during the financial year are:

Michael Ahrens  
AJ Brown  
Jane Ellis Seabrook  
Roger Gyles AO QC  
Grahame Leonard AM  
David Mattiske  
Elizabeth O'Keeffe  
Greg Thompson  
Graham Tupper  
Wendy Tyrrell  
Harold Werksman  
Peter Willis

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Directors' remuneration**

The number of directors of the Company whose income from the Company falls within the following bands:

	<b>2013</b>	<b>2012</b>
<b>\$0 - \$9,999</b>	12	11

**Loans to directors**

No loans were made to directors during the year.

**Other transactions with the Company**

The directors had no other transactions with the Company during the year, other than authorised reimbursement of out of pocket expenses.

**6 PLANT AND EQUIPMENT**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Computers, books and journals at cost	5,175	5,175
Less: Accumulated depreciation	<u>(5,175)</u>	<u>(5,175)</u>
<b>Total written down value of plant and equipment</b>	<u>—</u>	<u>—</u>

**7 RECEIVABLES**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	6,600	13,970
Other receivables	<u>29,167</u>	<u>—</u>
	<b><u>35,767</u></b>	<b><u>13,970</u></b>

**8 PAYABLES**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Accounts payable	12,875	5,588
GST payable	<u>2,467</u>	<u>2,661</u>
<b>Total payables</b>	<b><u>15,342</u></b>	<b><u>8,249</u></b>



**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**9 DEFERRED SUBSCRIPTIONS**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Current	24,225	36,200
Non Current	<u>2,255</u>	<u>4,020</u>
<b>Total deferred subscriptions</b>	<b><u>26,480</u></b>	<b><u>40,220</u></b>

Deferred subscription revenue relates to subscription periods that extend through 2013/2014 and subsequent years.

**10 NOTES TO STATEMENT OF CASH FLOWS**

<b>Reconciliation of surplus/deficit from ordinary activities after income tax to net cash provided by operating activities</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Surplus/(Deficit) from ordinary activities after income tax	56,567	2,886
Add back non-cash items:		
Depreciation expense	—	—
Net cash provided by operating activities before change in assets and liabilities	<u>56,567</u>	<u>2,886</u>
Change in assets and liabilities during the financial year		
(Increase)/Decrease in receivables	(21,797)	(6,107)
Increase/(Decrease) in payables	7,093	5,018
Increase/(Decrease) in deferred subscriptions	<u>(13,740)</u>	<u>26,905</u>
Net cash provided by operating activities	<u>28,123</u>	<u>28,702</u>

**11 A COMPANY LIMITED BY GUARANTEE**

Each member undertakes to contribute to the property of the Company if the Company is wound up whilst they are a member, or within one year after they cease to be a member, for payment of the Company's debts and liabilities contracted before they cease to be a member such amount as may be required, but not exceeding \$10.

This includes the costs, charges and expenses of winding up the Company and for the adjustment of the rights of the contributories among themselves.

Each member has one vote at any general meeting of the Company.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**12 OTHER INFORMATION**

The Company is incorporated and domiciled in Australia. The Company has no paid employees as Directors and staff perform all services pro bono. Certain administrative tasks are subcontracted.

The address of the Company's registered office is the Level 5, Deutsche Bank Place, 126 Phillip Street, Sydney NSW 2000.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**DIRECTORS' DECLARATION**

As stated in Note 1(a) to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2013 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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

GES X 

Director

GL X

Director 

Melbourne

22/10/ 2013



## **Independent auditor's report to the members of Transparency International Australia Ltd**

### **Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of Transparency International Australia (the company), which comprises the balance sheet as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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 audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, 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 reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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



**Independent auditor's report to the members of  
Transparency International Australia Ltd (continued)**

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

***Auditor's opinion***

In our opinion, the financial report of Transparency International Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

***Basis of accounting and restriction on distribution and use***

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of Transparency International Australia.



PricewaterhouseCoopers



Paul Lewis  
Partner

Melbourne  
22/10/ 2013