

ADARA DEVELOPMENT (AUSTRALIA)

ABN 78 131 310 355
FINANCIAL STATEMENTS

31 December 2024

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ADARA DEVELOPMENT (AUSTRALIA)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report, together with the financial statements, on Adara Development (Australia) (the "Company") for the year ended 31 December 2024. The directors of the Company at any time during or since the end of the financial year are:

1. Directors

Name, qualifications and independence status	Experience, special responsibilities and other directorships
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Audette Evelyn Exel AO BA (Victoria), LLB (Hons) (Melbourne) Chair	Audette is currently the CEO of Adara Advisors Pty. Limited and Adara Partners (Australia) Pty. Limited. Previously, she was a Non-Executive Director of Westpac Banking Corporation, Non-Executive Director of Suncorp Group Limited, Managing Director of Bermuda Commercial Bank, the Chairman of the Bermuda Stock Exchange and Vice Chairman of the Board of Steamship Mutual Underwriting Association Trustee (Bermuda). She is trained as a lawyer and specialised in international finance. She is called to the Bars in New South Wales (Australia), England, Wales, and Bermuda. Audette is the Chair of all Adara Development entities globally and is a founder of the Adara Group. Audette has been a director since 27 May 2008.
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Susan Burns BA, LLB (Hons) (Sydney)	Susan is on the Board of Adara Development (Uganda). From 2013 to 2022, Susan held the position of General Counsel of the Adara Group which she performed on a pro bono basis. Prior to that, Susan was a partner in the international law firm Allens, where she specialised in funds management and financial services regulation. She headed the firm's Funds Management, Real Estate and Superannuation practice. Susan has been a director since 12 November 2013.
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Ilana Atlas AO B. Juris (Hons) and LLB (Hons) (University of Western Australia); LLM (The University of Sydney)	Ilana has extensive experience in business and has held executive and non-executive roles across many industry sectors. From 2000 to 2010, Ilana held senior executive roles within Westpac Banking Corporation. Prior to that, she practised as a lawyer for 22 years and was the Managing Partner of Mallesons Stephen Jaques (now King & Wood Mallesons). Ilana is presently Chair of Scentre Group Limited, a Non-Executive Director of Origin Energy Limited and a Member of the Council of the National Gallery of Australia. She is also Chair of Jawun, on the Board of the Paul Ramsay Foundation and is a Panel Member of Adara Partners. Ilana's previous directorships include Chair of Coca Cola Amatil Limited and a Non-Executive Director of Australia and New Zealand Banking Group. Ilana has been a director since 1 April 2017.
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ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

1. Directors (continued)

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Andrea McCormick LLB (Hons) (Leicester); LLM (Edinburgh); member of the Institute of Chartered Accountants, Scotland; Fellow of the Taxation Institute of Australia	Andrea is a Director of and Senior Advisor to Adara Advisors Pty. Limited and Adara Partners (Australia) Pty Limited. Andrea was the Chief Operating Officer of the Adara Group for 7 years prior to moving to the role of Director. Before joining Adara, Andrea was a Director in the Corporate Tax Group of PwC in Sydney where she advised large companies on their corporate tax affairs, largely focussed on acquisition and divestment work and group re-organisation projects. Andrea originally qualified as a lawyer in England, then as a chartered accountant in Scotland. Andrea is a member of the Institute of Chartered Accountants Scotland and is a Chartered Tax Advisor. Andrea has been a director since 31 October 2018.
Jo Brennan Master of Management, MGSM, Master of Education, (University of South Australia); Bachelor of Education (University of South Australia); Diploma of Teaching (SA College of Advanced Education); Company Directors Course (AICD); Graduate, Governor's Leadership Foundation Programme	Jo is currently the Group Executive, Member Engagement, Education and Advice of Aware Super, Australia's third largest superannuation fund. Prior to this, Jo was the Chief Operating Officer of Aware Super. She has held senior executive roles with Commonwealth Bank of Australia, Macquarie Bank, QBE and Santos and brings over 25 years of leadership, operational and transformational experience. In addition, Jo brings a unique understanding of international development having been the Chief Executive Officer of Habitat For Humanity Australia. During her time as CEO, Jo significantly expanded the international development and Global Village programmes across Asia Pacific and secured AusAID accreditation. Most recently Jo was a Board member with ChildFund Australia for 6 ½ years. Jo has been a director since 1 November 2021.

2. Company secretary

The company secretary are as follows:

	<u>Appointment Date</u>	<u>Resignation Date</u>
Robyn Farrell	16 September 2022	31 October 2024
Avryl Lattin	31 October 2024	-

3. Officers who were previously partners of the audit firm

No officers of the Company during the financial year were previously partners of the current audit firm, HLB Mann Judd, at a time when HLB Mann Judd undertook an audit of the Company.

4. Directors' meetings

Director	Position	Board Meetings	
		Number of meetings attended	Number of meetings held(*)
Audette Evelyn Exel	Chair	2	2
Susan Burns	Non-Executive Director	2	2
Ilana Atlas	Non-Executive Director	1	2
Andrea McCormick	Non-Executive Director	2	2
Jo Brennan	Non-Executive Director	2	2

(*) Reflects the number of meetings held during the time the director held office during the financial year.

ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

5. Directors' remuneration

Directors do not receive any remuneration from the Company.

6. Environmental regulation

The operations of the Company are not subject to any particular or significant environmental regulations under any law of the Commonwealth or of a State or Territory. Notwithstanding, directors are not aware of any breaches of any environmental regulations.

7. Principal activities

Adara Development works with partners, governments and communities to bring quality health and education services to people living in some of the world's remotest places. Informed by more than two decades' experience, we design and scale programmes across Maternal, Newborn and Child Health, and Remote Community Development. We are also committed to sharing our knowledge to maximise our impact.

MATERNAL, NEWBORN AND CHILD HEALTH

We are on a mission to strengthen maternal, newborn and child health services in low-resource settings. We specialise in delivering high-quality healthcare to women, newborns and children at health facilities, in the community and at home. By upskilling health workers, equipping facilities and strengthening the health system, we aim to reduce preventable maternal and newborn deaths.

AdaraNewborn

Our evidence-based, high-impact model of maternal and newborn care with the power to halve newborn deaths and stillbirths across 10 health facilities in Uganda over the next decade. It will do this by supporting women and newborns from pregnancy through to their return home after birth. It provides health workers with training and mentorship; strengthens leadership and governance in the health system; equips facilities with the tools to succeed; and focuses on quality improvement systems. This creates sustainable systems change, saving lives now and reducing deaths into the future.

Centre of Excellence – Kiwoko Hospital

At the heart of AdaraNewborn is a holistic model of care to women, newborns and children that we pioneered with our partner, Kiwoko Hospital, since 1998. This work has been recognised by Uganda's Ministry of Health as a Centre of Excellence in the country. We are leveraging this experience to expand their model across Uganda. To facilitate this process, we are committed to maintaining Kiwoko as a Centre of Excellence by supporting the hospital's programmes across the continuum of care.

Hospital to Home

Hospital to Home (H2H) is our flagship newborn follow-up programme supporting high-risk infants in the hospital and when they return home. It strengthens care for infants in a neonatal unit through comprehensive parent education programmes and promotion of care that encourages healthy brain development. It also provides regular at-home follow-up support to these infants for six months after discharge through a network of community health workers. H2H sits in the 'follow-up and early intervention' arm of AdaraNewborn.

Baby Ubuntu

Baby Ubuntu is a programme of early care and support that aims to improve quality of life for children with mild to moderate neurodisabilities and their caregivers. The programme includes a parent education training programme with 12 modules. It provides emotional and practical support to caregivers, so they feel empowered and confident. It also gives them the tools to care for their child. Baby Ubuntu sits in the 'follow-up and early intervention' arm of AdaraNewborn.

ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Principal activities (continued)

Adara Youth Community Centre

The Adara Youth Community Centre (AYCC) provides support to adolescents through sexual and reproductive health education and services. These can include family planning, counselling, life skills training, antenatal care services, and connection with health services. It also provides community outreach, working closely with schools, parents and local leaders. These services are available to young people aged 10 to 24. Our goal is to provide youth with support to lead happy and healthy lives.

Bubble CPAP Kit

Respiratory distress syndrome (RDS) is a leading cause of death for babies born prematurely. To help these tiny babies breathe, we teamed up with PATH, University of Washington, Seattle Children's Hospital and Kiwoko Hospital to develop an innovative, low-cost bubble continuous positive airway pressure (bCPAP) kit for babies suffering from RDS in low-resource settings. It could save hundreds of thousands of lives worldwide.

Critical Healthcare

We support vulnerable communities in Central Uganda, including people living with HIV, diabetes, disabilities, epilepsy, mental health conditions and tuberculosis. By supporting Kiwoko Hospital's HIV, diabetes and community-based healthcare (CBHC) programs, Adara ensures these groups have access to essential services.

REMOTE COMMUNITY DEVELOPMENT

Since 1998, we've built Remote Community Development programmes that improve health and education outcomes in remote areas. Now we're strengthening and scaling these remote community development programmes through AdaraRemote.

AdaraRemote is a holistic community development model spanning five pillars of service delivery: education, child protection, youth development, health, and community resilience. Together they support people – particularly women and children – to truly thrive.

Education

Over the past 25 years, we have developed a comprehensive model of remote education that ensures children, especially girls, have access to quality education from early learning to tertiary level. This model is based on our experience in developing Centre of Excellence schools, including Yalbang and Shree Ghyangfedi. To complement the impact of these leading institutions, we work with a network of 15 surrounding schools to uplift quality of education across the Nuwakot and Humla districts.

Child protection

We ensure children are safe, feel safe and can thrive. We do this by strengthening child protection systems through advocacy, knowledge sharing and reporting processes; enhancing child participation in education; and raising community awareness about the dangers of child trafficking and child marriage. By improving quality of education and helping to keep children – especially girls – in school, we aim to eliminate child trafficking and child marriage in our areas of operation.

Youth development

We support youth to access vocational and higher education opportunities so they can build pathways to meaningful employment. We also elevate their voices, supporting them to influence youth policies and plans.

ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Principal activities (continued)

Health

We ensure communities in our target areas have access to year-round healthcare. As part of this work, we strengthen the health system; ensure access to quality healthcare; improve water, sanitation and hygiene; and enhance access to maternal, newborn and child health services. We do this by partnering with government health facilities, investing in community health outreach systems and supporting traditional health practices.

Community resilience

With climate change causing increasingly dangerous weather conditions, community resilience and disaster relief are growing areas of our work. Through infrastructure and agriculture projects, we ensure communities are prepared for, and able to respond to, natural and human-made disasters. We also improve food security by improving agriculture skills, knowledge and technology.

KNOWLEDGE SHARING

We believe the knowledge created through our programs is not ours to keep. We strive to scale the impact of their programs by sharing the data, research conclusions, training packages and lessons learned. We are taking our very best ideas and our biggest mistakes, distilled from more than two decades of working in the field, and sharing them locally, nationally and globally.

All the Company's activities as part of Adara Development provided better health and education opportunities for disadvantaged children and their families, which helped meet key objectives of the Company. There were no significant changes in the nature of the activities of the Company during the year.

8. Short and long-term objectives, strategy and performance measures

The Adara Group believes that each and every person should have access to quality health, education and other essential services, no matter where they live. The first part of the Adara Group is an international development organisation called Adara Development that has expertise in Maternal, Newborn and Child Health, and Remote Community Development. Adara Development has worked in Nepal and Uganda since 1998.

The second part of the Adara Group consists of two businesses, Adara Partners (Australia) Pty. Limited and Adara Advisors Pty. Limited, which are 'for purpose' rather than for profit. Their sole objective is to fund Adara Development's administration and emergency project costs.

Since 1998, Adara has touched the lives of more than 600,000 people living in poverty as well as countless others through their influence, networks and knowledge sharing.

Adara Development aims to support the communities it partners with by implementing high quality and holistic projects that are based on research and improve health and education outcomes.

The Company also shares knowledge locally, nationally and globally with governments and other development agencies in the areas of the Company's expertise. The Company's Monitoring and Evaluation team measure performance and outcomes on project sites. The Company also conducts research in key areas of intervention to ensure that activities are aligned with the mission. Each project has its own key performance indicators built into the project plan, and they are related to the project outputs.

ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Review of operations

The operating result for the year was a deficit of \$287,862 (2023: deficit of \$973,575). The Company is exempt from income tax.

10. Dividends

The Company's constitution does not permit payment of dividends and therefore no dividends have been recommended or paid for the year.

11. Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

12. Likely developments

The Company will continue to carry on the principal activities to meet the Company's objectives as noted above. This will require further investment in core support and new and established projects which have performed well over recent years and offer sound opportunities for future developments.

13. Insurance and indemnification of directors, trustees and others

During the financial year, Adara Development (Australia) paid a premium of \$8,092 (2023: \$6,714) to insure the Adara Development entities and the directors, officers, trustees, management committee members and employees (among others) of those entities from losses arising from claims for acts or omissions of those persons while acting in that capacity. Covered losses include awards of damages, settlement amounts and legal costs of the insured and claimant.

Coverage is excluded in the case of fraudulent or wilfully unlawful conduct by an insured and in other specific circumstances depending on the type of claim (such as employment or professional services-related claims). It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has not agreed to indemnify the auditor.

14. Members' guarantee

In accordance with the Company's constitution, each member is liable to contribute a maximum of \$20 in the event that the Company is wound up. There are 65 members of Adara Development (Australia) (2023: 65).

15. Non-audit services

During the year ended 31 December 2024, HLB Mann Judd, the Company's auditor, has not performed any other services in addition to their statutory duties. No non-audit services were provided by HLB Mann Judd during the financial year.

ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

16. Auditor's independence declaration

A copy of the lead Auditor's independence declaration as required under subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this directors' report.

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



Audette Evelyn Exel AO
Chair
Sydney

07 May 2025

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012
TO THE DIRECTORS OF ADARA DEVELOPMENT (AUSTRALIA)**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd (SE Qld Partnership)

**HLB Mann Judd (SE Qld Partnership)
Chartered Accountants**

**Brisbane, Queensland
7 May 2025**

hlb.com.au

HLB Mann Judd (SE Qld Partnership)

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HLB Mann Judd (SE QLD Partnership) is a member of HLB International, the global advisory and accounting network.

ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		\$	\$
Revenue from continuing operations			
Donations			
Core support		1,978,122	3,152,117
General restricted		1,908,834	765,737
Maternal Newborn Child Health restricted		340,266	368,289
Remote Community Development restricted		1,056,350	1,128,381
Other income	4	149,495	113,026
Transfer of funds from other Adara Development entities	17	719,499	233,940
Total revenue		6,152,566	5,761,490
Expenses			
Programme costs			
Maternal Newborn Child Health	5	154,794	612,099
Remote Community Development	6	1,819,463	1,901,138
Innovation, Learning & Evaluation		125,970	125,523
Knowledge Sharing		157,337	143,775
Total programme costs		2,257,564	2,782,535
Core support	7	2,081,524	2,187,284
Total expenses		4,339,088	4,969,819
Transfer of funds to other Adara Development entities	17	(2,101,340)	(1,765,246)
Net deficit for the year		(287,862)	(973,575)
Other comprehensive income			
Exchange differences on translation of foreign operations		6,338	(930)
Total comprehensive deficit for the year		(281,524)	(974,505)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 13 to 27.

ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	8	806,163	877,378
Trade and other receivables	9	123,991	104,708
Other assets	10	-	343,718
Total current assets		930,154	1,325,804
Non-current assets			
Plant and equipment	11	1,803	3,010
Intangible assets	12	4,675	10,906
Total non-current assets		6,478	13,916
Total assets		936,632	1,339,720
Liabilities			
Current liabilities			
Trade and other payables	13	25,724	37,921
Deferred revenue	14	-	99,755
Employee benefits	15	192,016	202,780
Total current liabilities		217,740	340,456
Non-current liabilities			
Employee benefits	15	26,751	25,599
Total non-current liabilities		26,751	25,599
Total liabilities		244,491	366,055
Net assets		692,141	973,665
Accumulated funds			
Accumulated surplus	16	696,309	984,171
Foreign currency translation reserve		(4,168)	(10,506)
Total accumulated funds		692,141	973,665

The above statement of financial position should be read in conjunction with the accompanying notes on pages 13 to 27.

ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Foreign Currency Translation Reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
Balance at 1 January 2023	(9,576)	1,957,746	1,948,170
Net deficit for the year	-	(973,575)	(973,575)
Foreign currency translation loss	(930)	-	(930)
Total comprehensive deficit for the year	(930)	(973,575)	(974,505)
Balance at 31 December 2023	(10,506)	984,171	973,665
Balance at 1 January 2024	(10,506)	984,171	973,665
Net deficit for the year	-	(287,862)	(287,862)
Foreign currency translation gain	6,338	-	6,338
Total comprehensive income/(deficit) for the year	6,338	(287,862)	(281,524)
Balance at 31 December 2024	(4,168)	696,309	692,141

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 13 to 27.

ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Cash received for Maternal Newborn Child Health programmes		340,266	368,289
Cash received for Remote Community Development programmes		932,743	1,236,307
Cash received for general programme support		1,909,852	766,525
Cash received for core support expenses		1,853,011	3,014,737
Other income received		3,666	46,277
Cash received from other Adara Development entities		719,499	233,940
Cash paid for Maternal Newborn Child Health programme expenses		(143,809)	(583,799)
Cash paid for Remote Community Development programme expenses		(1,820,290)	(1,912,923)
Cash paid for Innovation, Learning & Evaluation		(124,194)	(126,280)
Cash paid for Knowledge sharing		(151,648)	(141,394)
Cash paid for core support expenses		(1,979,374)	(2,056,358)
Cash paid to other Adara Development entities		(2,101,340)	(1,765,246)
Net cash used in operating activities	8b	(561,618)	(919,924)
Cash flows from investing activities			
Payment for plant and equipment		(1,536)	(432)
Proceeds from sale of financial assets		485,601	-
Proceeds from maturity of term deposit		-	1,000,000
Net cash from investing activities		484,065	999,568
Net cash from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(77,553)	79,644
Foreign exchange differences		6,338	(930)
Cash and cash equivalents at the beginning of the year		877,378	798,664
Cash and cash equivalents at the end of year	8a	806,163	877,378

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 13 to 27.

ADARA DEVELOPMENT (AUSTRALIA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Reporting entity

The Company is a not-for-profit company limited by guarantee and domiciled in Australia. The Company is registered under the *Australian Charities and Not-for-profits Commission Act 2012*, Australia.

Adara Development (Australia) has an international non-governmental organization ("INGO") that is domiciled in Nepal, which is governed by a general agreement between the Social Welfare Council, Nepal and Adara Development (Australia). The INGO is reflected as a foreign operation of Adara Development (Australia). The financial statements of the Company for the period ended 31 December 2024 are representative of a single entity.

The long term objective and purpose of the Company as part of Adara Development is to bridge the world of business and the world of people in extreme poverty, and to support vulnerable communities with health, education and other essential services.

Information on the principal activities, operations and strategy of the Company is set out on pages 3 - 7 of the Directors' Report.

The financial statements were approved by the Board of Directors on 07 May 2025.

2. Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards with Simplified Disclosures, the *Australian Charities and Not-for profits Commission Act 2012*, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards - Simplified Disclosures

The financial statements of the Company comply with Australian Accounting Standards with Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(b) Basis of measurement

These financial statements have been prepared on a going concern basis and are based on historical cost.

Adara Development (the "Group") represents collectively a group of legal entities which are not held by a separate parent entity. The legal entities - Adara Development (Australia), Adara Development (Bermuda), Adara Development (UK), Adara Development (Uganda) and Adara Development (USA) - are under the decisions of their respective directors or trustees that have mutually agreed to operate under a common Memorandum of Understanding (MOU). The Group is managed and administered by Adara Development (Australia). The MOU supports the transfer of funds between Adara Development entities in order to meet the programme and administration costs.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Basis of preparation (continued)

(c) Use of accounting estimates and judgements

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period and future periods.

(d) Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(e) Functional and presentation currency

These financial statements are presented in Australian dollars. The functional currency of Adara Development (Australia) is also Australian dollars.

3. Material accounting policies

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised under AASB 1058 unless it has been determined that AASB 15 applied. To be in the scope of AASB 15, the contract must be:

- a) enforceable
- b) contain performance obligations that are sufficiently specific to enable determination of when the obligation has been satisfied and
- c) not result in goods and services specified being retained by the entity

Should these conditions be met the donation is assessed under AASB 15 and is recognised when performance obligations are satisfied. The Company receives the majority of its income from donations which are recognised when received directly by the Company.

(b) Deferred revenue

The liability for deferred revenue is the unutilised amounts of grants and donations received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant or donation.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Material accounting policies (continued)

(c) Donated goods and services

Amounts relating to goods and services donated are included in the financial statements when the Company gains control, economic benefits are probable and the amount of the donation can be reliably measured.

The Company also received pro-bono professional goods and services, as well as support from skilled volunteers during the financial year, which include legal and compliance support, audit services, medical equipment, volunteer services for events coordination, administration support and medical advisory. The value of these services was not recognised in the statement of profit or loss and other comprehensive income as it cannot be reliably measured.

(d) Expenses

Expenses are presented by nature in the statement of profit or loss and other comprehensive income.

(e) Income tax

As the company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

(f) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(g) Employee benefits

(i) Short-term employee benefit obligations

Short-term employee benefit obligations are the liabilities for salaries and wages, including non-monetary benefits and annual leave, expected to be settled within 12 months after the end of the period. The liabilities are recognised in respect of employees' services up to the end of the reporting period. The amounts are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future salary and wage levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Material accounting policies (continued)

(h) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of profit or loss and other comprehensive income under foreign exchange gains/losses. The results and financial position of operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at balance sheet date,
- income and expenses and the statement of profit or loss and other comprehensive income are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in the foreign currency are translated using the exchange rates at the date when the fair value is determined.

(i) AASB 9 Financial Instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when Adara Development (Australia) becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and measurement of financial assets and financial liabilities

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through the Statement of Profit or Loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale. Under AASB 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Material accounting policies (continued)

(j) AASB 9 Financial Instruments (continued)

The following table and the accompanying notes below explain the measurement categories under AASB 9 for each class of Adara Development (Australia)'s financial assets and financial liabilities as at 31 December 2024.

Type of Financial Instrument	Classification under AASB 9
Financial assets	
Cash and cash equivalents	Financial assets at Amortised Cost
Trade and other receivables	Financial assets at Amortised Cost
Other current assets - Shares	Financial assets at Fair Value Through the Statement of Profit or Loss (FVTPL)
Other current assets - Term deposit	Financial assets at Amortised Cost
Financial liabilities	
Trade and other payables	Financial liabilities at Amortised Cost

(iii) Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. Adara Development (Australia) has determined that there has been no requirements at 31 December 2024 which require an additional allowance for impairment.

(k) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Material accounting policies (continued)

(I) New and revised accounting standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations in line with Australian Accounting Standards Board ("AASB") that are mandatory.

4. Other income

	2024	2023
	\$	\$
Interest and other income	7,612	48,278
Gain from sale of financial assets	127,895	-
Fair value revaluation of other current assets	13,988	63,948
Membership fees	-	800
	149,495	113,026

5. Maternal Newborn Child Health programme costs

	2024	2023
	\$	\$
Kiwoko Hospital	26,661	454,677
Programme Support	128,133	157,422
	154,794	612,099

6. Remote Community Development programme costs

	2024	2023
	\$	\$
Adara Development Nepal - Humla	752,868	821,871
Programme Support	408,686	422,368
Adara Development Nepal - Ghyangfedi	293,510	278,383
Himalayan Children Society	241,749	254,601
The Himalayan Innovative Society	57,897	63,360
Adara Development Nepal - Tibetan Medical Practitioner	40,544	36,496
Hands in Outreach	15,674	15,724
The Women's Foundation	8,535	8,335
	1,819,463	1,901,138

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Core support expenses

	2024	2023
	\$	\$
Employee related expenses	1,541,675	1,619,171
IT and telecommunications	198,829	162,327
Occupancy	168,405	128,661
Travel expenses	30,611	83,018
Partnerships, development and communications	35,572	73,270
Depreciation and amortisation	51,024	58,221
Finance, governance and compliance	59,042	47,156
Office and other operating costs	10,883	17,585
Foreign exchange gains and losses	(14,517)	(2,125)
	2,081,524	2,187,284

Core support expenses, including administration expenses, are funded by Adara Advisors Pty. Limited, Adara Partners (Australia) Pty. Limited and a small number of other core support partners. This ensures that donations received from other donors are used for Adara programmes in Maternal Newborn Child Health, Remote Community Development, partner organisations, staff on the ground and other programme support including innovation, learning and evaluation activities.

8. Cash and Cash Equivalents

(a) Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand:		
Core support	216,740	568,508
General restricted	251,287	74,732
Maternal Newborn Child Health restricted	92,928	15,533
Remote Community Development restricted	245,208	218,605
	806,163	877,378

(b) Reconciliation of net deficit to net cash flows from operating activities

	2024	2023
	\$	\$
Net deficit for the year	(287,862)	(973,575)
Adjustments for non-cash income and expense items:		
Fair value revaluation of other current assets	(13,988)	(63,948)
Gain from sale of financial assets	(127,895)	-
Depreciation and amortisation expense	8,973	10,020
Increase / (decrease) in deferred revenue	(99,755)	99,755
(Increase) / decrease in trade and other receivables	(19,282)	35,468
Increase / (decrease) in other current liabilities	(5,143)	2,219
Increase / (decrease) in trade and other payables	(686)	(13,996)
Increase / (decrease) in employee benefits	(15,980)	(15,867)
Net cash used in operating activities	(561,618)	(919,924)

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Trade and other receivables

	<u>2024</u>	<u>2023</u>
	\$	\$
Other receivables	91,742	69,173
Prepayments	32,149	33,594
Trade receivables	100	1,941
	<u>123,991</u>	<u>104,708</u>

10. Other assets

	<u>2024</u>	<u>2023</u>
	\$	\$
Other current assets - Shares	-	343,718
	<u>-</u>	<u>343,718</u>

On 15 February 2024, the Company sold 199,836 shares of Ansarada Group Ltd. The resulting gain of \$127,895 has been recognized in the profit or loss statement under other income.

11. Plant and equipment

	<u>2024</u>	<u>2023</u>
Office equipment	\$	\$
Cost		
At the beginning of the financial year	15,607	15,175
Additions	1,536	432
At the end of the financial year	<u>17,143</u>	<u>15,607</u>
Accumulated Depreciation		
At the beginning of the financial year	12,782	9,080
Depreciation for the year	2,683	3,702
At the end of the financial year	<u>15,465</u>	<u>12,782</u>
Net book value at the end of the financial year	<u>1,678</u>	<u>2,825</u>

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11. Plant and equipment (continued)

	2024	2023
Furniture and fittings	\$	\$
Cost		
At the beginning of the financial year	289	289
At the end of the financial year	289	289
Accumulated Amortisation		
At the beginning of the financial year	104	44
Depreciation for the year	60	60
At the end of the financial year	164	104
Net book value at the end of the financial year	125	185
Total net book value at the end of the financial year	1,803	3,010

12. Intangible assets

	2024	2023
Website	\$	\$
Cost		
At the beginning of the financial year	24,920	24,920
At the end of the financial year	24,920	24,920
Accumulated Amortisation		
At the beginning of the financial year	14,014	7,786
Amortisation for the year	6,231	6,228
At the end of the financial year	20,245	14,014
Net book value at the end of the financial year	4,675	10,906
Software	\$	\$
Cost		
At the beginning of the financial year	3,000	3,000
At the end of the financial year	3,000	3,000
Accumulated Amortisation		
At the beginning of the financial year	3,000	2,970
Amortisation for the year	-	30
At the end of the financial year	3,000	3,000
Net book value at the end of the financial year	-	-
Total net book value at the end of the financial year	4,675	10,906

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Trade and other payables

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Trade payables	1,110	686
Accrued expenses	4,399	10,652
PAYG	20,215	26,583
	<u>25,724</u>	<u>37,921</u>

14. Deferred revenue

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Opening balance	99,755	-
Revenue recognised during the year	(99,755)	-
Increase/ (Decrease) due to cash received	-	99,755
	<u>-</u>	<u>99,755</u>

Funds received on 8 December 2023 in relation to an remote community construction project were recognised as revenue in 2024, in line with the project's approved budget and scheduled commencement date.

15. Employee benefits

	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>
Current		
Provision for annual leave	112,162	131,560
Other employee accruals	8,242	2,648
Sick leave liability	32,410	33,349
Provision for long service leave	39,202	35,223
	<u>192,016</u>	<u>202,780</u>
Non-current	26,751	25,599
Provision for long service leave	<u>26,751</u>	<u>25,599</u>

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

16. Accumulated funds

(a) Movement in funds 2024

	1 January 2024	Income	Expenditure	31 December 2024
	\$	\$	\$	\$
Adara Development (Australia)				
Core support	771,217	2,122,847	(2,794,661)	99,403
Designated funds:				
General restricted	15,217	2,056,566	(1,897,531)	174,252
Maternal Newborn Child Health restricted	15,533	369,603	(292,208)	92,928
Remote Community Development restricted	109,874	1,198,721	(1,102,518)	206,077
	911,841	5,747,737	(6,086,918)	572,660
Adara Development (Australia) foreign operation in Nepal				
Accumulated funds	72,330	404,829	(353,510)	123,649
Foreign currency translation reserve	(10,506)	6,338	-	(4,168)
	61,824	411,167	(353,510)	119,481
Total	973,665	6,158,904	(6,440,428)	692,141

(b) Source of funds

Core support

The core support funds support day to day operations of the Company in managing and administering the operations of Adara Development, as well as emergency programme expenses.

Adara Advisors Pty. Limited, Adara Partners (Australia) Pty. Limited and a small number of core support partners cover 100% of core support expenditure.

General funds

General funds support international programmes in Remote Community Development and Maternal Newborn Child Health, Innovation, Learning and Evaluation activities as well as Knowledge Sharing activities and are not specific to project or jurisdiction.

Maternal Newborn Child Health and Remote Community Development programmes

Maternal Newborn Child Health and Remote Community Development funds support programme expenses as well as salaries, office costs and partner support, which are specific to project or jurisdiction.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Related party transactions

(a) Directors' compensation

The directors act in a voluntary capacity and receive no compensation for their services (2023: Nil).

(b) Transactions with director-related entities

Adara Development (Australia), Adara Development (Bermuda), Adara Development (UK), Adara Development (Uganda) and Adara Development (USA) together constitute Adara Development. Adara Development is managed and administered by Adara Development (Australia). Adara Development (Australia) in its capacity as manager and administrator determines the projects in respect of which Adara Development is involved and is responsible for general management and operational decision-making in relation to all in-country programmes (including recruiting and managing global staff).

The Company received donations from the following related parties:

	2024	2023
	\$	\$
Adara Advisors Pty. Limited cash and in-kind donations	127,960	142,117
Adara Partners (Australia) Pty. Limited cash donations	1,850,162	3,010,000
	<u>1,978,122</u>	<u>3,152,117</u>

Adara Advisors Pty. Limited and Adara Partners (Australia) Pty. Limited are financial services businesses established to be the principal providers of direct and indirect funding to Adara Development for core support costs and emergency project costs. In addition to the donations from Adara Advisors Pty. Limited disclosed above, during the year donations of \$104,975 (2023: \$29,541) were received by the Company from other director related entities.

The following aggregated amounts were included in the determination of transfers to and from Adara Development related entities:

	2024	2023
	\$	\$
Transfers (to) Adara Development (USA)	(291,565)	(499,317)
Transfers (to) Adara Development (UK)	(28,770)	(16,781)
Transfers (to) Adara Development (Uganda)	(1,461,565)	(1,249,148)
	<u>(1,781,900)</u>	<u>(1,765,246)</u>

Adara Development (Australia)'s foreign operation in Nepal (INGO) received \$400,059 (2023: \$233,940) from other Adara Development entities to support Remote Community Development programmes.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Related party transactions

(b) Transactions with director-related entities (continued)

Adara Development represents collectively a group of legal entities which are not held by a separate parent entity. The legal entities - Adara Development (Australia), Adara Development (Bermuda), Adara Development (UK), Adara Development (Uganda) and Adara Development (USA) - are under the decisions of their respective directors or trustees that have mutually agreed to operate under a common Memorandum of Understanding (MOU). The MOU supports the transfer of funds between Adara Development entities in order to meet the programme and administration costs.

Additionally, Adara Development (USA), Adara Development (UK) and Adara Development (Bermuda) all support Adara Development (Australia)'s foreign operation in Nepal (INGO).

Adara Development (Australia) provides in-kind services to Adara Development (Bermuda), Adara Development (UK), Adara Development (Uganda) and Adara Development (USA) in the form of finance, accounting and administrative support. The value of these services has not been recognised in the statement of profit or loss and other comprehensive income.

There were no other transactions between the Company and key management personnel.

18. Key management personnel compensation

The key management personnel of the Company are its directors:

- Audette Evelyn Exel AO
- Susan Burns
- Ilana Atlas AO
- Andrea McCormick
- Jo Brennan

The directors receive no compensation for their services.

19. Commitments

(a) Commitments to Non Government Organisations

During the year Adara Development (Australia), Adara Development (USA), Adara Development (UK), Adara Development (Bermuda) and Adara Development (Uganda) entered into, or were obligated by, agreements with the following Non Government Organisations ("NGOs") and Partners.

The amounts committed to by Adara Development are as follows:

	Funding committed for January - December 2025	Agreement period from	Agreement period ending
	\$		
Kiwoko Hospital Centre of Excellence	1,227,933	01-Jan-25	31-Dec-27
Adara Development Nepal	1,399,970	25-Nov-14	Completion of project
Himalayan Children's Society (HCS)	36,662	01-Jan-23	10-Mar-25
The Himalayan Innovative Society (THIS)	7,906	01-Jan-23	10-Mar-25
Hands in Outreach Projects (HIO)	954	01-Jan-23	10-Mar-25
The Women's Foundation (WF)	2,070	01-Jan-23	10-Mar-25
Total	2,675,495		

ADARA DEVELOPMENT (AUSTRALIA)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19. Commitments (continued)

Adara Development reserves the right to refuse funding should any organisation fail to meet all terms and conditions as specified in the related agreements.

Funding commitments for subsequent periods are reviewed and updated on an annual basis.

Commitments will be met by current funds available and restricted donations received during the year.

20. Contingencies

As at 31 December 2024, the Company had no material contingent assets or liabilities (2023: nil).

21. Auditors' remuneration

	2024	2023
	\$	\$
Audit services	-	-

There has been no expense or accrual recognised in the financial report of the Company as the audit service is provided without charge by the auditors, HLB Mann Judd (SE Qld Partnership).

22. Financial instruments

The Company's financial instruments comprise cash and cash equivalents, trade and other receivables, other current assets and trade and other payables.

The Company's activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk

The nature and extent of the financial instruments employed by the Company are discussed below. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

(a) Market risk

Market risk is the risk that changes in market prices will effect the company's income or the value of its holdings of financial instruments.

(i) Foreign exchange risk

The Company operates in a global environment and therefore many of its expenses are denominated in foreign currencies, principally the Nepalese Rupee and the Ugandan Shilling. As a result, the Company is exposed to market price risk through fluctuations in foreign currency.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. Financial instruments (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At 31 December 2024, the Company's assets exposed to credit risk amounted to the following:

	<u>2024</u>	<u>2023</u>
	\$	\$
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables	91,842	71,114
	<u>91,842</u>	<u>71,114</u>

(c) Capital management

The Company defines capital, for its own purposes, as restricted and unrestricted fund balances. During the year the Company's objective when managing capital, which was unchanged from previous years, was to hold sufficient unrestricted funds to enable it to withstand negative unexpected financial events and continue as a going concern and to generate sufficient contributions to meet on-going project costs and commitments. The Company seeks to achieve this objective by holding sufficient cash and cash equivalents to maintain liquidity and enable it to meet its obligations as they become due.

23. Fundraising appeals conducted during the year

No fundraising appeals have been undertaken during the year (2023: Nil).

24. Events after the reporting period

In the interval between the end of the financial year and the date of this report, no transaction or event of a material or unusual nature likely to significantly affect the operations of the Company or the state of affairs of the Company in future years occurred.

ADARA DEVELOPMENT (AUSTRALIA) DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes set out on pages 9 to 27, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards with Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2022;
- (c) the ACFID financial statements on pages 30 to 33 are in accordance with the ACFID Code of Conduct and presents fairly in material respects the Company's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

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



Audette Evelyn Exel AO
Chair
Sydney
07 May 2025

ADARA DEVELOPMENT (AUSTRALIA)
DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT 1991

I, Madeline Vaughan, Chief Executive Officer of Adara Development (Australia) ("the Company"), declare in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Adara Development (Australia) with respect to fundraising appeal activities for the financial year ended 31 December 2024;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2024;
- (c) the provisions of the *Charitable Fundraising Act 1991* and Regulations and the conditions attached to the authority have been complied with for the financial year ended 31 December 2024; and
- (d) the internal controls exercised by Adara Development (Australia) are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Madeline Vaughan
Chief Executive Officer
Sydney
07 May 2025

ACFID Compliance



The following financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website at www.acfid.asn.au.

ADARA DEVELOPMENT (AUSTRALIA) INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	\$	\$
Revenue		
Donations and gifts		
Monetary	4,155,362	4,478,689
Non - monetary	127,960	140,970
Grants - Australian	566,978	385,304
Grants - other overseas	433,271	409,561
Other income		
Fair value revaluation of financial assets	13,988	63,948
Interest and other income	135,508	49,078
Transfer of funds from other Adara Development entities	719,499	233,940
Total revenue	6,152,566	5,761,490
Expenses		
International Aid and Development Programs Expenditure		
Maternal Newborn Child Health	1,838,272	1,904,307
Remote Community Development	1,836,863	1,895,541
International programs - Program support costs	1,160,005	1,232,705
Fundraising costs		
Private	403,214	439,645
Public	-	-
Accountability and Administration costs	1,076,963	1,125,487
Non monetary expenses	125,111	137,380
Total expenditure	6,440,428	6,735,065
Net deficit for the year	(287,862)	(973,575)
Other comprehensive income/(loss)	6,338	(930)
Total comprehensive deficit for the year	(281,524)	(974,505)

ADARA DEVELOPMENT (AUSTRALIA)
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024



Note (i): Adara Development (Australia) receives donations to fund: International Programmes, Programme Support Costs, Fundraising Costs and Accountability and Administration Costs of related Adara Development entities (Adara Development) and its project partners. Adara Development (Australia) transfers funds to other Adara Development entities so they too can fund the aforementioned expense categories. These transfers, whilst shown separately in the statutory Financial Statements, are allocated to the expense category to which the funds are used by the other Adara Development entity.

Note (ii): Core support expenses, including administration expenses, are funded by Adara Advisors Pty. Limited ("Adara Advisors"), Adara Partners (Australia) Pty. Limited ("Adara Partners") and a small number of other Core Support Partners. This ensures that donations received from other donors are used for Adara programmes in Maternal Newborn Child Health, Remote Community Development, partner organisations, staff on the ground and other programme support including innovation, learning and evaluation.

Note (iii): Fundraising costs include both international and domestic programs. There have been no costs incurred for public fundraising.

**ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**



	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	8	806,163	877,378
Trade and other receivables	9	123,991	104,708
Other current assets	10	-	343,718
Total current assets		930,154	1,325,804
Non-current assets			
Plant and equipment	11	1,803	3,010
Intangible assets	12	4,675	10,906
Total non-current assets		6,478	13,916
Total assets		936,632	1,339,720
Liabilities			
Current liabilities			
Trade and other payables	13	25,724	37,921
Deferred revenue	14	-	99,755
Employee benefits	15	192,016	202,780
Total current liabilities		217,740	340,456
Non-current liabilities			
Employee benefits	15	26,751	25,599
Total non-current liabilities		26,751	25,599
Total liabilities		244,491	366,055
Net assets		692,141	973,665
Accumulated funds			
Accumulated surplus	16	696,309	984,171
Foreign currency translation reserve		(4,168)	(10,506)
Total accumulated funds		692,141	973,665

The above statement of financial position should be read in conjunction with the accompanying notes on pages 13 to 27.

**ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**



	Foreign currency Translation Reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
Balance at 1 January 2023	(9,576)	1,957,746	1,948,170
Net deficit for the year	-	(973,575)	(973,575)
Foreign currency translation loss	(930)	-	(930)
Total comprehensive deficit for the year	(930)	(973,575)	(974,505)
Balance at 31 December 2023	(10,506)	984,171	973,665
Balance at 1 January 2024	(10,506)	984,171	973,665
Net deficit for the year	-	(287,862)	(287,862)
Foreign currency translation gain	6,338	-	6,338
Total comprehensive income/(deficit) for the year	6,338	(287,862)	(281,524)
Balance at 31 December 2024	(4,168)	696,309	692,141

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 13 to 27.

Independent Auditor's Report to the Members of Adara Development (Australia)

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report and Australian Council for International Aid and Development Financial Statements (ACFID Financial Statements) of Adara Development (Australia) ("the Company").

The financial report comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Directors' declaration.

The ACFID Financial Statements comprises the statement of financial position as at 31 December 2024, the income statement and the statement of changes in equity for the year then ended, notes to the financial statements and the declaration under the *Charitable Fundraising Act (NSW) 1991*.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* has been given to the Directors.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosure and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 31 December 2024;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2024 to 31 December 2024, in accordance with the *Charitable Fundraising Act (NSW) 1991 and Regulations*;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 January 2024 to 31 December 2024 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991 and Regulations*; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.


Opinion pursuant to ACFID Code of Conduct

In our opinion, the ACFID Financial Statement of Adara Development (Australia) is presented fairly, in all material respects in accordance with the ACFID Code of Conduct.

HLB Mann Judd (SE Qld Partnership)

HLB Mann Judd (SE Qld Partnership)
Chartered Accountants

Brisbane, Queensland
7 May 2025



A B Narayanan
Partner