

ADARA DEVELOPMENT (AUSTRALIA)

ABN 78 131 310 355
FINANCIAL STATEMENTS

31 December 2025

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**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

The directors present their report, together with the financial statements, on Adara Development (Australia) (the "Company") for the year ended 31 December 2025. 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

<p>Audette Evelyn Exel AO BA (Victoria), LLB (Hons) (Melbourne) Chair</p>	<p>Audette is currently the CEO of Adara Advisors Pty. Limited and Adara Partners (Australia) Pty. Limited. Previously, she served as 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.</p>
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<p>Susan Burns BA, LLB (Hons) (Sydney)</p>	<p>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.</p>
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<p>Ilana Atlas AO B. Juris (Hons) and LLB (Hons) (University of Western Australia); LLM (The University of Sydney)</p>	<p>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.</p>
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**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 is Avryl Lattin who was appointed on 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 2025**

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

Our goal is to reduce preventable maternal and newborn deaths in Uganda. We are working to strengthen maternal, newborn and child health services in low-resource settings through AdaraNewborn – our evidence-based, high-impact model of maternal and newborn care. Built on over 27 years of experience, it is designed to increase survival rates for the sickest and smallest newborns and their mothers by delivering high-quality healthcare and strengthening the health system across health facilities, in the community, and at home.

We are now expanding AdaraNewborn across Uganda to save more maternal and newborn lives.

AdaraNewborn

AdaraNewborn improves survival rates and outcomes for mothers and newborns through targeted, evidence-based interventions that directly address the top causes of mortality and morbidity. Spanning the full continuum of care, AdaraNewborn supports mothers and babies from pregnancy through to their return home after birth. The model integrates facility-based care with community programmes, while upskilling health workers, equipping facilities, and strengthening health systems for sustainable, long-term change.

Central to the model is close partnership with all levels of government, alongside advanced clinical training, leadership development, expert mentorship and strong governance. Together, these elements build the skills, accountability and system resilience needed to improve care now and to reduce preventable deaths well into the future.

Centre of Excellence – Kiwoko Hospital

Since 1998, we've pioneered a comprehensive model of care to women, newborns and children alongside our partner, Kiwoko Hospital. Today the hospital is recognised by Uganda's Ministry of Health as a Centre of Excellence in newborn care. Our work with Kiwoko is at the heart of AdaraNewborn. Building on this experience, we are now expanding our model to reach more communities across Uganda and partnering with the Ministry of Health to improve care for mothers and newborns nationwide. As we strengthen our regional approach, Kiwoko's role within the health landscape is evolving. With increased ability from surrounding facilities to deliver maternal and newborn care, Kiwoko acts as a referral facility. This means Kiwoko provides higher levels of care for more complex cases while also modelling what is possible in newborn health.

**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

7. Principal activities (continued)

Centre of Excellence – Kiwoko Hospital (continued)

As we scale AdaraNewborn, we are committed to maintaining Kiwoko as a Centre of Excellence by supporting the hospital's programmes across the continuum of care. Over the next three years, we are doubling down on quality and deepening our investment in Kiwoko as a beacon of best practice in newborn care.

Hospital to Home

Hospital to Home (H2H) is our flagship follow-up programme, supporting high-risk infants and their mothers in the hospital and after they return home.

While babies are still in hospital, H2H strengthens discharge processes, provides comprehensive parent education, supports lactation and breastfeeding, and promotes care that encourages healthy brain development. After discharge, community health workers (CHWs) provide regular at-home follow-up visits for six months, ensuring continuity of care for newborns and their mothers.

Baby Ubuntu

Baby Ubuntu is a programme of early care and support designed to improve quality of life with moderate to severe neurodisabilities and their caregivers. It does this by providing emotional and practical support to caregivers. Baby Ubuntu offers a 12-module parent education programme that combines knowledge, skills, and access to critical services – boosting their confidence and equipping them with the knowledge and tools to care for their child. Baby Ubuntu sits in the 'follow-up and early intervention' arm of AdaraNewborn.

Adara Youth Community Centre

The Adara Youth Community Centre (AYCC) supports adolescents by providing sexual and reproductive health education and services. Young people aged 10 to 24 can access family planning, counselling, life skills training, antenatal care services and connection with health services. The centre also provides community outreach, working closely with schools, parents and local leaders.

We believe that supporting young people – especially girls – to make informed decisions about their sexual and reproductive health is essential to ensuring they access to education, economic opportunities and financial independence, now and in the future.

Critical Healthcare

Adara supports 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.

**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

7. Principal activities (continued)

REMOTE COMMUNITY DEVELOPMENT

We believe everyone deserves access to essential services, no matter where they live. Since 1998, we've developed programmes that improve health and education outcomes in remote regions. Now, we're strengthening and refining these through AdaraRemote – our holistic community development model designed to bring quality, accessible services to people living in isolated areas.

Our work is focused in two remote geographies of Nepal: The Humla district in the Himalayas and the region of Ghyangfedi. Built on decades of partnership and deep local knowledge, the model strengthens systems and builds capacity – ensuring change is locally led, sustainable and transformative.

Education

We remove the barriers to quality, accessible education. By partnering with a network of 15 government schools, we strengthen the education system and uplift local schooling opportunities for children in remote areas.

Over the past 27 years, we have delivered comprehensive remote education that ensures children, especially girls, have access to quality education from early learning through to tertiary level. We expand access, improve learning outcomes, and strengthen school governance and systems. Our goal is to inspire, strengthen and elevate learning across remote communities.

Child protection

We seek to protect children from trafficking, early marriage and other forms of harm, creating safe, inclusive environments where they can thrive. By improving access to education and keeping children – especially girls – in school, we aim to eliminate child trafficking and early marriage in our areas of operation.

We strengthen child protection systems at every level – school, community and government. This includes robust safeguarding measures in schools, codes of conduct, risk assessments and reporting mechanisms, as well as training for teachers and staff. We also mobilise communities to uphold children's rights and equip children with the confidence to advocate for their own safety and wellbeing.

Youth development

We equip young people with the skills, confidence and opportunities they need to build sustainable futures. We support youth to access vocational and higher-education, helping them create pathways to meaningful employment and independence. We're working to localise higher-education and employment to reduce the need for migration and create equal opportunities in remote, low-resource areas. For those who wish to pursue studies unavailable in their local communities, we provide scholarships to support higher education in cities such as Kathmandu.

We also elevate young people's voices by amplifying youth leadership, building capacity in policy development, connecting youth to networks, and mobilising them for cultural learning, participation and social change.

**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

7. Principal activities (continued)

Health

In remote regions, many people struggle to access even basic health care. We're committed to ensuring communities in our target areas have year-round access to quality health services. We achieve this through a multi-level approach:

- Facilities: We partner with government health facilities, including local health posts and birthing centres, to strengthen systems, improve the quality of care and increase access to essential services.
- Communities: We invest in community health outreach systems and support traditional health practices to bring essential care closer to households, encourage health seeking behaviours and improve overall community health.
- Schools: We support school health initiatives, so children receive regular screenings and hygiene education, enabling early identification of health concerns and fostering lifelong healthy habits.

Community resilience

We support remote communities to anticipate, prepare for and respond to climate change, disasters and crises. Nepal's mountainous terrain and seismic activity make it highly disaster prone, with frequent floods, landslides and earthquakes placing lives and livelihoods at risk. More than 80% of people in Nepal face increasing danger from climate related hazards, with remote, mountainous communities especially vulnerable.

Through disaster-risk reduction, resilient infrastructure, food security and climate smart agriculture, we help communities build the skills and systems needed to withstand and recover from both natural and human made hazards. We also promote community-based climate adaptation and mitigation initiatives, and collaborate with local and national stakeholders to influence policy and strengthen resilience systems.

KNOWLEDGE SHARING

Adara believes the knowledge created through their programs is not theirs to keep. Adara strives to scale the impact of their programs by sharing the data, research conclusions, training packages and lessons learned. The Company is taking their very best ideas and their 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 Adara. There were no significant changes in the nature of the activities of the Company during the year.

**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 750,000 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.

9. Review of operations

The operating result for the year was a surplus of \$2,540,552 (2024: deficit of \$287,862). 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.

**ADARA DEVELOPMENT (AUSTRALIA)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. Insurance and indemnification of directors, trustees and others

During the financial year, Adara Development (Australia) paid a premium of \$8,621 (2024: \$8,092) 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) (2024: 65).

15. Non-audit services

During the year ended 31 December 2025, 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.

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

22 April 2026

To insert Auditor's Independence Declaration

ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		\$	\$
Revenue from continuing operations			
Donations			
Core support		2,018,663	1,978,122
General restricted		1,593,608	1,908,834
Maternal Newborn Child Health restricted		1,228,270	340,266
Remote Community Development restricted		700,267	1,056,350
Other income	4	10,604	149,495
Transfer of funds from other Adara Development entities	15	2,992,523	719,499
Total revenue		8,543,935	6,152,566
Expenses			
Programme costs			
Maternal Newborn Child Health	5	90,404	154,794
Remote Community Development	6	183,537	1,819,463
Innovation, Learning & Evaluation		123,055	125,970
Knowledge Sharing		63,510	157,337
Total programme costs		460,506	2,257,564
Core support	7	2,163,873	2,081,524
Total expenses		2,624,379	4,339,088
Transfer of funds to other Adara Development entities	15	(3,299,851)	(2,101,340)
Reclassification of foreign currency translation reserve on cessation of foreign operation		(15,047)	-
Loss on cessation of foreign operation		(64,106)	-
Net surplus/(deficit) for the year		2,540,552	(287,862)
Other comprehensive income			
Exchange differences on translation of foreign operations		(10,879)	6,338
Less: Reclassification of foreign currency translation reserve to profit or loss		15,047	-
Total comprehensive surplus/(deficit) for the year		2,544,720	(281,524)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 14 to 28.

**ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Notes	2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	3,351,839	806,163
Trade and other receivables	9	117,469	123,991
Total current assets		3,469,308	930,154
Non-current assets			
Plant and equipment	10	793	1,803
Intangible assets	11	-	4,675
Total non-current assets		793	6,478
Total assets		3,470,101	936,632
Liabilities			
Current liabilities			
Trade and other payables	12	83,934	25,724
Employee benefits	13	111,413	192,016
Total current liabilities		195,347	217,740
Non-current liabilities			
Employee benefits	13	37,893	26,751
Total non-current liabilities		37,893	26,751
Total liabilities		233,240	244,491
Net assets		3,236,861	692,141
Accumulated funds			
Accumulated surplus	14	3,236,861	696,309
Foreign currency translation reserve		-	(4,168)
Total accumulated funds		3,236,861	692,141

The above statement of financial position should be read in conjunction with the accompanying notes on pages 14 to 28.

**ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Foreign Currency Translation Reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
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/(loss) for the year	6,338	(287,862)	(281,524)
Balance at 31 December 2024	(4,168)	696,309	692,141
Balance at 1 January 2025	(4,168)	696,309	692,141
Net surplus for the year	-	2,540,552	2,540,552
Foreign currency translation gain	4,168	-	4,168
Total comprehensive income for the year	4,168	2,540,552	2,544,720
Balance at 31 December 2025	-	3,236,861	3,236,861

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 14 to 28.

ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		\$	\$
Cash flows from operating activities			
Cash received for Maternal Newborn Child Health programmes		1,228,270	340,266
Cash received for Remote Community Development programmes		673,089	932,743
Cash received for general programme support		1,588,506	1,909,852
Cash received for core support expenses		1,896,762	1,853,011
Other income received		5,490	3,666
Cash received from other Adara Development entities		2,992,523	719,499
Cash paid for Maternal Newborn Child Health programme expenses		(69,028)	(143,809)
Cash paid for Remote Community Development programme expenses		(200,850)	(1,820,290)
Cash paid for Innovation, Learning & Evaluation		(128,181)	(124,194)
Cash paid for Knowledge sharing		(81,510)	(151,648)
Cash paid for core support expenses		(2,048,665)	(1,979,374)
Cash paid to other Adara Development entities		(3,299,851)	(2,101,340)
Net cash from/(used in) operating activities	8b	<u>2,556,555</u>	<u>(561,618)</u>
Cash flows from investing activities			
Payment for plant and equipment		-	(1,536)
Proceeds from sale of financial assets		-	485,601
Net cash from investing activities		<u>-</u>	<u>484,065</u>
Net cash from financing activities			
		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,556,555</u>	<u>(77,553)</u>
Foreign exchange differences		(10,879)	6,338
Cash and cash equivalents at the beginning of the year		806,163	877,378
Cash and cash equivalents at the end of year	8a	<u>3,351,839</u>	<u>806,163</u>

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 14 to 28.

ADARA DEVELOPMENT (AUSTRALIA) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 INGO ceased operations and was closed on 10 March 2025.

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 - 8 of the Directors' Report.

The financial statements were approved by the Board of Directors on 22 April 2026.

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 (Nepal), 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 2025

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 2025**

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 2025

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 2025

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 2025.

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 2025 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 2025

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

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest and other income	10,604	7,612
Gain from sale of financial assets	-	127,895
Fair value revaluation of other current assets	-	13,988
	<u>10,604</u>	<u>149,495</u>

5. Maternal Newborn Child Health programme costs

	<u>2025</u>	<u>2024</u>
	\$	\$
Kiwoko Hospital	22,734	26,661
Programme Support	67,670	128,133
	<u>90,404</u>	<u>154,794</u>

6. Remote Community Development programme costs

	<u>2025</u>	<u>2024</u>
	\$	\$
Adara Development Nepal - Humla	40,622	752,868
Programme Support	82,165	408,686
Adara Development Nepal - Ghyangfedi	37,931	293,510
Himalayan Children Society	10,233	241,749
The Himalayan Innovative Society	7,394	57,897
Adara Development Nepal - Tibetan Medical Practitioner	2,361	40,544
Hands in Outreach	895	15,674
The Women's Foundation	1,936	8,535
	<u>183,537</u>	<u>1,819,463</u>

On 10 March 2025, Adara Development (Australia) ceased its foreign operations in Nepal. From that date, the Nepal operations are no longer controlled by Adara Development (Australia) and are not consolidated. The expenses disclosed above relate to costs incurred up to the cessation date. In 2025, a further transfer of \$1.3m was made to support the Remote Community Development programme. Following the closure of the foreign operation, this funding has been accounted for as a transfer. Refer to Note 15.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Core support expenses

	<u>2025</u>	<u>2024</u>
	\$	\$
Employee related expenses	1,439,631	1,541,675
IT and telecommunications	198,673	198,829
Occupancy	198,099	168,405
Travel expenses	77,664	30,611
Partnerships, development and communications	65,723	35,572
Depreciation and amortisation	37,236	51,024
Finance, governance and compliance	60,585	59,042
Office and other operating costs	13,084	10,883
Foreign exchange gains and losses	73,178	(14,517)
	<u>2,163,873</u>	<u>2,081,524</u>

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

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash at bank and on hand:		
Core support	120,106	216,740
General restricted	1,298,274	251,287
Maternal Newborn Child Health restricted	1,805,003	92,928
Remote Community Development restricted	128,456	245,208
	<u>3,351,839</u>	<u>806,163</u>

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

	<u>2025</u>	<u>2024</u>
	\$	\$
Net surplus/(deficit) for the year	2,540,552	(287,862)
Adjustments for non-cash income and expense items:		
Reclassification of foreign currency translation reserve on cessation of foreign operation	15,047	-
Fair value revaluation of other current assets	-	(13,988)
Gain from sale of financial assets	-	(127,895)
Depreciation and amortisation expense	5,685	8,973
Decrease in deferred revenue	-	(99,755)
Decrease / (Increase) in trade and other receivables	6,521	(19,282)
Increase / (decrease) in other current liabilities	4,084	(5,143)
Increase / (decrease) in trade and other payables	47,708	(686)
Decrease in employee benefits	(63,042)	(15,980)
Net cash from/(used in) operating activities	<u>2,556,555</u>	<u>(561,618)</u>

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

9. Trade and other receivables

	<u>2025</u>	<u>2024</u>
	\$	\$
Other receivables	15,410	91,742
Prepayments	92,378	32,149
Trade receivables	5,202	100
Interest receivables	4,479	-
	<u>117,469</u>	<u>123,991</u>

10. Plant and equipment

	<u>2025</u>	<u>2024</u>
	\$	\$
Office equipment		
Cost		
At the beginning of the financial year	17,143	15,607
Additions	-	1,536
Disposal	(1,677)	-
At the end of the financial year	<u>15,466</u>	<u>17,143</u>

Accumulated Depreciation

At the beginning of the financial year	15,465	12,782
Depreciation for the year	953	2,683
Disposal	(1,677)	-
At the end of the financial year	<u>14,741</u>	<u>15,465</u>

Net book value at the end of the financial year

<u>725</u>	<u>1,678</u>
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	<u>2025</u>	<u>2024</u>
	\$	\$
Furniture and fittings		
Cost		
At the beginning of the financial year	289	289
At the end of the financial year	<u>289</u>	<u>289</u>

Accumulated Amortisation

At the beginning of the financial year	164	104
Depreciation for the year	57	60
At the end of the financial year	<u>221</u>	<u>164</u>

Net book value at the end of the financial year

<u>68</u>	<u>125</u>
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Total net book value at the end of the financial year

<u>793</u>	<u>1,803</u>
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ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

11. Intangible assets

	<u>2025</u>	<u>2024</u>
Website	\$	\$
Cost		
At the beginning of the financial year	24,920	24,920
At the end of the financial year	<u>24,920</u>	<u>24,920</u>
Accumulated Amortisation		
At the beginning of the financial year	20,245	14,014
Amortisation for the year	4,675	6,231
At the end of the financial year	<u>24,920</u>	<u>20,245</u>
Net book value at the end of the financial year	<u>-</u>	<u>4,675</u>
	<u>2025</u>	<u>2024</u>
Software	\$	\$
Cost		
At the beginning of the financial year	3,000	3,000
Disposal	(3,000)	-
At the end of the financial year	<u>-</u>	<u>3,000</u>
Accumulated Amortisation		
At the beginning of the financial year	3,000	3,000
Disposal	(3,000)	-
At the end of the financial year	<u>-</u>	<u>3,000</u>
Net book value at the end of the financial year	<u>-</u>	<u>-</u>
Total net book value at the end of the financial year	<u>-</u>	<u>4,675</u>

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

12. Trade and other payables

	2025	2024
	\$	\$
Trade payables	47,708	1,110
Accrued expenses	9,592	4,399
PAYG	26,634	20,215
	83,934	25,724

13. Employee benefits

	2025	2024
	\$	\$
Current		
Provision for annual leave	63,724	112,162
Other employee accruals	-	8,242
Superannuation	6,167	-
Sick leave liability	-	32,410
Provision for long service leave	41,522	39,202
	111,413	192,016
Non-current	37,893	26,751
Provision for long service leave	37,893	26,751

14. Accumulated funds

(a) Movement in funds 2025

	1 January 2025	Income	Expenditure	31 December 2025
	\$	\$	\$	\$
Adara Development (Australia)				
Core support	99,403	2,028,632	(2,114,093)	13,942
Designated funds:				
General restricted	174,252	1,927,422	(797,889)	1,303,785
Maternal Newborn Child Health restricted	92,928	3,512,070	(1,812,321)	1,792,677
Remote Community Development restricted	206,077	1,045,934	(1,125,554)	126,457
	572,660	8,514,058	(5,849,857)	3,236,861
Adara Development (Australia) foreign operation in Nepal				
Accumulated funds	123,649	29,877	(153,526)	-
Foreign currency translation reserve	(4,168)	4,168	-	-
	119,481	34,045	(153,526)	-
Total	692,141	8,548,103	(6,003,383)	3,236,861

**ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

14. Accumulated funds (continued)

(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.

15. Related party transactions

(a) Directors' compensation

The directors act in a voluntary capacity and receive no compensation for their services (2024: Nil).

(b) Transactions with director-related entities

Adara Development (Australia), Adara Development (Bermuda), Adara Development (Nepal), 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:

	<u>2025</u>	<u>2024</u>
	\$	\$
Adara Advisors Pty. Limited cash and in-kind donations	121,901	127,960
Adara Partners (Australia) Pty. Limited cash donations	<u>1,333,637</u>	<u>1,850,162</u>
	<u>1,455,538</u>	<u>1,978,122</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 \$55,362 (2024: \$104,975) 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:

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15. Related party transactions (continued)
(b) Transactions with director-related entities (continued)

	<u>2025</u>	<u>2024</u>
	\$	\$
Transfers from/(to) Adara Development (USA)	2,902,583	(291,565)
Transfers (to) Adara Development (UK)	(19,942)	(28,770)
Transfers from Adara Development (Bermuda)	110	-
Transfers (to) Adara Development (Uganda)	(1,907,082)	(1,461,565)
Transfers (to) Adara Development (Nepal)	(1,312,239)	-
	<u>(336,570)</u>	<u>(1,781,900)</u>

Adara Development (Australia)'s foreign operation in Nepal (INGO) received \$29,242 (2024: \$400,059) from other Adara Development entities to support Remote Community Development programmes.

On 10 March 2025, Adara Development (Australia) ceased its foreign operations in Nepal. From that date, the Nepal operations are no longer controlled by Adara Development (Australia) and are not consolidated.

The foreign currency translation reserve (FCTR) associated with the foreign operation included both opening balances and current year translation losses totalling \$15,047. Upon cessation of the foreign operation, the entire FCTR balance was reclassified from equity to profit or loss in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates. The current year translation loss of \$10,879 was initially recognised in OCI but has also been included in the reclassification.

The reclassification of the FCTR ensures that all accumulated foreign exchange differences are appropriately reflected in the consolidated profit or loss.

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 (Nepal), 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 (Nepal), 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.

**ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

16. 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.

17. Commitments

(a) Commitments to Non Government Organisations

During the year Adara Development (Australia), Adara Development (USA), Adara Development (Nepal), 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 2026	Agreement period from	Agreement period ending
	\$		
Kiwoko Hospital Centre of Excellence	1,932,214	01-Jan-25	31-Dec-27
Himalayan Children's Society (HCS)	158,467	10-Mar-25	31-Dec-26
Total	<u>2,090,681</u>		

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.

18. Contingencies

As at 31 December 2025, the Company had no material contingent assets or liabilities (2024: nil).

19. Auditors' remuneration

	2025	2024
	\$	\$
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).

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

20. 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.

(ii) Interest rate risk

The Company's main interest rate risk arises from cash and cash equivalents, savings account and term deposits, held with variable and fixed interest rates respectively. The remainder of cash and equivalents do not earn interest. As at 31 December 2025 if interest rates had changed by + / - 2 basis points from year end rates with all other variables held constant, profit would have been \$60 higher or lower (2024: \$71).

The table below outlines the weighted average interest rate and the cash balances subject to interest rate risk.

	2025		2024	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Cash and cash equivalents - Savings Account	0.69%	\$ 636,642	1.00%	\$ 683,769
Cash and cash equivalents - Term deposit (1)	3.56%	600,000	-	-
Cash and cash equivalents - Term deposit (2)	3.32%	1,796,138	-	-

Term deposits are held at fixed interest rates and are not subject to interest rate sensitivity during the term.

ADARA DEVELOPMENT (AUSTRALIA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

20. 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 2025, the Company's assets exposed to credit risk amounted to the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables	<u>25,091</u>	<u>91,842</u>
	<u>25,091</u>	<u>91,842</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 ongoing 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.

21. Fundraising appeals conducted during the year

No fundraising appeals have been undertaken during the year (2024: Nil).

22. 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 10 to 28, 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 2025 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 31 to 34 are in accordance with the ACFID Code of Conduct and presents fairly in material respects the Company's financial position as at 31 December 2025 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
22 April 2026

**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 2025;
- (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 2025;
- (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 2025; 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
22 April 2026

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 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
Revenue		
Donations and gifts		
Monetary	2,909,458	4,155,362
Non - monetary	121,901	127,960
Grants - Australian	456,633	566,978
Grants - other overseas	2,052,817	433,271
Other income		
Fair value revaluation of financial assets	-	13,988
Interest and other income	10,604	135,508
Transfer of funds from other Adara Development entities	2,992,523	719,499
Total revenue	<u>8,543,935</u>	<u>6,152,566</u>
Expenses		
International Aid and Development Programs Expenditure		
Maternal Newborn Child Health	1,949,758	1,838,272
Remote Community Development	1,564,129	1,836,863
International programs - Program support costs	1,047,952	1,160,005
Fundraising costs		
Private	446,399	403,214
Public	-	-
Accountability and Administration costs	858,197	1,076,963
Non monetary expenses	136,948	125,111
Total expenditure	<u>6,003,383</u>	<u>6,440,428</u>
Net surplus/(deficit) for the year	<u>2,540,552</u>	<u>(287,862)</u>
Other comprehensive income	4,168	6,338
Total comprehensive surplus/(deficit) for the year	<u>2,544,720</u>	<u>(281,524)</u>

**ADARA DEVELOPMENT (AUSTRALIA)
INCOME STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**



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 2025**



	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,351,839	806,163
Trade and other receivables	9	117,469	123,991
Total current assets		3,469,308	930,154
Non-current assets			
Plant and equipment	10	793	1,803
Intangible assets	11	-	4,675
Total non-current assets		793	6,478
Total assets		3,470,101	936,632
Liabilities			
Current liabilities			
Trade and other payables	12	83,934	25,724
Employee benefits	13	111,413	192,016
Total current liabilities		195,347	217,740
Non-current liabilities			
Employee benefits	13	37,893	26,751
Total non-current liabilities		37,893	26,751
Total liabilities		233,240	244,491
Net assets		3,236,861	692,141
Accumulated funds			
Accumulated surplus	14	3,236,861	696,309
Foreign currency translation reserve		-	(4,168)
Total accumulated funds		3,236,861	692,141

The above statement of financial position should be read in conjunction with the accompanying notes on pages 14 to 28.

**ADARA DEVELOPMENT (AUSTRALIA)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**



	Foreign Currency Translation Reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
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/(loss) for the year	6,338	(287,862)	(281,524)
Balance at 31 December 2024	(4,168)	696,309	692,141
Balance at 1 January 2025	(4,168)	696,309	692,141
Net surplus for the year	-	2,540,552	2,540,552
Foreign currency translation gain	4,168	-	4,168
Total comprehensive income for the year	4,168	2,540,552	2,544,720
Balance at 31 December 2025	-	3,236,861	3,236,861

The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 14 to 28.

Audit report