

ADARA DEVELOPMENT (AUSTRALIA)

ABN 78 131 310 355

FINANCIAL STATEMENTS

31 December 2020

Contents to the financial statements

Directors' report	2
Directors	2
Company Secretary	3
Officers who were previously partners of the audit firm	3
Directors' meetings	3
Directors' remuneration	4
Environmental regulation	4
Principal activities	4
Short and long-term objectives, strategy and performance measures	5
Review of operations	6
Dividends	6
Significant changes in the state of affairs	6
Likely developments	6
Events Subsequent to Reporting Date	6
Insurance and indemnification of directors, trustees and others	6
Members' guarantee	6
Non-audit services	7
Auditor independence and non-audit services	7
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	28
Independent auditor's report	34

Adara Development (Australia)

Directors' report

For the year ended 31 December 2020

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
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 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. Appointed as a director on 27 May 2008.
Richard Deutsch Bachelor of Economics(Sydney), Fellow of the Institute of Chartered Accountants in Australia Non-Executive Director	Richard was the Chief Executive Officer of Deloitte Australia. Prior to commencing as CEO in September 2018, Richard was Managing Partner of Deloitte's Assurance and Advisory Practice. Richard is also a former Chairman of OzHarvest and a Director of the Deloitte Foundation. Richard was the President of the Institute of Chartered Accountants in Australia during 2009 and served as a Director on the Institute's board for six years. He held a number of positions in that time including Chairman of the Board Audit Committee for 3 years, Chairman of the Premises Committee, and a member of the Nominations Committee. Appointed as a director on 8 December 2010, and resigned on 6 August 2020.
Laini Libermann BA/LLB (Melbourne), Non-Executive Director	Laini was admitted as a Barrister and Solicitor of the Supreme Court of Victoria in 1997. Laini signed the Bar Roll in 2000 and practised as a criminal barrister until 2006. Appointed as a director on 8 December 2010.
Richard Alan West LLB (Hons) (Melbourne), BAPPSC (Gordon Institute Of Technology) Non-Executive Director	Richard is currently a member of the Administrative Appeals Tribunal and a former partner of Minter Ellison, where he practiced for over 30 years. He was the national head of Minter Ellison's Human Resources & Industrial Relations Division and has practised in all aspects of employment and industrial relations. Appointed as a director on 8 December 2010.
Susan Burns BA, LLB (Hons) (Sydney)	Susan is on the Board of Adara Development (Uganda). She also holds the position of General Counsel of the Adara Group which she does on a pro bono basis. Previously, 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. Appointed as a director on 12 November 2013.

Adara Development (Australia)

Directors' report (continued)

For the year ended 31 December 2020

1. Directors (continued)

Name, qualifications and independence status	Experience, special responsibilities and other directorships
Ilana Atlas 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 2003 to 2010, she held senior executive roles within Westpac Banking Corporation. She practised as a lawyer for 22 years and was the Managing Partner of Mallesons Stephen Jaques. Ilana is the Chair of Coca-Cola Amatil Limited and non-executive director of the Australia and New Zealand Banking Group Limited and Origin energy. She is the Chair of Jawun and is on the board of the Paul Ramsay Foundation and Paul Ramsay Holdings Pty Ltd (a subsidiary of Paul Ramsay Foundation). She is a director of Oakridge Wines Pty Ltd. Ilana is Panel Chair and Panel Member, Adara Partners (Australia) Pty. Limited. Appointed as a director on 1 April 2017.
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 focused 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. Appointed as a director on 31 October 2018.

2. Company Secretary

The company secretary is Anjuma Kammanankada who was appointed on 1 January 2020.

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 AO	Chair	3	3
Richard Deutsch**	Non-Executive Director	-	2
Laini Libermann	Non-Executive Director	2	3
Richard Alan West	Non-Executive Director	2	3
Susan Burns	Non-Executive Director	3	3
Ilana Atlas	Non-Executive Director	3	3
Andrea McCormick	Non-Executive Director	3	3

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

** Richard Deutsch formally resigned at Adara Development (Australia)'s AGM held on 6 August 2020.

Adara Development (Australia)

Directors' report (continued)

For the year ended 31 December 2020

5. Directors' remuneration

Directors do not receive any remuneration from Adara Development (Australia) ("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

The Company is the global support office for all Adara Development entities globally which include Adara Development (Bermuda), Adara Development (UK), Adara Development (Uganda) and Adara Development (USA). Together, these entities constitute Adara Development. The principal activity of the Company during the financial year was the management and administration of Adara Development's work in international aid and development. Adara has two areas of expertise: Maternal Newborn Child Health and Remote Community Development.

Although Adara Development's work spans many countries, our work in Maternal, Newborn and Child Health is focused on strengthening services in Central Uganda by supporting holistic programmes that ensure women and children have access to critical health services across the continuum of care. Hand in hand with Kiwoko Hospital, we have demonstrated the impact of an integrated model of care that encompasses training and clinical support, and also ensures the hospital is equipped with adequate facilities, staffing, equipment and supplies.

Together, Adara Development and our partner Kiwoko Hospital provide women with antenatal care, in the hospital and through community outreach clinics; help women deliver their babies safely; provide expert support to babies needing specialised care in the neonatal intensive care unit (NICU); provide community outreach services and health promotion; train village health workers and clinicians from the local district health system; provide a family-centred discharge package to ensure babies receive support after discharge from the NICU; and equip health workers with personal protective equipment and protocols so they can continue their essential work safely during the COVID-19 pandemic.

Now, Adara Development has ambitious plans to expand the high-impact maternal and newborn care model they have pioneered at Kiwoko Hospital - called 'AdaraNewborn' - to other Ugandan health facilities. To test our approach, we are establishing Nakaseke Hospital as the first 'AdaraNewborn' site by supporting the hospital to develop a special care baby unit and upgrading maternity and antenatal services.

Adara Development is also working in partnership with other global health leaders on projects to improve newborn survival. One of these projects is the Safe Bubble CPAP Project which will address the lack of access in low-resource settings to safe and affordable treatment for respiratory distress syndrome - the most common cause of disease and death for babies born before 34 weeks gestation. We have also implemented a community-based training programme delivered in small groups to young children living with a disability and their caregivers. The programme is called ABAaNA and is focused on empowering caregivers and their wider family by increasing understanding of their child's needs and boosting their confidence.

To ensure vulnerable infants receive the support they need once they are discharged from the Kiwoko Hospital NICU, Adara also runs a "Hospital to Home" (H2H) programme. This programme provides vigilant, in-home follow-up support, helping babies to survive and thrive. The H2H programme has two components to maximise babies' chances of a healthy life: strengthening hospital discharge processes in the NICU and a follow-up programme for babies after discharge from the NICU. By following up these babies, we can identify any issues and intervene early, giving these infants the opportunity to reach their full potential.

Adara Development (Australia)

Directors' report (continued)

For the year ended 31 December 2020

7. Principal activities (continued)

Our work in Remote Community Development primarily takes place in a remote mountainous region of Nepal called Humla, home to over 60,000 people. Our focus in Humla is on long term sustainable support to improve health and education for the region. Our health initiatives in Humla aim to improve local health services; provide COVID-19 training; increase health awareness; protect health workers through the provision of personal protective equipment; and improve nutrition, hygiene and sanitation. Our education initiatives span eight schools in the district and focus on distance education programmes for students during periods of lockdown; school improvement, including teacher employment and training; school infrastructure and materials; after-school activities; and vocational scholarships. By improving education in the district, we also aim to eliminate child trafficking.

Following the Nepal earthquake in 2015, Adara's remote community development work expanded to the district of Ghyangfedi, a small remote community in the Nuwakot district, northeast of Kathmandu. Immediately after the earthquake, Adara delivered emergency food, medical, and shelter support to this community. Using the expertise gained delivering remote education programmes in Humla since 1998, Adara built and continues to support a new earthquake-resistant school for over 300 students. The Shree Ghyangfedi School opened in June 2017. We also work to improve the quality of education in seven primary feeder schools surrounding Ghyangfedi.

Adara Development has also become an expert in the care and rehabilitation of trafficked children in Nepal, after rescuing 136 children from inhumane conditions in 2006. Since then, we have cared for these children, ensuring they were educated and healthy as we slowly and carefully repatriated them with their families.

In Nepal, Adara Development also works alongside local partner organisations to assist with the operation of free health clinics, and to help young girls from disadvantaged backgrounds to attend school.

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.

Adara Development has two pillars which are fundamental to our strategy and achieving our goals - best practice service delivery and knowledge sharing. In its service delivery, the Company 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 2020

9. Review of operations

The operating result for the year was a surplus of \$241,713 (2019: surplus of \$107,526). 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. Events Subsequent to Reporting Date

On the 3rd December 2020, 74,311 ordinary shares in Ansarada NewCo Pty Ltd were gifted to Adara Development (Australia) and subsequently transferred in consideration for the issue of 199,836 shares in thedocyard Limited, thedocyard Limited subsequently changed its name to Ansarada Group Limited. The shares were held in escrow from the 3rd December 2020 and released on the 11th March 2021 at which date they were recognised as an asset of the Company.

In the interval between the end of the financial year and the date of this report, there has been 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.

14. Insurance and indemnification of directors, trustees and others

During the financial year, Adara Development (Australia) paid a premium of \$4,750 (2019: \$4,662) 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.

15. 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 61 members of Adara Development (Australia) (2019: 61).

Adara Development (Australia)
Directors' report (continued)
For the year ended 31 December 2020

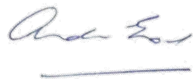
16. Non-audit services

During the year ended 31 December 2020 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.

17. Auditor independence and non-audit services

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 on page and forms part of the directors' report for the financial year ended 31 December 2020.

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



Audette Evelyn Exel AO
Chair
Sydney

27 April 2021

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Adara Development (Australia) for the year ended 31 December 2020.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Brisbane, Queensland
27 April 2021

A handwritten signature in black ink that reads 'Adrian' with a stylized flourish underneath.

A B Narayanan
Partner

Adara Development (Australia)

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

		2020	2019
	Notes	\$	\$
Revenue from continuing operations			
Donations			
Core support		794,341	1,889,397
General unrestricted		1,115,282	429,397
Maternal Newborn Child Health restricted		398,088	638,140
Remote Community Development restricted		758,985	807,953
Other income	4	436,604	17,546
Total revenue		3,503,300	3,782,433
Expenses			
Programme costs			
Maternal Newborn Child Health restricted	5	670,436	965,159
Remote Community Development restricted	6	1,191,636	1,323,681
Innovation, Learning & Evaluation		100,112	104,680
Total Programme costs		1,962,184	2,393,520
Core support	7	1,094,505	1,213,846
Total Expenses		3,056,689	3,607,366
Net transfer of funds between this entity and other Adara Development entities	16	(204,898)	(67,541)
Net surplus for the year		241,713	107,526
Other comprehensive income			
Exchange differences on translation of foreign operations		(10,597)	(181)
Total comprehensive surplus for the year		231,116	107,345

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 2020

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	8	628,827	407,725
Trade and other receivables	9	136,414	81,664
Total current assets		765,241	489,389
Non-current assets			
Property, plant and equipment	10	7,667	8,197
Intangible assets	11	16,475	7,284
Total non-current assets		24,142	15,481
Total assets		789,383	504,870
Liabilities			
Current liabilities			
Trade and other payables	12	7,556	73,472
Deferred revenue	13	87,346	38,327
Employee benefits	14	200,159	142,885
Total current liabilities		295,061	254,684
Non-current liabilities			
Employee benefits	14	39,185	26,165
Total non-current liabilities		39,185	26,165
Total liabilities		334,246	280,849
Net assets		455,137	224,021
Accumulated funds			
Accumulated surplus	15	465,915	224,202
Foreign currency translation reserve		(10,778)	(181)
Total accumulated funds		455,137	224,021

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 2020

	Translation reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
Balance at 1 January 2019	-	116,676	116,676
Net surplus for the period	-	107,526	107,526
Foreign currency translation loss	(181)	-	(181)
Total comprehensive surplus for the period	(181)	107,526	107,345
Balance at 31 December 2019	(181)	224,202	224,021
Balance at 1 January 2020	(181)	224,202	224,021
Net surplus for the period	-	241,713	241,713
Foreign currency translation loss	(10,597)	-	(10,597)
Total comprehensive surplus for the period	(10,597)	241,713	231,116
Balance at 31 December 2020	(10,778)	465,915	455,137

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 2020

	2020	2019
Notes	\$	\$
Cash flows from operating activities		
Cash received for Maternal Newborn Child Health programmes	399,980	636,171
Cash received for Remote Community Development programmes	808,005	806,499
Cash received for general programme support	1,113,282	420,109
Cash received for core support expenses	733,419	1,798,091
Other income received	426,019	183
Cash paid for Maternal Newborn Child Health programme expenses	(774,979)	(945,588)
Cash paid for Remote Community Development programme expenses	(1,149,716)	(1,368,083)
Cash paid for Innovation, Learning & Evaluation	(91,831)	(104,763)
Cash paid for core support expenses	(1,011,704)	(1,129,574)
Cash paid to other Adara Development entities	(204,898)	(67,541)
Net cash from operating activities	247,577	45,504
	8	
Cash flows from investing activities		
Payment for property, plant and equipment	(2,905)	(5,924)
Payment for intangible assets	(12,920)	(3,000)
Net cash used in investing activities	(15,825)	(8,924)
Net increase in cash and cash equivalents	231,752	36,580
Foreign exchange differences	(10,650)	(234)
Cash and cash equivalents at the beginning of the year	407,725	371,379
Cash and cash equivalents at end of year	628,827	407,725
	8	

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 2020

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 2020 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 4-5 of the Directors' Report.

The financial statements were approved by the Board of Directors on 27 April 2021.

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 - Reduced Disclosure Requirements, the Australian Charities and Not-for profits Commission Act 2012, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Company comply with Australian Accounting Standards - Reduced Disclosure Requirements 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 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 (continued)

For the year ended 31 December 2020

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.

COVID-19

The impact of COVID-19 is ongoing and while it has not had a significant detrimental effect on the Company up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly changing and is dependent on measures imposed by the government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

d) Functional and presentation currency

These financial statements are presented in Australian dollars. The functional currency of the Company is also Australian dollars.

3. Significant 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.

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.

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

3. Significant accounting policies (continued)

d) Expenses

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

e) Income tax

No income tax is payable as the Company is exempt under Australian taxation legislation.

f) Non-derivative financial assets

The Company has the following non-derivative financial assets: cash and cash equivalents and other current assets.

(i) Cash and cash equivalents

The Company considers all deposits with financial institutions that can be withdrawn without prior notice or penalty, and all term deposits with an original maturity of 90 days or less, as equivalent to cash.

(ii) Other current assets

Other current assets are initially recognised on the date that they are originated at fair value. Subsequent to initial recognition they are carried at amortised cost while prepayments are measured at cost. These amounts are non-interest bearing and unsecured.

g) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Depreciation on the assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows for the current and prior year:

Office equipment	3 to 5 years
------------------	--------------

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

h) Intangible assets

Intangible assets include website development and software. The costs incurred in developing the website and the costs to enable the use of software, that will contribute to future period financial benefits through revenue generation and/or cost reduction, are capitalised to intangible assets. Costs capitalised include only external direct costs of materials and services.

Website development costs include only those costs directly attributable to the development phase. Software costs include only those costs directly attributable to the purchase of the software and costs directly attributable to the implementation and ongoing use of the software.

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

3. Significant accounting policies (continued)

h) Intangible assets (continued)

Intangible assets are only recognised following completion of technical feasibility and where there is an intention and ability to use the asset.

Amortisation of website development and software is calculated on a straight line basis over the period of 4 years, commencing once the asset is in use, for the current and comparative period.

i) Non-derivative financial liabilities

Financial liabilities measured at amortised cost comprise trade and other payables and borrowings. The Company has the following non-derivative financial liabilities: financial liabilities measured at amortised cost. Trade and other payables represent liabilities for goods and services provided to the Company to the end of the financial year that are unpaid. These amounts are unsecured and are usually settled within 30 days of recognition.

j) 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 and annual 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.

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flow.

l) 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 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.

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

3. Significant accounting policies (continued)

l) Foreign currency translation (continued)

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.

m) 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.

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 2020.

<i>Type of Financial Instrument</i>	Classification under AASB 9
Financial assets	
Cash and cash equivalents	Financial assets at Amortised Cost
Trade and other receivables	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 2020 which require an additional allowance for impairment.

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

3. Significant accounting policies (continued)

n) Government grants and assistance

Government payments in relation to support during the Coronavirus crisis were received. Government grants are recognised when received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

o) 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

	2020	2019
	\$	\$
Government grants and assistance	431,500	-
Interest and other income	5,104	17,546
	<u>436,604</u>	<u>17,546</u>

5. Maternal Newborn Child Health programme costs

	2020	2019
	\$	\$
Kiwoko Hospital	613,880	902,388
Programme Support	56,556	62,771
	<u>670,436</u>	<u>965,159</u>

6. Remote Community Development programme costs

	2020	2019
	\$	\$
Programme Support	409,779	203,235
Adara Development Nepal - Humla	381,161	456,007
Adara Development Nepal - Ghyangfedi	136,292	199,542
Himalayan Children's Society	91,956	172,262
The Himalayan Innovative Society	44,612	42,029
Himalayan Medical Foundation	39,203	59,729
Adara Development Nepal - Tibetan Medical Practitioner	25,249	29,639
Adara Development Nepal - Adara Kids	23,702	137,372
The Women's Foundation	22,919	7,801
Hands in Outreach	16,763	16,065
	<u>1,191,636</u>	<u>1,323,681</u>

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

7. Core support expenses

	<u>2020</u>	<u>2019</u>
	\$	\$
Employee related expenses	787,792	785,059
IT and telecommunications	120,142	112,455
Occupancy	39,691	88,360
Depreciation and amortisation	35,986	48,415
Partnerships, development and communications	34,747	58,261
Travel Expenses	34,731	62,419
Finance, governance and compliance	28,164	42,951
Office and other operating costs	12,354	15,774
Foreign exchange gains and losses	898	152
	<u>1,094,505</u>	<u>1,213,846</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>2020</u>	<u>2019</u>
	\$	\$
Cash at bank and on hand:		
Core Support	83,489	72,818
General restricted	283,394	853
Maternal Newborn Child Health restricted	58,049	57,255
Remote Community Development restricted	203,895	276,799
	<u>628,827</u>	<u>407,725</u>

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Net surplus before tax	241,713	107,526
Adjustments for non-cash income and expense items:		
Depreciation and amortisation expense	8,843	15,732
Deferred revenue	49,019	(60,975)
(Increase) / decrease in other current assets	(54,752)	(17,691)
Increase / (decrease) in trade creditors	(43,374)	(15,219)
Increase / (decrease) in employee benefits	70,294	17,151
Increase / (decrease) in other liabilities	(22,541)	(1,228)
Increase / (decrease) in other non-cash expenses	(1,625)	208
Net cash from operating activities	<u>247,577</u>	<u>45,504</u>

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

9. Trade and other receivables

	<u>2020</u>	<u>2019</u>
	\$	\$
Other receivables	110,951	50,356
Prepayments	23,393	29,347
Trade receivables	2,070	1,961
	<u>136,414</u>	<u>81,664</u>

10. Property, plant and equipment

	<u>2020</u>	<u>2019</u>
	\$	\$
Office equipment		
Cost		
At the beginning of the financial year	20,535	14,611
Additions	4,582	5,924
At the end of the financial year	<u>25,117</u>	<u>20,535</u>
Accumulated Depreciation		
At the beginning of the financial year	12,338	8,795
Depreciation charge for the year	5,112	3,543
At the end of the financial year	<u>17,450</u>	<u>12,338</u>
Net book value at the end of the financial year	<u>7,667</u>	<u>8,197</u>
Total net book value at the end of the financial year	<u>7,667</u>	<u>8,197</u>

11. Intangible assets

	<u>2020</u>	<u>2019</u>
	\$	\$
Website		
Cost		
At the beginning of the financial year	28,149	28,149
Additions (work in progress)	12,920	-
At the end of the financial year	<u>41,069</u>	<u>28,149</u>
Accumulated Amortisation		
At the beginning of the financial year	27,761	27,451
Amortisation for the year	310	310
At the end of the financial year	<u>28,071</u>	<u>27,761</u>
Net book value at the end of the year	<u>12,998</u>	<u>388</u>

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

11. Intangible assets (continued)

	2020	2019
	\$	\$
Software		
Cost		
At the beginning of the financial year	76,096	73,096
Additions	-	3,000
At the end of the financial year	76,096	76,096
Accumulated Amortisation		
At the beginning of the financial year	69,200	57,321
Amortisation for the year	3,419	11,879
At the end of the financial year	72,619	69,200
Net book value at the end of the financial year	3,477	6,896
Total net book value at the end of the financial year	16,475	7,284

12. Trade and other payables

	2020	2019
	\$	\$
Trade payables	7,556	50,931
Accrued expenses	-	22,541
	7,556	73,472

13. Deferred revenue

	2020	2019
	\$	\$
Opening balance	38,327	99,302
Revenue recognised during the year	(38,327)	(99,302)
Increase/ (Decrease) due to cash received	87,346	38,327
	87,346	38,327

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

14. Employee benefits

	2020	2019
	\$	\$
Current		
Annual leave	91,418	53,738
Other employee accruals	61,377	62,635
PAYG	9,269	11,165
Superannuation	6,493	6,752
Sick Leave - Foreign operation in Nepal	31,602	8,595
	<u>200,159</u>	<u>142,885</u>
Non-current		
Long service leave	39,185	26,165
	<u>39,185</u>	<u>26,165</u>

15. Accumulated funds

a) Movement in funds 2020

	1 January 2020	Income	Expenditure	31 December 2020
	\$	\$	\$	\$
Adara Development (Australia)				
Core Support	22,004	1,177,481	(1,173,038)	26,447
Designated Funds:				
General restricted	12,269	1,163,882	(841,663)	334,488
Maternal Newborn Child restricted	57	398,088	(383,405)	14,740
Remote Community Development restricted	119,995	758,985	(868,347)	10,633
	<u>154,325</u>	<u>3,498,436</u>	<u>(3,266,453)</u>	<u>386,308</u>
Adara Development (Australia) foreign operation in Nepal				
Accumulated funds	69,877	4,864	4,866	79,607
Foreign currency translation reserve	(181)	-	(10,597)	(10,778)
	<u>69,696</u>	<u>4,864</u>	<u>(5,731)</u>	<u>68,829</u>
Total	<u>224,021</u>	<u>3,503,300</u>	<u>(3,272,184)</u>	<u>455,137</u>

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

15. 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 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, as well as Innovation, Learning and Evaluation 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.

16. Related party transactions

a) Directors' compensation

The directors act in a voluntary capacity and receive no compensation for their services.

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:

	2020	2019
	\$	\$
Adara Advisors Pty. Limited cash and in-kind donations	61,732	84,682
Adara Partners (Australia) Pty. Limited cash donations	632,609	1,804,715
	<u>694,341</u>	<u>1,889,397</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 \$116,420 (2019: \$13,827) were received by the Company from its directors or director-related entities.

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

16. Related party transactions (continued)

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

	2020	2019
	\$	\$
Transfers to Adara Development (USA)	(172,456)	(297,508)
Transfers to Adara Development (UK)	(19,763)	(19,205)
Transfers to Adara Development (Bermuda)	-	(59,688)
Transfers to Adara Development (Uganda)	(227,053)	(121,037)
Transfers from Adara Development (Australia) INGO	214,374	429,897
	<u>(204,898)</u>	<u>(67,541)</u>

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.

17. Key management personnel compensation

The key management personnel of the Company are its directors:

- Audette Evelyn Exel AO
- Richard Deutsch - resigned 6 August 2020
- Laini Libermann
- Richard Alan West
- Susan Burns
- Ilana Atlas
- Andrea McCormick

The directors receive no compensation for their services.

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

18. 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 2021	Agreement period from	Agreement period ending
	AUD		
Adara Development Nepal	859,208	25 November 2014	Completion of project
Kiwoko Hospital	1,090,058	1 January 2019	31 December 2021
Total	<u>1,949,266</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.

19. Contingencies

As at 31 December 2020, the Company had no material contingent assets or liabilities.

20. Auditors' remuneration

	2020	2019
	\$	\$
Audit services	<u>-</u>	<u>-</u>

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.

21. Financial instruments

The Company's financial instruments comprise cash and cash equivalents, other receivables 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
- liquidity risk

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

21. Financial instruments (continued)

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 affect the Company's income or the value of its holdings of financial instruments.

i Price risk

As at 31 December 2020 the Company held only cash and cash equivalents and as a result there is no exposure to price risk.

ii Interest rate risk

The Company's main interest rate risk arises from the cash and cash equivalents with variable interest rates, held in the Company's Commonwealth Bank of Australia savings account. The remainder of cash and equivalents do not earn interest. As at 31 December 2020 if interest rates had changed by + / - 2 basis points from year end rates with all other variables held constant, profit would have been \$76 higher or lower (2019: \$24).

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

	2020	2019
	Weighted average interest rate \$	Balance \$
	Weighted average interest rate \$	Balance \$
Cash and cash equivalents	0.06%	593,413
		0.28%
		333,835

iii 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.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a donor or counterparty to a financial instrument fails to meet its contractual obligations. At 31 December 2020, the Company's assets exposed to credit risk amounted to the following:

	2020	2019
	\$	\$
Trade and other receivables	113,021	52,317
	113,021	52,317

Adara Development (Australia)

Notes to the financial statements (continued)

For the year ended 31 December 2020

21. Financial instruments (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Company monitors liquidity risk by monitoring forecasted cash flows.

The table below categorises the Company's financial liabilities into relevant maturity groups based on the remaining period at the date of the statement of financial position to the contractual maturity date. The carrying amounts in the table are equal to the contractual undiscounted cash flows.

Year ended 31 December 2020	Carrying value	0 - 12 months	Greater than 1 year
	\$	\$	\$
Trade and other payables	7,556	7,556	-
Employee benefits	239,344	200,159	39,185
	246,900	207,715	39,185

Year ended 31 December 2019	Carrying value	0 - 12 months	Greater than 1 year
	\$	\$	\$
Trade and other payables	73,472	73,472	-
Employee benefits	169,051	142,886	26,165
	242,523	216,358	26,165

d) 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.

22. Fundraising appeals conducted during the year

No fundraising appeals have been undertaken during the year.

23. Events after the balance sheet date

On the 3rd December 2020, 74,311 ordinary shares in Ansarada NewCo Pty Ltd were gifted to Adara Development (Australia) and subsequently transferred in consideration for the issue of 199,836 shares in thedocyard Limited, thedocyard Limited subsequently changed its name to Ansarada Group Limited. The shares were held in escrow from the 3rd December 2020 and released on the 11th March 2021 at which date they were recognised as an asset of the Company.

In the interval between the end of the financial year and the date of this report, there has been 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.

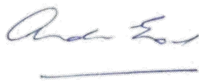
Adara Development (Australia)

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 2020 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013;
- (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 2020 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
27 April 2021

Adara Development (Australia) Declaration by Chief Executive Officer

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 the Company with respect to fundraising appeal activities for the financial year ended 31 December 2020;
- (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 2020;
- (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 2020; and
- (d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

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



Madeline Vaughan
Chief Executive Officer
Sydney
27 April 2021

ACFID Compliance



Adara Development is a signatory to the Australian Council for International Aid and Development (ACFID) Code of Conduct and is committed to full adherence to its requirements. The Code aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory obligations.

Adara Development (Australia) Income Statement

For the year ended 31 December 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
Revenue		
Donations and gifts		
Monetary	2,663,317	3,511,242
Non-Monetary	61,495	83,979
Grants - Australian	341,884	169,667
Other Income		
Australian government support	431,500	-
Interest and other income	5,104	17,546
Total revenue	<u>3,503,300</u>	<u>3,782,434</u>
Expenditure		
International Aid and Development Programs Expenditure		
Maternal Newborn Child Health	954,299	1,262,134
Remote Community Development	939,337	783,022
International programs - Program support costs	515,030	562,802
Fundraising costs		
Private	230,148	258,805
Public	-	-
Accountability and Administration costs	561,278	724,166
Non Monetary expenses	61,495	83,979
Total expenditure	<u>3,261,587</u>	<u>3,674,908</u>
Net surplus for the year	<u>241,713</u>	<u>107,526</u>
Other comprehensive income	(10,597)	(181)
Total comprehensive surplus for the year	<u>231,116</u>	<u>107,345</u>

Adara Development is a signatory to the Australian Council for International Aid and Development (ACFID) Code of Conduct and is committed to full adherence to its requirements. The Code aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory obligations.

Adara Development (Australia) Income Statement (continued)

For the year ended 31 December 2020

Note (i): Based on ACFID Code of Conduct classification, for the year ended 31 December 2020 Adara Development (Australia) had no transactions in the following categories for Revenue: Bequests and Legacies, Grants - Dept of Foreign Affairs and Trade, Grants - Other overseas, Investment income, Revenue for International Political or Religious Adherence Promotion Programs, Donated Buildings.

Note (ii): Based on ACFID Code of Conduct classification, for the year ended 31 December 2020, Adara Development (Australia) had no transactions in the following categories for Expenditure: Community Education, International Political or Religious Adherence Promotion Programs, Domestic Programs.

Note (iii): 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 (iv): 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 (v): 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 2020

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	8	628,827	407,725
Trade and other receivables	9	136,414	81,664
Total current assets		765,241	489,389
Non-current assets			
Property, plant and equipment		7,667	8,197
Intangible assets		16,475	7,284
Total non-current assets		24,142	15,481
Total assets		789,383	504,870
Liabilities			
Current liabilities			
Trade and other payables	12	7,556	73,472
Deferred revenue	13	87,346	38,327
Employee benefits	14	200,159	142,885
Total current liabilities		295,061	254,684
Non-current liabilities			
Employee benefits	14	39,185	26,165
Total non-current liabilities		39,185	26,165
Total liabilities		334,246	280,849
Net assets		455,137	224,021
Accumulated funds			
Accumulated surplus	15	465,915	224,202
Foreign currency translation reserve		(10,778)	(181)
Total accumulated funds		455,137	224,021

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 2020

	Translation reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
Balance at 1 January 2019	-	116,676	116,676
Net surplus for the period	-	107,526	107,526
Foreign currency translation loss	(181)	-	(181)
Total comprehensive surplus for the period	(181)	107,526	107,345
Balance at 31 December 2019	(181)	224,202	224,021
Balance at 1 January 2020	(181)	224,202	224,021
Profit for the period	-	241,713	241,713
Foreign currency translation loss	(10,597)	-	(10,597)
Total comprehensive surplus for the period	(10,597)	241,713	231,116
Balance at 31 December 2020	(10,778)	465,915	455,137

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 2020, 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 a summary of significant accounting policies, and the director's declaration.

The ACFID Financial Statements comprises the statement of financial position as at 31 December 2020, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements.

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 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 those charged with governance.

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

Emphasis of Matter – Coronavirus (COVID-19) Pandemic

We draw attention to Note 2 to the financial statements, which describes the uncertainties and possible effects on the Company arising from its management of the on-going issues related to COVID-19. Our opinion is not modified in respect of this matter.

hlb.com.au

HLB Mann Judd (SE Qld Partnership)

Level 15, 66 Eagle Street, Brisbane QLD 4000 | GPO Box 5225 Brisbane QLD 4001

T: +61 (0)7 3001 8800 F: +61 (0)7 3221 0812 E: infobne@hlbqld.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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

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 2020, 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.

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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act* 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 2020;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2020 to 31 December 2020, 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 2020 to 31 December 2020 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
Chartered Accountants

Brisbane, Queensland
27 April 2021



A B Narayanan
Partner