

# ADARA DEVELOPMENT (AUSTRALIA)

ABN 78 131 310 355  
FINANCIAL STATEMENTS

31 December 2023

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**ADARA DEVELOPMENT (AUSTRALIA)  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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**

<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. She is a Non-Executive Director of Westpac Banking Corporation. 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. Audette has been a director since 27 May 2008.</p>
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<p>Richard Alan West LLB (Hons) (Melbourne), BAPPSC (Gordon Institute Of Technology) Non-Executive Director</p>	<p>Richard is a former partner of Minter Ellison where he practiced Employment and Industrial Relations law for over 30 years. He is currently a member of the Administrative Appeals Tribunal, having held that appointment since 2017. Richard was first appointed as a director on 8 December 2010 and ceased being a director on 16 November 2023.</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 &amp; 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 2023**

**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 Chief Operating Officer for Aware Super, Australia's third largest superannuation fund. 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 Robyn Farrell who was appointed on 16 September 2022.

**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
Richard Alan West	Non-Executive Director	1	2
Susan Burns	Non-Executive Director	2	2
Ilana Atlas	Non-Executive Director	2	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 2023**

**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**

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

**MATERNAL, NEWBORN AND CHILD HEALTH**

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

With 26 years' experience working in partnership with Kiwoko Hospital to develop a Centre of Excellence, we are now scaling our programmes to accelerate change across Uganda through AdaraNewborn.

**AdaraNewborn**

We are expanding our high impact model that has the power to halve newborn deaths and stillbirths across 10 facilities in Uganda over the next decade. It includes five arms: antenatal care, intrapartum care, inpatient care for small and sick newborns, postnatal care, and follow-up care and early intervention. AdaraNewborn will strengthen the health system by developing regional hubs of newborn care.

**Centre of Excellence – Kiwoko Hospital**

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

**Hospital to Home**

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

**Early Intervention – Baby Ubuntu**

Developed by the London School of Hygiene and Tropical Medicine, Baby Ubuntu is an early-intervention programme that aims to improve quality of life for children with mild to severe neurodisabilities and their caregivers. The programme includes a parent education training programme with 12 modules. Baby Ubuntu also sits in the 'follow-up and early intervention' arm of AdaraNewborn.

**ADARA DEVELOPMENT (AUSTRALIA)  
DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. Principal activities (continued)**

**Bubble CPAP Kit**

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

**Adara Youth Community Centre**

The Adara Youth Community Centre provides support to adolescents through sexual and reproductive health education and services including family planning, counselling, life skills training, and connection with health services. It also provides community outreach, working closely with schools, parents and local leaders. These services are available to people aged 10 to 24. We aim to provide youth with support to lead happy and healthy lives.

**Critical Healthcare**

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

**REMOTE COMMUNITY DEVELOPMENT**

Since 1998, we have worked alongside remote communities – particularly those in Humla and Ghyangfedi in Nepal – to increase access to health, education and other essential services. Over this time, we have developed a scalable, holistic and comprehensive model called AdaraRemote. AdaraRemote spans five pillars of service delivery: education, child protection, youth development, health and community resilience. Together they support people – particularly women and children – to truly thrive.

**Education**

Through our work with Yalbang School in Humla, Nepal – which is recognised as a Centre of Excellence – we have developed a comprehensive remote education model. It includes strengthening the education system, enhancing learning outcomes, providing essential resources for education, creating a child-friendly school environment, improving child health, and ensuring child protection and participation. We implement this model across 15 schools in Nepal.

**Child protection**

We ensure children are safe, feel safe and can thrive. We do this by strengthening child protection systems and influencing policies; sharing knowledge; developing reporting systems; enhancing child participation in education; and raising awareness about the dangers of child trafficking and child marriage. By improving quality of education and helping to keep children – especially girls – in school, we aim to eliminate child trafficking and marriage where we operate.

**Youth development**

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

**ADARA DEVELOPMENT (AUSTRALIA)  
DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. Principal activities (continued)**

**Health**

We ensure communities in our target areas have access to year-round healthcare. As part of this work, we strengthen the health system; ensure access to quality healthcare; improve water, sanitation and hygiene; and enhance access to maternal, newborn and child health services. We do this by supporting and improving local government health posts and birthing centres, and investing in community health outreach and education.

**Resilient communities**

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

**KNOWLEDGE SHARING**

We believe the knowledge created through our programmes is not ours to keep. We strive to scale the impact of our programmes by sharing the data, research conclusions, training packages and lessons learned.

We are taking our very best ideas and our biggest mistakes, distilled from more than two decades of working in the field, and sharing them locally, nationally and globally.

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

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

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

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

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

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

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

**ADARA DEVELOPMENT (AUSTRALIA)  
DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**9. Review of operations**

The operating result for the year was a deficit of \$973,575 (2022: surplus of \$1,165,544). The Company is exempt from income tax.

**10. Dividends**

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

**11. Significant changes in the state of affairs**

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

**12. Likely developments**

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

**13. Insurance and indemnification of directors, trustees and others**

During the financial year, Adara Development (Australia) paid a premium of \$6,714 (2022: \$5,796) 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) (2022: 61).

**15. Non-audit services**

During the year ended 31 December 2023 HLB Mann Judd, the Company's auditor, has not performed any other services in addition to their statutory duties. No non-audit services were provided by HLB Mann Judd during the financial year.



**ADARA DEVELOPMENT (AUSTRALIA)  
DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**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 on page 8 and forms part of the directors' report for the financial year ended 31 December 2023.

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



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Audette Evelyn Exel AO  
Chair  
Sydney

24 April 2024

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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been no contraventions of:

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

*HLB Mann Judd*

**HLB Mann Judd  
Chartered Accountants**

**Brisbane, Queensland  
24 April 2024**

[hlb.com.au](http://hlb.com.au)

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

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

**ADARA DEVELOPMENT (AUSTRALIA)**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023	2022
		\$	\$
<b>Revenue from continuing operations</b>			
Donations			
Core support		3,152,117	4,060,625
General restricted		765,737	1,080,659
Maternal Newborn Child Health restricted		368,289	495,909
Remote Community Development restricted		1,128,381	1,145,025
Other income	4	113,026	9,987
Transfer of funds from other Adara Development entities	17	233,940	339,922
<b>Total revenue</b>		<b>5,761,490</b>	<b>7,132,127</b>
<b>Expenses</b>			
Programme costs			
Maternal Newborn Child Health	5	612,099	1,113,416
Remote Community Development	6	1,901,138	1,572,985
Innovation, Learning & Evaluation		125,523	165,218
Knowledge Sharing		143,775	-
<b>Total programme costs</b>		<b>2,782,535</b>	<b>2,851,619</b>
Core support	7	2,187,284	1,992,366
<b>Total expenses</b>		<b>4,969,819</b>	<b>4,843,985</b>
Transfer of funds to other Adara Development entities	17	(1,765,246)	(1,122,598)
<b>Net (deficit)/surplus for the year</b>		<b>(973,575)</b>	<b>1,165,544</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(930)	(2,289)
<b>Total comprehensive (deficit)/surplus for the year</b>		<b>(974,505)</b>	<b>1,163,255</b>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 13 to 29.*

**ADARA DEVELOPMENT (AUSTRALIA)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Notes	2023	2022
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	877,378	798,664
Trade and other receivables	9	104,708	140,177
Other current assets	10	343,718	1,279,770
<b>Total current assets</b>		<b>1,325,804</b>	<b>2,218,611</b>
<b>Non-current assets</b>			
Plant and equipment	11	3,010	6,340
Intangible assets	12	10,906	17,164
<b>Total non-current assets</b>		<b>13,916</b>	<b>23,504</b>
<b>Total assets</b>		<b>1,339,720</b>	<b>2,242,115</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	37,921	42,314
Deferred revenue	14	99,755	-
Employee benefits	15	202,780	235,401
<b>Total current liabilities</b>		<b>340,456</b>	<b>277,715</b>
<b>Non-current liabilities</b>			
Employee benefits	15	25,599	16,230
<b>Total non-current liabilities</b>		<b>25,599</b>	<b>16,230</b>
<b>Total liabilities</b>		<b>366,055</b>	<b>293,945</b>
<b>Net assets</b>		<b>973,665</b>	<b>1,948,170</b>
<b>Accumulated funds</b>			
Accumulated surplus	16	984,171	1,957,746
Foreign currency translation reserve		(10,506)	(9,576)
<b>Total accumulated funds</b>		<b>973,665</b>	<b>1,948,170</b>

*The above statement of financial position should be read in conjunction with the accompanying notes on pages 13 to 29.*

**ADARA DEVELOPMENT (AUSTRALIA)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Foreign Currency Translation Reserve</b>	<b>Accumulated surplus</b>	<b>Accumulated funds</b>
	\$	\$	\$
<b>Balance at 1 January 2022</b>	(7,287)	792,202	784,915
Net surplus for the year	-	1,165,544	1,165,544
Foreign currency translation loss	(2,289)	-	(2,289)
<b>Total comprehensive surplus for the year</b>	<b>(2,289)</b>	<b>1,165,544</b>	<b>1,163,255</b>
<b>Balance at 31 December 2022</b>	<b>(9,576)</b>	<b>1,957,746</b>	<b>1,948,170</b>
<b>Balance at 1 January 2023</b>	<b>(9,576)</b>	<b>1,957,746</b>	<b>1,948,170</b>
Net deficit for the year	-	(973,575)	(973,575)
Foreign currency translation loss	(930)	-	(930)
<b>Total comprehensive deficit for the year</b>	<b>(930)</b>	<b>(973,575)</b>	<b>(974,505)</b>
<b>Balance at 31 December 2023</b>	<b>(10,506)</b>	<b>984,171</b>	<b>973,665</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 13 to 29.*

**ADARA DEVELOPMENT (AUSTRALIA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023	2022
		\$	\$
<b>Cash flows from operating activities</b>			
Cash received for Maternal Newborn Child Health programmes		368,289	495,909
Cash received for Remote Community Development programmes		1,236,307	1,137,004
Cash received for general programme support		766,525	1,078,823
Cash received for core support expenses		3,014,737	3,944,957
Other income received		46,277	6,110
Cash received from other Adara Development entities		233,940	339,922
Cash paid for Maternal Newborn Child Health programme expenses		(583,799)	(1,140,125)
Cash paid for Remote Community Development programme expenses		(1,912,923)	(1,564,353)
Cash paid for Innovation, Learning & Evaluation		(126,280)	(161,991)
Cash paid for Knowledge sharing		(141,394)	-
Cash paid for core support expenses		(2,056,358)	(1,686,970)
Cash paid to other Adara Development entities		(1,765,246)	(1,122,598)
<b>Net cash (used in)/from operating activities</b>	8b	<b><u>(919,924)</u></b>	<b><u>1,326,689</u></b>
<b>Cash flows from investing activities</b>			
Payment for plant and equipment		(432)	(4,196)
Payment for term deposit		-	(1,000,000)
Proceeds from maturity of term deposit		1,000,000	-
<b>Net cash from/(used in) investing activities</b>		<b><u>999,568</u></b>	<b><u>(1,004,196)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b><u>79,644</u></b>	<b><u>322,493</u></b>
Foreign exchange differences		(930)	(2,289)
Cash and cash equivalents at the beginning of the year		798,664	478,460
<b>Cash and cash equivalents at the end of year</b>	8a	<b><u>877,378</u></b>	<b><u>798,664</u></b>

*The above statement of cash flows should be read in conjunction with the accompanying notes on pages 13 to 29.*

# ADARA DEVELOPMENT (AUSTRALIA) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

## 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 2023 are representative of a single entity.

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

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

The financial statements were approved by the Board of Directors on 24 April 2024.

## 2. Basis of preparation

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

### (a) Statement of preparation

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

#### **Compliance with Australian Accounting Standards - Simplified Disclosures**

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

### (b) Basis of measurement

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

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

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**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) Estimation of useful lives of assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**(e) 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.

**(f) 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 2023**

**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**

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.

**(g) 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. 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:

Computer equipment	3 years
Furniture and fittings	5 years

**ADARA DEVELOPMENT (AUSTRALIA)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3. Material accounting policies (continued)**

**(g) Plant and equipment (continued)**

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) 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.

**(i) 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.

**(j) 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.

**ADARA DEVELOPMENT (AUSTRALIA)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3. Material accounting policies (continued)**

**(k) 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.

**(l) 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 2023**

**3. Material accounting policies (continued)**

**(l) 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 2023.

<b>Type of Financial Instrument</b>	<b>Classification under AASB 9</b>
<b>Financial assets</b>	
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
<b>Financial liabilities</b>	
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 2023 which require an additional allowance for impairment.

**(m) 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 2023**

**3. Material accounting policies (continued)**

**(n) 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>2023</u>	<u>2022</u>
	\$	\$
Interest and other income	48,278	9,987
Fair value revaluation of other current assets	63,948	-
Membership fees	800	-
	<u><b>113,026</b></u>	<u><b>9,987</b></u>

**5. Maternal Newborn Child Health programme costs**

	<u>2023</u>	<u>2022</u>
	\$	\$
Kiwoko Hospital	454,677	961,457
Programme Support	157,422	151,959
	<u><b>612,099</b></u>	<u><b>1,113,416</b></u>

Historically, the company has funded Kiwoko Hospital by disbursing funds directly to the hospital. During the financial year and effective from 1 July 2023, management has decided to fund this programme via Adara Development (Uganda), resulting in \$601,209 amount being included in "Net transfer of funds between this entity and other Adara Development entities" as disclosed under Note 17 – Related Party Transactions.

**6. Remote Community Development programme costs**

	<u>2023</u>	<u>2022</u>
	\$	\$
Adara Development Nepal - Humla	821,871	602,608
Programme Support	422,368	364,672
Adara Development Nepal - Ghyangfedi	278,383	204,981
Himalayan Children Society	254,601	236,367
The Himalayan Innovative Society	63,360	56,215
Adara Development Nepal - Tibetan Medical Practitioner	36,496	28,748
Hands in Outreach	15,724	15,836
The Women's Foundation	8,335	7,863
Himalayan Medical Foundation	-	53,145
Adara Development Nepal - Adara Kids	-	2,550
	<u><b>1,901,138</b></u>	<u><b>1,572,985</b></u>

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. Core support expenses**

	<u>2023</u>	<u>2022</u>
	\$	\$
Employee related expenses	1,619,171	1,340,434
IT and telecommunications	162,327	127,085
Occupancy	128,661	83,856
Travel expenses	83,018	164,474
Partnerships, development and communications	73,270	32,132
Depreciation and amortisation	58,221	56,418
Finance, governance and compliance	47,156	42,459
Office and other operating costs	17,585	23,379
Fair value revaluation of other current assets	-	127,895
Foreign exchange gains and losses	(2,125)	(5,766)
	<u><b>2,187,284</b></u>	<u><b>1,992,366</b></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>2023</u>	<u>2022</u>
	\$	\$
<b>Cash at bank and on hand:</b>		
Core support	568,508	516,201
General restricted	74,732	63,173
Maternal Newborn Child Health restricted	15,533	64,208
Remote Community Development restricted	218,605	155,082
	<u><b>877,378</b></u>	<u><b>798,664</b></u>

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

	<u>2023</u>	<u>2022</u>
	\$	\$
Net (deficit)/surplus for the year	(973,575)	1,165,544
Adjustments for non-cash income and expense items:		
Fair value revaluation of other current assets	(63,948)	127,895
Depreciation and amortisation expense	10,020	12,630
Increase / (decrease) in deferred revenue	99,755	-
(Increase) / decrease in trade and other receivables	35,468	(49,465)
Increase / (decrease) in other current liabilities	2,219	2,794
Increase / (decrease) in trade and other payables	(13,996)	6,679
Increase / (decrease) in employee benefits	(15,867)	60,613
<b>Net cash (used in)/ from operating activities</b>	<u><b>(919,924)</b></u>	<u><b>1,326,690</b></u>

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**9. Trade and other receivables**

	<u>2023</u>	<u>2022</u>
	\$	\$
Other receivables	69,173	109,120
Prepayments	33,594	29,151
Trade receivables	1,941	1,906
	<u><b>104,708</b></u>	<u><b>140,177</b></u>

**10. Other current assets**

	<u>2023</u>	<u>2022</u>
	\$	\$
Other current assets - Shares	343,718	279,770
Other current assets - Term deposit	-	1,000,000
	<u><b>343,718</b></u>	<u><b>1,279,770</b></u>

On 29 September 2022, Adara Development (Australia) placed \$1,000,000 on one-year fixed term deposit with Macquarie Bank at 3.80% per annum, which, upon maturing on 4 October 2023, was credited back to our Commonwealth Bank savings account.

As at 31 December 2023, the revaluation of 199,836 shares of Ansarada Group Ltd resulted in a gain of \$63,948 (2022: Loss of \$127,875), which has been taken to the profit or loss as other income (2022: Other expense).

**11. Plant and equipment**

	<u>2023</u>	<u>2022</u>
<b>Office equipment</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
At the beginning of the financial year	15,175	30,569
Additions	432	3,908
Disposal	-	(19,302)
<b>At the end of the financial year</b>	<u><b>15,607</b></u>	<u><b>15,175</b></u>
<b>Accumulated Depreciation</b>		
At the beginning of the financial year	9,080	23,084
Depreciation for the year	3,702	5,244
Disposal	-	(19,248)
<b>At the end of the financial year</b>	<u><b>12,782</b></u>	<u><b>9,080</b></u>
<b>Net book value at the end of the financial year</b>	<u><b>2,825</b></u>	<u><b>6,095</b></u>

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. Plant and equipment (continued)**

	<b>2023</b>	<b>2022</b>
<b>Furniture and fittings</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
At the beginning of the financial year	289	-
Additions	-	289
<b>At the end of the financial year</b>	<b>289</b>	<b>289</b>
<b>Accumulated Amortisation</b>		
At the beginning of the financial year	44	-
Depreciation for the year	60	44
<b>At the end of the financial year</b>	<b>104</b>	<b>44</b>
<b>Net book value at the end of the financial year</b>	<b>185</b>	<b>245</b>
<b>Total net book value at the end of the financial year</b>	<b>3,010</b>	<b>6,340</b>

**12. Intangible assets**

	<b>2023</b>	<b>2022</b>
<b>Website</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
At the beginning of the financial year	24,920	53,069
Disposal	-	(28,149)
<b>At the end of the financial year</b>	<b>24,920</b>	<b>24,920</b>
<b>Accumulated Amortisation</b>		
At the beginning of the financial year	7,786	29,706
Amortisation for the year	6,228	6,229
Disposal	-	(28,149)
<b>At the end of the financial year</b>	<b>14,014</b>	<b>7,786</b>
<b>Net book value at the end of the financial year</b>	<b>10,906</b>	<b>17,134</b>
	<b>2023</b>	<b>2022</b>
<b>Software</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
At the beginning of the financial year	3,000	76,096
Disposal	-	(73,096)
<b>At the end of the financial year</b>	<b>3,000</b>	<b>3,000</b>
<b>Accumulated Amortisation</b>		
At the beginning of the financial year	2,970	74,951
Amortisation for the year	30	1,115
Disposal	-	(73,096)
<b>At the end of the financial year</b>	<b>3,000</b>	<b>2,970</b>
<b>Net book value at the end of the financial year</b>	<b>-</b>	<b>30</b>
<b>Total net book value at the end of the financial year</b>	<b>10,906</b>	<b>17,164</b>



**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**13. Trade and other payables**

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade payables	686	14,682
Accrued expenses	10,652	8,434
PAYG	26,583	19,198
	<u><b>37,921</b></u>	<u><b>42,314</b></u>

**14. Deferred revenue**

	<u>2023</u>	<u>2022</u>
	\$	\$
Opening balance	-	-
Increase/ (Decrease) due to cash received	99,755	-
	<u><b>99,755</b></u>	<u><b>-</b></u>

Funds were received on 8 December 2023 in relation to an RCD construction project, budgeted in 2024.

**15. Employee benefits**

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Current</b>		
Annual leave	131,560	116,666
Other employee accruals	2,648	-
Superannuation	-	14,676
Sick leave liability	33,349	49,200
Long service leave	35,223	54,859
	<u><b>202,780</b></u>	<u><b>235,401</b></u>
<b>Non-current</b>		
Long service leave	25,599	16,230
	<u><b>25,599</b></u>	<u><b>16,230</b></u>

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**16. Accumulated funds**

**(a) Movement in funds 2023**

	<b>1 January 2023</b>	<b>Income</b>	<b>Expenditure</b>	<b>31 December 2023</b>
	\$	\$	\$	\$
<b>Adara Development (Australia)</b>				
Core support	1,647,249	3,263,166	(4,139,198)	771,217
Designated funds:				
General restricted	26,088	765,737	(776,608)	15,217
Maternal Newborn Child Health restricted	62,210	368,289	(414,966)	15,533
Remote Community Development restricted	148,396	1,128,381	(1,166,903)	109,874
	<b>1,883,943</b>	<b>5,525,573</b>	<b>(6,497,675)</b>	<b>911,841</b>
<b>Adara Development (Australia) foreign operation in Nepal</b>				
Accumulated funds	73,803	1,977	(3,450)	72,330
Foreign currency translation reserve	(9,576)	(930)	-	(10,506)
	<b>64,227</b>	<b>1,047</b>	<b>(3,450)</b>	<b>61,824</b>
<b>Total</b>	<b>1,948,170</b>	<b>5,526,620</b>	<b>(6,501,125)</b>	<b>973,665</b>

**(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 funds**

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

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**17. 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:

	<u>2023</u>	<u>2022</u>
	\$	\$
Adara Advisors Pty. Limited cash and in-kind donations	142,117	118,625
Adara Partners (Australia) Pty. Limited cash donations	<u>3,010,000</u>	<u>3,942,000</u>
	<u><b>3,152,117</b></u>	<u><b>4,060,625</b></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 \$29,541 (2022: \$51,048) 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:

	<u>2023</u>	<u>2022</u>
	\$	\$
Transfers (to) Adara Development (USA)	(499,317)	(581,744)
Transfers (to) Adara Development (UK)	(16,781)	(104,353)
Transfers (to) Adara Development (Bermuda)	-	(72,256)
Transfers (to) Adara Development (Uganda)	<u>(1,249,148)</u>	<u>(364,245)</u>
	<u><b>(1,765,246)</b></u>	<u><b>(1,122,598)</b></u>

Transfers to Adara Development (Uganda) includes \$601,209 for Kiwoko Hospital funding that was historically included as Maternal Newborn Child Health programme costs – refer note 5. From 1 July 2023 management has decided to fund this programme via Adara Development (Uganda).

Additionally, Adara Development (Australia)'s foreign operation in Nepal (INGO) received \$233,940 (2022: \$339,922) from other Adara Development entities to support Remote Community Development programmes.

**ADARA DEVELOPMENT (AUSTRALIA)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**17. Related party transactions**

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

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

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

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

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

**18. Key management personnel compensation**

The key management personnel of the Company are its directors:

- Audette Evelyn Exel AO
- Richard Alan West (Resigned 16 November 2023)
- Susan Burns
- Ilana Atlas AO
- Andrea McCormick
- Jo Brennan

The directors receive no compensation for their services.

**19. Commitments**

**(a) Commitments to Non Government Organisations**

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

The amounts committed to by Adara Development are as follows:

	<b>Funding committed for January - December 2024</b>	<b>Agreement period from</b>	<b>Agreement period ending</b>
	\$		
Kiwoko Hospital Centre of Excellence	1,376,200	01-Jan-22	31-Dec-24
Adara Development Nepal	1,350,866	25-Nov-14	Completion of project
Himalayan Children's Society (HCS)	241,123	01-Jan-23	10-Mar-25
The Himalayan Innovative Society (THIS)	58,565	01-Jan-23	10-Mar-25
Hands in Outreach Projects (HIO)	15,019	01-Jan-23	10-Mar-25
The Women's Foundation (WF)	8,503	01-Jan-23	10-Mar-25
<b>Total</b>	<b><u>3,050,276</u></b>		

**ADARA DEVELOPMENT (AUSTRALIA)  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2023**

**19. Commitments (continued)**

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

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

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

**20. Contingencies**

As at 31 December 2023, the Company had no material contingent assets or liabilities (2022: nil).

**21. Auditors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
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.

**22. Financial instruments**

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

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

- market risk
- credit risk
- liquidity 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.

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. Financial instruments (continued)**

**(i) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

As at 31 December 2023, the Company held 199,836 shares at a value of \$343,718 (2022: \$279,770) of Ansarada Group Ltd which resulted in the Company being exposed to price risk, quantified by sensitivity analysis below

	<b>10% increase in equity price</b>		<b>10% decrease in equity price</b>	
	<b>Value of asset</b>	<b>Profit or loss</b>	<b>Value of asset</b>	<b>Profit or loss</b>
Other current assets - Shares	378,090	34,372	309,346	(34,372)

**(ii) Interest rate risk**

The Company's main interest rate risk arises from cash and cash equivalents (savings account), held with variable interest rates. The term deposit mentioned in the previous year's report matured in October 2023, eliminating any associated interest rate risk. The remainder of cash and equivalents do not earn interest. As at 31 December 2023, if interest rates had changed by + / - 2 basis points from year end rates with all other variables held constant, profit would have been \$124 higher or lower (2022: \$476).

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

	<b>2023</b>		<b>2022</b>	
	<b>Weighted average interest rate</b>	<b>Balance</b>	<b>Weighted average interest rate</b>	<b>Balance</b>
		<b>\$</b>		<b>\$</b>
Cash and cash equivalents	1.21%	782,274	0.34%	660,827
Other current assets - Term deposit	-	-	3.80%	1,000,000

**(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 customer or counterparty to a financial instrument fails to meet its contractual obligations. At 31 December 2023, the Company's assets exposed to credit risk amounted to the following:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
<b>Financial assets at amortised cost:</b>		
Trade and other receivables	71,114	111,026
	<b>71,114</b>	<b>111,026</b>

**ADARA DEVELOPMENT (AUSTRALIA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**22. 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 unforeseen 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.

	<b>Carrying value</b>	<b>0-12 months</b>	<b>Greater than 1 year</b>
	\$	\$	\$
<b>As at 31 December 2023</b>			
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost:</b>			
Trade and other payables	37,921	37,921	-
	<b>37,921</b>	<b>37,921</b>	<b>-</b>
	<b>Carrying value</b>	<b>0-12 months</b>	<b>Greater than 1 year</b>
	\$	\$	\$
<b>As at 31 December 2022</b>			
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost:</b>			
Trade and other payables	42,314	42,314	-
	<b>42,314</b>	<b>42,314</b>	<b>-</b>

**(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.

**23. Fundraising appeals conducted during the year**

No fundraising appeals have been undertaken during the year (2022: Nil).

**24. Events after the balance sheet date**

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

## ADARA DEVELOPMENT (AUSTRALIA) DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes set out on pages 9 to 29, 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 2023 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 32 to 35 are in accordance with the ACFID Code of Conduct and presents fairly in material respects the Company's financial position as at 31 December 2023 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.



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Audette Evelyn Exel AO  
Chair  
Sydney  
24 April 2024



## 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 Adara Development (Australia) with respect to fundraising appeal activities for the financial year ended 31 December 2023;
- (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 2023;
- (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 2023; 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.

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



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Madeline Vaughan  
Chief Executive Officer  
Sydney  
24 April 2024

## 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](http://www.acfid.asn.au).

### ADARA DEVELOPMENT (AUSTRALIA) INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Revenue</b>		
<b>Donations and gifts</b>		
Monetary	4,478,689	5,966,778
Non - monetary	140,970	118,625
Grants - Australian	385,304	365,000
Grants - other overseas	409,561	331,815
<b>Other income</b>		
Fair value revaluation of financial assets	63,948	-
Interest and other income	49,078	9,987
Transfer of funds from other Adara Development entities	233,940	339,922
<b>Total revenue</b>	<u><b>5,761,490</b></u>	<u><b>7,132,127</b></u>
<b>Expenses</b>		
<b>International Aid and Development Programs Expenditure</b>		
Maternal Newborn Child Health	1,904,307	1,811,920
Remote Community Development	1,895,541	1,617,280
International programs - Program support costs	1,232,705	968,262
<b>Fundraising costs</b>		
Private	439,645	325,575
Public	-	-
<b>Accountability and Administration costs</b>	1,125,487	999,929
<b>Other expenses</b>	-	127,895
<b>Non monetary expenses</b>	137,380	115,722
<b>Total expenditure</b>	<u><b>6,735,065</b></u>	<u><b>5,966,583</b></u>
<b>Net (deficit)/surplus for the year</b>	<u><b>(973,575)</b></u>	<u><b>1,165,544</b></u>
Other comprehensive loss	(930)	(2,289)
<b>Total comprehensive (deficit)/surplus for the year</b>	<u><b>(974,505)</b></u>	<u><b>1,163,255</b></u>

**ADARA DEVELOPMENT (AUSTRALIA)  
INCOME STATEMENT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2023**



*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 2023**



	Notes	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	877,378	798,664
Trade and other receivables	9	104,708	140,177
Other current assets	10	343,718	1,279,770
<b>Total current assets</b>		<b>1,325,804</b>	<b>2,218,611</b>
<b>Non-current assets</b>			
Plant and equipment	11	3,010	6,340
Intangible assets	12	10,906	17,164
<b>Total non-current assets</b>		<b>13,916</b>	<b>23,504</b>
<b>Total assets</b>		<b>1,339,720</b>	<b>2,242,115</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	37,921	42,314
Deferred revenue	14	99,755	-
Employee benefits	15	202,780	235,401
<b>Total current liabilities</b>		<b>340,456</b>	<b>277,715</b>
<b>Non-current liabilities</b>			
Employee benefits	15	25,599	16,230
<b>Total non-current liabilities</b>		<b>25,599</b>	<b>16,230</b>
<b>Total liabilities</b>		<b>366,055</b>	<b>293,945</b>
<b>Net assets</b>		<b>973,665</b>	<b>1,948,170</b>
<b>Accumulated funds</b>			
Accumulated surplus	16	984,171	1,957,746
Foreign currency translation reserve		(10,506)	(9,576)
<b>Total accumulated funds</b>		<b>973,665</b>	<b>1,948,170</b>

*The above statement of financial position should be read in conjunction with the accompanying notes on pages 13 to 29.*

**ADARA DEVELOPMENT (AUSTRALIA)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**



	Foreign currency Translation Reserve	Accumulated surplus	Accumulated funds
	\$	\$	\$
<b>Balance at 1 January 2022</b>	<b>(7,287)</b>	<b>792,202</b>	<b>784,915</b>
Net surplus for the year	-	1,165,544	1,165,544
Foreign currency translation loss	(2,289)	-	(2,289)
<b>Total comprehensive surplus for the year</b>	<b>(2,289)</b>	<b>1,165,544</b>	<b>1,163,255</b>
<b>Balance at 31 December 2022</b>	<b>(9,576)</b>	<b>1,957,746</b>	<b>1,948,170</b>
<b>Balance at 1 January 2023</b>	<b>(9,576)</b>	<b>1,957,746</b>	<b>1,948,170</b>
Net deficit for the year	-	(973,575)	(973,575)
Foreign currency translation loss	(930)	-	(930)
<b>Total comprehensive deficit for the year</b>	<b>(930)</b>	<b>(973,575)</b>	<b>(974,505)</b>
<b>Balance at 31 December 2023</b>	<b>(10,506)</b>	<b>984,171</b>	<b>973,665</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes on pages 13 to 29.*

## **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 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the Directors’ declaration.

The ACFID Financial Statements comprises the statement of financial position as at 31 December 2023, 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 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

#### **Basis for Opinion**

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

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

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

#### **Information Other than the Financial Report and Auditor’s Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 31 December 2023, 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.

[hlb.com.au](http://hlb.com.au)

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

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

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

### **Responsibilities of Management and the Directors for the Financial Report**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

#### Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 31 December 2023;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2023 to 31 December 2023, 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 2023 to 31 December 2023 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**  
**24 April 2024**



**A B Narayanan**  
**Partner**