



Transform Aid

INTERNATIONAL
For a world without poverty



ANNUAL REPORT

YEAR ENDED 30 JUNE 2014

Our Vision

A world where poverty has ended and all people enjoy the fullness of life God intends



Transform Aid
INTERNATIONAL
For a world without poverty



BAPTIST WORLD AID AUSTRALIA
Be love. End poverty.

Our Mission

- Partner with like-minded agencies overseas to empower communities to lift themselves out of poverty, challenge injustice and build resilience.
- Partner with Christians and churches in Australia, particularly those from the Baptist movement, in generous giving, ethical consumption, courageous advocacy and faithful prayer in order to achieve justice for people living in poverty.
- Create a professional and enriching environment for staff and the Board as they serve in the name of Jesus.

Our Core Values

As an organisation we are:

- Motivated and directed by Christian principles and values;
- Committed to using resources with transparency, accountability and integrity;
- Committed to excellence and quality by being a creative and learning organisation;
- Committed to valuing all who work for the organisation.

In our development work we are committed to:

- Holistic development as an expression of the Christian gospel;
- Working for justice, equity and equality;
- Working in partnership with communities in developing countries and Australia;
- Economic, social and ecological sustainability in all our activities.

Message From Chair Of The Board & CEO



Mick Turnbull
CHAIR OF THE BOARD

The past year for our organisation has been one of both challenge and reward. We have seen good progress within various parts of Transform Aid International including in the area of 'being vocal' in advocacy with the work through our fashion and electronics reports that speak into business and consumers ensuring those most vulnerable are not being exploited. We have also achieved a solid financial result which continues to underpin our critical programs overseas. At Transform Aid International we see ourselves in partnership with our Baptist family and others who give money, time and faithful prayer to ensure our organisation is successful in its mission. Without our supporters and friends, this work would not be able to continue and those within our global village wouldn't receive the hand up, support and care that we provide. I would like to personally thank each of you for your commitment to our organisation.

It has been my pleasure and honour during this year to lead our board

as Chair. Our Board of Directors are a group of deeply caring, committed and passionate people with strong governance talents. During this year we said goodbye to three long term directors who finished their terms with us: Paul Oates (WA) who was also chair of our finance committee, Ann Herbert (TAS) who was our Vice Chair and also Chair of our Human Resource & Governance committee (HRGC), and Daniel Wallis (QLD) who was part of the HRGC. We wish all three every blessing as they move into new areas and thank them for their service to Transform Aid International.

During this year I have worked closely with John Hickey, our CEO, and his leadership team as they have continued to strive diligently in their service of the poor and the marginalised. I thank John for his exceptional leadership of a diverse and committed group of staff and volunteers.

Lastly, as I review the past year I am thankful to a loving God who calls us to stand up for those unable to stand for themselves and speak up for those with no voice. Without this love and blessing we would not be able to achieve what we have during this last year.

Blessings



John Hickey
CHIEF EXECUTIVE OFFICER

As you can see, we are no longer just Baptist World Aid Australia! On 23 July 2013, we commenced operating under a new group structure with a new holding company, Transform Aid International Ltd, and a new subsidiary company, Baptist World Aid Australia Ltd. Accordingly, the look and feel of this year's Annual Report represents one of many changes and developments for our organisation this past year. This has been an important strategic milestone for us. Baptist World Aid Australia will continue as the entity we primarily use to engage with our Australian Baptist constituency in our mission to address the causes and outcomes of poverty globally. However, we do have a further vision to expand, using our experience and capacity, working closely with partnerships and alliances beyond our traditional denominational base. And so Transform Aid International exists to facilitate this strategy in the years ahead.

Aside from that, we can declare that we have had a very successful year, as you will read in the pages that follow. We have achieved total

revenue of A\$16.57 million, a 14% increase on our 2012/13 result. As a result, we have been able to keep building our impact and effectiveness across international programs, our national and international advocacy efforts, and our operating systems and infrastructure.

In the midst of considerable political and economic uncertainty, our faithful supporters have grown in their commitment to our mission! Also, the Australian Department of Foreign Affairs and Trade has maintained its level of engagement with us, for which we are most appreciative.

I want to thank all our team, and particularly my colleagues on the Executive team, for their exceptional efforts, built from great skill, passion and desire to serve our mission and to serve Jesus! And then there is our Board, an amazing group from across Australia with diverse expertise, bound by a common commitment, and led with great skill by our Chair, Mick Turnbull.

Thank you to supporters, government, stakeholders, staff and Board for your continued commitment. This encourages us to continue confidently towards realising our vision towards a world where poverty has ended and all people enjoy the fullness of life God intends!

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We mobilise Australian churches and individual Christians to hear God's call to justice and show mercy to the world's poor

About

Transform Aid International Ltd Group (including Baptist World Aid Australia Ltd)

Across the world today there are over 1 billion people living in extreme poverty, struggling to survive on less than \$1.25¹ each day. They miss out on security, education, health care, decent work and the opportunity to improve their lives. Many live without any hope for a better future.

At Transform Aid International, we dream of a world where poverty has ended and all people enjoy fullness of life. We believe this is God's heart for every person on the planet and we praise God as this becomes a reality for children, families, and communities around the world.

The mission of the Church is to be servants of God as he brings his kingdom into being. This means God works through Christians to restore people to right relationships with himself, with one another, with creation and within themselves. Transform Aid International exists to be a vehicle by which Baptist churches and people who are part of the Baptist movement can fulfil this mission towards those people in our world who live in poverty. This gives us a two-pronged focus.

First, Baptist World Aid Australia mobilises Australian churches and individual Christians to hear God's call to do justice and show mercy to the world's poor; to discover they can do far more than they ever imagined in bringing blessing to people living in poverty through their giving, through advocacy, through ethical consumption and through prayer. We also work in the areas of advocacy, education and discipleship.

Second, Transform Aid International forms partnerships with indigenous groups overseas who are well-placed to facilitate community development programs in poor communities.

We provide ongoing support to these partners by way of funding, accountability, capacity building, encouragement and prayer. Through these partnerships we see God doing more than we ever imagined in lifting households and communities out of poverty. In 2013/14, we worked with 46 partners running 74 projects in 18 countries.

Our Areas of Work

Lasting solutions to extreme poverty involve whole communities. We support work that enables communities to identify God's better future and to take action together to create that future.

Community Development

Our projects work with communities to identify the causes of their poverty and discover ways to use their strengths to build sustainable solutions. Our partners support, resource and train communities as they put their plans to overcome poverty into action.

Child Centred Community Development

If children are to enjoy God's better future, they need to live in safe and nurturing communities that listen to children's voices, in households with secure and nutritious food and enough income to meet their needs, and so much more.

¹ www.worldbank.org/en/topic/poverty/overview

2013/14 and Beyond

As our supporters across the Australian Baptist community will note, this Annual Report is very different! As we outlined in the 2012/13 Annual Report, as at 23 July 2013 we commenced operating under a new group structure with a new holding company, Transform Aid International Ltd, and a new subsidiary company, Baptist World Aid Australia Ltd.

So, this 2013/14 Annual Report is the first which is officially for the Transform Aid International Group, of which Baptist World Aid Australia remains the major operating subsidiary, still focussed as our primary 'brand' to engage with our Australian Baptist constituency in addressing extreme poverty, its causes and impacts, across the world.

Baptist World Aid Australia is our core and our heritage however, although it is early days, Transform Aid International will also be a big part of our future to address justice on poverty globally, stretching beyond our local denominational base.

We have tried to blend the identities of the two corporate elements of our organisation into this report. We now have a number of key stakeholders who now identify with Transform Aid International, in addition to Baptist World Aid Australia:

- The Australian Department of Foreign Affairs and Trade (DFAT), with whom we are accredited for grants for various programs across Africa, Asia and the Pacific regions.
- Australian Council for International Development (ACFID), of which we are a full member, a signatory to ACFID's Code of Conduct, and we submit ourselves to a compliance self-assessment check annually.
- The Integral Alliance, of which we are a member, a formal international coalition of substantive Christian relief and development agencies, building a cooperative framework to address

response, ongoing management and risk reduction of major disasters globally.

- Church Agencies' Network, which comprises eleven Australian-based international development agencies, representing ten church denominations and a substantial combined Christian constituency across Australia. We share resources for the benefit of all agencies, collaborate on a number of overseas programs, and also participate in joint advocacy on international aid and justice issues across community, corporate and government sectors.

Additionally, we continue to play a pivotal role in the financing, functioning and policy input for Micah Challenge, the leading Christian advocacy campaign on poverty and aid issues for the past several years. We also collaborate with other particular secular and Christian NGO's to mutually build knowledge and capacity in specific areas, in our continual search to improve our impact.

In the meantime, we continue to take a leadership role in building the capacity of the Baptist denomination internationally to address poverty and justice issues in a more coordinated manner. We are the primary financial backer of Asia Pacific Baptist Aid, and we recently helped to organise the first ever global development consultation for the Baptist World Alliance, held in Turkey in July 2014. Participants

2013/14 and Beyond

from 40 countries were represented, culminating with a strong mutual desire to build a new vision and strategy for global impact with much improved practice and scale.

All these relationships and coalitions, to which Transform Aid International and Baptist World Aid Australia are fundamentally committed and highly involved in, in some cases taking leadership roles, add enormous leverage to our effectiveness in our cause to address global poverty in our Christian context.

We feel a strong sense of 'Kingdom' passion and responsibility to invest in our own strategy for change. We do this through helping our government, supporters, peers and partners to be more effective and impactful in understanding and helping individuals, churches, communities and nations to sustainably transform themselves and each other out of the state of deep poverty and vulnerability.

Sustained transformation in the causes of poverty and of the lives impacted by extreme systemic vulnerability requires, in our view, a multi-faceted and integrated set of strategies, founded on strong principles of missional excellence and the passionate support of our constituency.

In the following pages are several examples of the breakthroughs we have achieved in the past year across several areas, including the following:

- International development programs, across 18 countries with 46 indigenous partners in Africa, Asia and the Pacific.
- Disaster management and responses, with emphasis on the Philippines in the wake of Typhoon Haiyan (in which more than A\$1 million was raised by

our Australian supporters), and the Solomon Islands after severe flooding, and now our Middle East Crises campaign.

- Further advancement in our Child-Centred Community Development programs, including our child sponsorship platform.
- The launch of two major research projects by our Advocacy team, "The Ethical Fashion Report" and the "Ethical Electronics Report", and their accompanying ethical buying guides for consumers, which have provided significant engagement with leading Australian and multinational corporations on ethical supply policies and management.
- Advanced development of new International Programs and Advocacy Strategic Frameworks, towards deepening our integrated impact strategies.
- Expansion of the Australian church-based Catalyst advocacy groups.
- Launch of a new book/Bible study resource, 'Just Speak', in addition to our highly successful books and series 'The End of Greed' and 'Be Love'.
- Launch of a new internal Quality project to enhance our standards of policies, compliance and risk management, as well as the development of a new IT systems infrastructure strategy and the launch of a new financial management systems project, which will enhance our reporting and management capacity.
- Record revenue for the full year of A\$16.57 million which was a 14% increase on our 2012/13 result. This was despite a generally flat charities market, as well as considerable political uncertainty.

All of this is due to the considerable



passion and skill of our staff and volunteers, in league with a high quality Board and wonderful church and individual supporters. However, the real heroes are our partners who demonstrate the love of Jesus as they dedicate their lives to the communities they serve, often at great personal sacrifice and risk. It is also humbling to meet those people living in extreme poverty who have the courage to go on the journey to transform their lives and those of their families. It is a privilege to spend time with these great people, to hear their stories, to encourage them and to be encouraged by them.

JOHN HICKEY
CHIEF EXECUTIVE OFFICER



Our People

Transform Aid International

Transform Aid International is committed to valuing all who work for the organisation, our employees and our volunteers. It is part of our mission to “create a professional and enriching environment for staff as they serve in the name of Jesus”.

At 30 June 2014, Transform Aid International had 54 employees, with 20 working in part-time and casual roles, and 54 regular volunteers.

Employee Care

All new staff undertake a comprehensive orientation including our theology of development, our international programs and advocacy work.

The safety of children is of the highest importance and all new staff and volunteers undergo a Federal Police check. Regular Child Safe training is run for all employees and volunteers. Performance appraisals are conducted annually for all employees, to assess work and set goals for the year ahead. This process also allows employees to provide feedback on their experience

working for the organisation. The CEO is appraised annually by a committee of the Board.

Since July 2010, our Employee Assistance Program (EAP) has provided opportunities for staff to receive supervision or counselling for matters relating to their work.

An active Workplace Health and Safety committee is responsible for health and safety risk management, including quarterly inspections and mitigation of real and potential risks. Staff travelling overseas take advice from the Department of Foreign Affairs and Trade and in-country partners on travel safety. Medical and emergency assistance overseas is facilitated by SOS International.

Our Environmental Sustainability Committee conducts regular audits of our carbon footprint, helping us maintain our commitment to recycling and sustainable sourcing.

“The safety of children is of the highest importance and all staff and volunteers undertake regular Child Safe training.”

Micah Challenge

Transform Aid International also supports the work and employees of Micah Challenge. The Micah Challenge Office is located at our office in North Ryde.

Volunteers

The work of Transform Aid International is supported by a large number of volunteers each year. Without their help, the group could not operate as efficiently nor as effectively as it does.

The contributions from volunteers, through regular mail opening, screening of children’s mail, book-keeping, project assistance, etc. means that the group is able to lower our administration costs and deliver a greater proportion of cash donations directly to field projects.

Our volunteers are greatly appreciated by our organisation. We recognise our volunteers by celebrating National Volunteer Week, and providing an annual ‘Thank You’ luncheon. We also enjoy celebrating significant anniversaries and birthdays with our volunteers.

During the year ended 30 June 2014, 54 volunteers contributed 10,504 hours of work at a commercial value of \$261,648 (FY2013: \$230,937). Of this amount, \$28,570 is considered recognised development expenditure for the purpose of assessing the group’s entitlement for Government funding (FY2013: \$84,835).



Upendra Singh,
IT Administrator

Upendra has been with Transform Aid International taking care of the technologies needs (IT and Telecom) for the organisation. Upendra has been instrumental in finding suitable technologies to help support growth within the organisation.

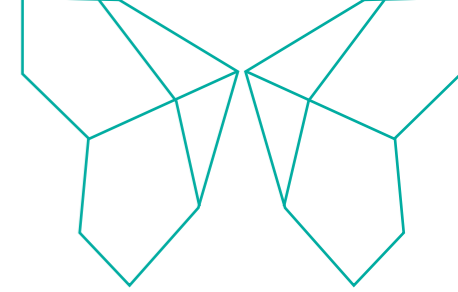
“I have been motivated and inspired by two bible verses: John 10:10 ‘I have come that they may have life, and have it to the full’ and Micah 6:8 ‘To act justly and to love mercy; and to walk humbly with your God.’”



Trish Pecar, Volunteer
Supporter Services Assistant

Trish is part of our busy Supporter Services Team contributing three days a week of her time since joining Baptist World Aid Australia as a volunteer in 2012. Trish is responsible for a variety of jobs relating to sponsored children. Her exceptional administration skills and ‘can do’ attitude make Trish a much-valued member of the team.

“The atmosphere here is wonderful. Everyone helps one another and I’ve made many new friends amongst the volunteers and staff. I wake up with a bounce in my step on those days I know I am coming in to volunteer at Baptist World Aid Australia!”



Our Board

Chief Executive Officer *John Hickey*

Director of Business
Peter Leau

Director of International Programs
Anthony Sell

Director of Community Engagement
Glen Richardson

Overseen by
John Hickey

Finance Team

Manager, Daniel Tan
Manages all accounting and financial systems within the organisation, including relationships with banks, auditors and foreign currency exchanges for providing funds to our partners overseas.

HR & Organisational Development Team

HR Advisor, Lana Kularajah
Provides HR support, resources and organisational development strategy, as well as managing our Volunteer Program.

Information Systems Team

Team Leader, Jane Alfred
Supports the operations of all other teams with operational IT and Systems requirements.

Compliance

Governance Coordinator, Lyndelle Taylor (Solicitor & Chartered Secretary)
Assists the Director of Business, in his role as Company Secretary, to ensure continuous improvement of compliance systems.

Asia Team

Project Manager, Daniel Norris
Responsible for the implementation of Transform Aid International's International Programs Strategic Framework in Asia.

Africa/Pacific Team

Project Manager, Steve Hamlin
Responsible for the implementation of Transform Aid International's International Programs Strategic Framework in Africa and the Pacific.

Specialists

Disaster Management, Dan Skehan
Child & Youth Programming, Mel Harwin
Monitoring, Evaluation & Learning, Rachel Achterstraat

Marketing & Communications Team

Responsible for fundraising and reporting on the programs we deliver. The team produces our publications and manages our website and social media.

Church Relations Team

Manager, Robin Carter
Manages relationships with Baptist churches and other community groups, equipping Christians to be love and help end extreme poverty.

Supporter Services & Teleservicing Teams

Manager, Ming Chai
Provides high quality service to supporters from across Australia; processes all donations; and administers our Child Sponsorship program.
The Teleservicing Team communicates with our supporters to thank them for their contributions and offer new opportunities to be generous.

Advocacy Team

Manager, Gershon Nimbalker
The Advocacy team equips our supporters and Catalyst groups to speak up about issues of poverty. They also work with coalitions such as Micah Challenge and Stop the Traffik.

Meet the Executive

The Executive Team manages and directs the organisation and works closely with the Board.



**John Hickey,
Chief Executive Officer**

John joined Transform Aid International in July 2010, after more than 20 years in leadership roles including CEO of Newcastle Permanent Building Society and as General Manager and Executive Board member of ING Bank Australia. John has a Bachelor of Arts (Honours) with majors in Political Science and Law, and postgraduate qualifications in financial services and international business leadership. He is also a Member of the Australian Institute of Company Directors (MAICD).

John specialises in organisational leadership and the development and implementation of vision and strategy.

As part of his role as CEO, John serves on the Boards of Global Interaction and Integral Alliance (also as Executive Committee member), on the National Council of Australian Baptist Ministries, and sits on the Baptist World Alliance Aid Committee. John retired this year as a Director (formerly Chair)

of Christian Education Foundation Ltd, which operates Charlton Christian College in the Hunter region of NSW. He and his family are members of Thrive Baptist Church (an affiliate of the Baptist Union NSW), where he has formerly been a member of the Church Council and Treasurer.

“As I seek to listen to and obey God’s call on my life, I am constantly inspired and encouraged by the progress we are making to end poverty – but there is much more to do and I’m passionate about this challenge.”

**Peter Leau,
Director of Business**

Peter was appointed as Director of Business in January 2009 after more than 25 years of business and financial management experience in corporate and not-for-profit sectors. Peter holds a Master of Business Administration (MBA), Master of Marketing and a Master of Strategic Organisational Development.

Peter is a Fellow of the Institute of Public Accountants, an Associate Fellow of the Australian Institute of Management and a Certified

Professional of the Australian Human Resources Institute. Peter and his wife attend Central Baptist Church in Sydney.

“I am passionate about making a difference in the lives of children living in poverty.”

**Anthony Sell,
Director of International Programs**

Anthony joined Transform Aid International as a Programs Coordinator in January 2009, and was appointed Director of International Programs in 2010.

For ten years he worked as the Founding Director and CEO of a church-based community ministry. He has also served in a senior position in a local Baptist Church with a focus on mission. He has worked in overseas project development and management since 2004. Anthony has post-graduate training in Humanities.

“I feel honoured to lead a team of highly trained professionals committed to see community development implemented through our local partners.”

**Glen Richardson,
Director of Community Engagement**

Glen joined Transform Aid International in 2014, bringing 30 years of corporate and not-for-profit experience. Most recently he was part of the team that established Donate Planet, a revolutionary, not-for-profit online donation hub. Prior to that he held a wide range of roles with Stenmark Organisation, a multi-faceted sales and marketing consultancy. Previously Glen was National Marketing Manager with American Express responsible for a variety of marketing roles, including Card Acquisition, Merchandise Sales and Entertainment Services.

Glen holds a Bachelor of Commerce degree in Marketing from the University of New South Wales.

“It’s clear to me that God has been preparing me for this role for some time. I’m delighted to join Transform Aid International and to play a part in bringing transformational change in the quality of life of the world’s poor.”



**Baptist World Aid Australia
Ambassador:
Sam Ferguson**

When Sam Ferguson read about Baptist World Aid Australia’s fundraising adventure trip to Cambodia, she knew she had to get involved.

“I already sponsor a child but I wanted to make more of a difference. This trip was more than just an adventure holiday for me. It was a chance to meet people involved in Baptist World Aid Australia’s programs and to see first-hand the amazing difference that good development programs can make for people living in extreme poverty,” Sam says.

As part of the experience, Sam raised money to support the work of Baptist World Aid Australia. Confronted with an initially daunting target of \$3,500, Sam knew she had to get a little bit ‘creative’ when it came to raising money for Cambodia.

“Someone suggested the idea of a ‘clothes swapping’ afternoon tea. I charged a set rate to attend and people brought clothes they no longer wore. We had a really fun afternoon trying things on and catching up over a cup of tea. And we raised over \$1400!”

“These sort of fundraising events are a great way to share with people about the programs already running in developing nations. People are amazed and encouraged when they hear what a difference their gifts can make to people living in crippling poverty and are pleased to be generous,” Sam concludes.



Our Governance

The Board of Transform Aid International is responsible for the governance of the organisation. Board members serve for a standard period of six years. New members are selected based on their skills and approved by Australian Baptist Ministries, as Transform Aid International acts on its behalf. Service on the Board is voluntary.

The Board sets the strategic direction for Transform Aid International and reviews the performance of the organisation against set targets.

Each year the Board approves the annual budget and is also responsible for appraising the performance of the Chief Executive Officer.

Governance Committees

Board members sit on various committees, which report directly to the Board and support the Board in discharging its governance duties through monitoring and reviewing key strategic initiatives and organisational policies and proposing recommendations to the Board.

The Finance, Audit and Investment Committee is responsible for monitoring financial reporting, budgeting, financial risk management and ensuring a system of internal control is in place.

The Human Resources and Governance Committee is responsible for reviewing the CEO's performance; determining remuneration, development and staff conditions policy for the

CEO and senior management; identifying potential new Board members and interns; identifying major organisational risks and putting in place policies and mitigating systems to manage the risks.

The Marketing and Communications Committee provides policy advice to the Board on marketing and communications issues arising from the organisation's strategic and operational plans and also monitors the organisation's performance in this area.

The Programs Performance Committee ensures the effectiveness and outcomes of community development programs are monitored and reviewed and that the Board is advised of areas of potential risks.

Annual General Meeting

The Annual General Meeting was held on Friday 18th October 2013.

Board Members



L - R: Ann Herbert, Ray Bartell, Paul Oates, John Hickey, Dave Rowe, Mick Turnbull, Susan Campbell, Andrew Ellis, Heather Coleman, Daniel Wallis, Deanne Firth, Brad Entwistle, Phil Newman and Simon Lynch (not pictured).

John Hickey,
BA (Hons); Grad. Dip. Financial Services; MAICD

John joined Transform Aid International in July 2010, after more than 20 years in leadership roles including CEO of Newcastle Permanent Building Society and as General Manager and Executive Board member of ING Bank Australia. John has a degree in Political Science (Hons.) focusing on International Relations, and postgraduate qualifications in financial services and international business leadership. John also serves on the Board of Baptist World Aid Australia Ltd.

Mr Mick Turnbull
Chair of the Board; Cert Business (RMIT); Grad. Dip. Management (USQ)

Joining the Board in 2011, Mick has 30 years experience in business

and management, and is currently the Regional CEO for a large global logistics company. He is a Fellow of the Australian Institute of Management, Member of the Company Directors Institute, Fellow of the Customs Brokers Council of Aust and Member of the Australian Institute of Export. Mick is also a director of Tabor College Victoria, and a Director of Business for Millennium Development. He also serves on the Board of Baptist World Aid Australia Ltd.

Mick worships with his wife Annette at Syndal Baptist Church in Melbourne.

Mr Andrew Ellis
Vice Chairman of the Board; Marketing and Communications Committee; BE(Mech), MProjMgmt, MBA, MAICD

Andrew is a former Board Intern, and was appointed as a Board Member in

2009. He has 10 years' experience in national/international management roles at an engineering construction firm. Andrew is also a Board Member of Hockey SA and the Vice Chair of Wirraway Homestead.

Andrew is a member of the Australian Institute of Company Directors and has completed the Company Director Course. He is also a Member of the Institute of Engineers Australia (MIEAust).

Mr Ray Bartell
Programs Performance Committee; B. Business (Accounting), PhD Candidate

Ray joined the Board in 2013, and has over twelve years' experience in a Senior Executive role in the Australian Christian schooling sector as well as more than eight years' experience in capacity building and technical assistance to remote communities in Papua New Guinea.

Ray is the founder and Director of Aeikon, and is currently working towards a PhD in Philosophy (Education).

Mrs Heather Coleman
Ex Officio Global Interaction Board Member;

Ass. Dip. Business Management; BA (Administration); Grad. Dip. Industrial Relations; B Ministry (partly completed)

Heather is the General Director of Global Interaction and acts as their representative on our Board. Prior to her time at Global Interaction she worked for over 30 years in various government departments. She also serves on the Board of Global Interaction, and on the National Council of the Baptist Union of Australia and the General Council of the Baptist World Alliance. Heather joined the Board in February 2012, and is a member of both the Australian Institute of Company Directors and CMA.

Mr Brad Entwistle
Marketing & Communications Committee

Brad is the founder and Managing Director of marketing communications firm Imageseven. He also serves on the boards of several Colleges and the Baptist Union of Western Australia. He joined the Board in 2008. Brad is a member of Australian Institute of Company Directors, AGDA, PRIA, and CCIWA.

Mrs Deanne Firth
Finance, Audit & Investment Committee

B. Comm (Accounting); Grad Dip (ICAA); Dip. Financial Planning

Deanne is a Chartered Accountant (FCA) with over 15 years of accounting and audit experience and is the Principal of Tactical Accounting & Super.

Deanne serves a Director of AAT Australia, sits on the Institute of Chartered Accountants Public Practice Panel and previously Chaired the Board of Moama Anglican Grammar School. Deanne joined the Board in 2012, and is a member of the Australian Institute of Company Directors.

Ms Ann Herbert (until February 2014)
Human Resources & Governance Committee

B. Arts Sociology (Hons); Grad. Cert. Public Sector Leadership; Dip. Company Directors (GAICD); Dip. Freelance Journalism

Ann has many years of experience working in social policy. She has worked in the Tasmanian State Government as a Project Manager and is currently the Director of the Social Inclusion Unit. Ann has served on the Board since 2007, including a term as Vice Chair, and is a member of the Australian Institute of Company Directors.

Mr Phil Newman
Human Resources & Governance Committee

B. Arts (Social Anthropology & International Development); Dip. Financial Planning; Certified Financial Planner (CFP)

Phil works as a Business Engagement Mentor with Towards Transparency in Hanoi, Vietnam. Phil joined the Board in 2009, and is a member of the Australian Institute of Company Directors.

Mr Paul Oates (until May 2014)
Finance, Audit & Investments Committee

B. Commerce; Chartered Accountant

Paul has worked for many years as the Business Manager of Carey Baptist College and has had significant experience in audit and corporate finance with the Deloitte. He is also a member of the Institute of Chartered Accountants. Paul joined the Board in 2009. He also serves on the Board of Baptist World Aid Australia Ltd.

Mr Simon Lynch
Programs Performance Committee

B. Economics

Simon has extensive experience in consulting in the corporate and non-profit sectors and as a Country and Regional Director in the aid and development sector, especially in Indonesia and Timor Leste. He serves on the Board of the TLM

Foundation in West Timor and is a Board Advisor to the Hunter Christian School and Cornerstone Community. Simon joined the Board in May 2009.

Mrs Susan Campbell
Marketing & Communications Committee;

BA; Dip Ed; Grad. Dip. Theology

Susan has a background as a primary school teacher and has worked since 2005 for Global Interaction. She also owns a small business and serves on the board of Wellspring Centre. Susan joined the Board in May 2012.

Pastor Dave Rowe
Treasurer; Finance, Audit & Investments Committee

B. Ec, Grad. Dip. Christian Ministry (Morling)

Dave's skills are in the area of finance, having formerly served as Head of Treasury and Head of Risk Management for an international investment bank. Dave currently works as a Senior Consultant with Noah's Rule Risk Advisory and serves as Senior Pastor with Seaforth Baptist Church (NSW). Dave joined the Board in 2010. He also serves on the Board of Baptist World Aid Australia Ltd.

Pastor Daniel Wallis (until May 2014)
Human Resources & Governance Committee. B. Ministry

Daniel's interests and skills are in the area of hospitality management, governance and human resources. He currently serves as Senior Pastor at South Toowoomba Baptist Church. Daniel joined the Board in 2010. Daniel is a member of CMA and Queensland Baptists.

Board Interns

Baptist World Aid's Board offers 18 month internships to people interested in gaining experience in governance. Interns contribute to Board meetings and complete a research project in an area of interest to the Board. The terms of Nisha Graham and Mark Peacock concluded in August 2013.



Community Engagement

Our mission at Transform Aid International and Baptist World Aid Australia is to end poverty so all people can enjoy the fullness of life God intends. In pursuit of that, we join with our supporters on a journey to understand and take action on behalf of those who are oppressed and marginalised to help them find their voice, build resilience and end injustice.

As we review another year, we're thankful to God and each of our wonderful supporters for their generous giving, ethical consumption, courageous advocacy and faithful prayer.

Church Relations - State Representatives

Each year this hard-working team of five visit over 160 churches right across Australia, while also conducting and attending many seminars, workshops, conferences, Catalyst groups and school visits, as well as leading overseas field visits for our Church Partnerships and Church Supported Projects.

Equipped with innovative and engaging resources, they are our advocates to pastors and their congregations, mobilising many to speak up and take action on behalf of the world's poorest people.

Discipleship

We extended the publication of the well-received Bible study materials Be Love and End of Greed, adding Be Vocal to our ever-growing library of resources. We've also taken a leading discipleship position on the various crises in the Middle East, continuing our commitment to resource church leaders and Transform Aid International supporters, helping them make sense of a world where such violence occurs and find effective ways to respond.

Teleservicing

This team supports business objectives such as recruiting new child partnerships and engaging pastors and supporters with appeals and campaigns. A vital underpinning of all these activities is the offer of pastoral support as part of each call. There has been constant positive feedback throughout the year, testifying to the value of this service to our supporters and prospects alike. As we further develop this model and our management reporting capabilities, we will investigate how to offer outsourced telemarketing services to other Christian agencies.

Fundraising, Marketing & Communications

It has been a year of consolidation as our MarComms team built a solid communication foundation with our supporters and other stakeholders. We have redefined a number of roles and embarked on a rigorous new communications planning model which is already bearing fruit as we continue to roll out our stylishly refreshed brand.

Our highly successful 2014 Matching Grant Appeal set a new benchmark for financial support, and we are looking forward to many more positive outcomes throughout the next 12 months.

Strategic Relationships

As traditional means of fundraising mature and become more competitive, Transform Aid International continues to innovate and optimise opportunities in a number of key areas. A comprehensive strategy has been developed to guide a range of activities to set the stage for significant long-term engagement.

In 2014 we will fully resource a Strategic Relationship function to broaden and deepen engagement with Major Donors, corporations, large churches, grant-makers and wills and bequests. We will also apply dedicated resources to woman's ministry support

and young adults programs, including a new offer for under-25's to introduce them to child partnership.

Digital

The outlook for digital marketing and fundraising such as social media, crowd funding and peer-to-peer is an exciting prospect for Transform Aid International. We will continue to further develop our digital capabilities to integrate increasing levels of online donations and information requests with more traditional communications to improve the engagement of new supporters and customise their journey with Transform Aid International.

Structural Review

To provide a fully cohesive supporter experience, we recently integrated the Supporter Relations with the Fundraising, Marketing and Communications teams under a single Director with a supporting management structure.

All team members are being equipped and empowered to continually improve our outstanding supporter relationships in a productive and professional environment, while retaining our unique pastoral care philosophy.

Be Vocal: Advocacy in Action

2013/14 was a landmark year for the advocacy efforts of Baptist World Aid Australia. We now have 60 active advocacy groups around the country, that have been collectively raising their voice for people living in poverty, oppressed by slavery or exploited by corporations.

Poverty:

Baptist churches and Catalyst groups around the country participated in Micah Challenge's 'Finish the Race' campaign, a campaign focused on calling the Government and opposition to 'finish well' in the lead up to the Millennium Development Goal deadline of halving poverty by 2015. Micah has been calling for a timetabled commitment to increase aid so that Australia is contributing its fair share, assessed to be 0.7% GNI, by 2020-2021. Baptist churches and Catalyst groups were amongst the most actively engaged participants in this, holding a range of electoral events, including political forums, fun runs, walkathons, media engagements, educational workshops and church events. Our advocacy also helped to minimise the depth of cuts announced by the labour Government in the lead up to their May budget and August budget revisions.

Slavery:

Nestle announced in February that they would ensure that all their cocoa in Australia is certified against the use of slavery through UTZ. When asked about why they moved in Australia ahead of the rest of the world, they responded that the advocacy presence in Australia has been stronger (relative to the size of the market) than anywhere else in the world. The two most significant contributors to this were Catholic schools and Baptist Churches. Baptist Churches have also been instrumental in Kraft's announcement this year to spend \$400 million in improving the ethics and sustainability of their supply chain.

Ethical Purchasing - Fashion:

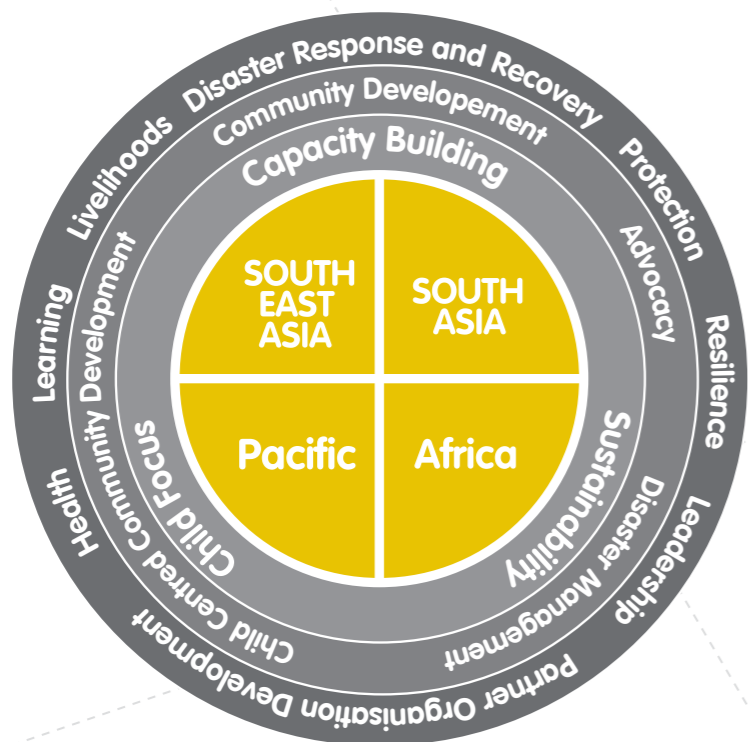
Throughout 2013/14, Transform Aid International continued its research and engagement with the fashion industry in the lead up to the release of the 'Australian Fashion Report' just after the end of the financial year. The report, and its findings which were made available through a pocket-sized guide, graded the labour rights management systems of 128 fashion brands operating in Australia and was released to widespread acclaim. We garnered national and some limited international media attention from the release of the report, and our engagement with companies after its release has seen a number of major fashion retailers begin to work with us to improve their labour rights management system.



International Programs

For Transform Aid International

In the 2013/14 financial year, Transform Aid International implemented its international program strategy through 46 indigenous partners in 18 countries. Through 74 projects, Transform Aid International is providing long-term change in the lives of children, families and communities from some of the poorest nations. These efforts aim to build long term sustainable solutions developed at the community level that looks to address the complex and multifaceted dimensions of poverty.



Our Approach

Our vision is for a world where poverty has ended and all people enjoy the fullness of life God intends. Our approach in achieving that is through a diverse range of approaches: long-term community development through group methodologies and sector specific projects; child-centred community development focusing on the four pillars of the convention of the rights of children being survival, development, participation and protection; disaster management which includes emergency relief, disaster recovery, disaster risk reduction, climate change mitigation and response.

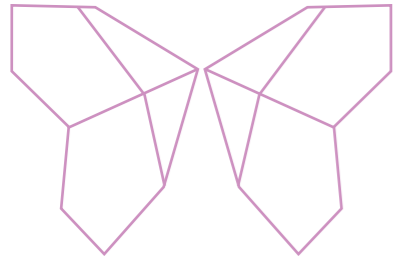
The approaches target seven development outcome areas that include health, learning, livelihoods, protection, leadership, resilience and disaster management plus one organisational outcome of partner capacity building.

Our projects aim to facilitate long-term sustainable change in communities and to achieve this, Transform Aid International aims to apply the following principles:

- Target poverty at its root causes ensuring that community assessments and ongoing monitoring and evaluation of projects focus on the complexity of issues that create and sustain poverty
- Take an integrated approach to programming that looks not only at economic development but also building social capital, addressing human rights issues that may block people improving their situation along with political, spiritual and social issues that might extend poverty.



International Programs



- Focus on community empowerment rather than service delivery. Programs aim to facilitate community and child participation to enable them to drive their own development.
- Build partnerships with like-minded local organisations in order to enhance local capacity to critically sustain transformation achieved in communities.
- Aim to address a number of themes that we have identified as crucial for achieving transformation. For example, the crucial role that children and youth play in the development process, ensuring that minority groups and those marginalised through disability, HIV/AIDS, gender and race participate fully and are accurately targeted by interventions.
- Remain strongly committed to ongoing learning. Both for Transform Aid International and the partners and communities we serve, clear indicators are established on what change is occurring and, when it isn't, opening opportunities to explore how we can more effectively work at going forward.
- We strive for continuous improvement, monitoring trends in the aid sector and investing in research and innovation. We will endeavour to promote best practice development and discover more effective ways to alleviate poverty.

Our expected impact and outcome results:

HEALTH

The Impact: Community members are leading healthy lives in supportive environments.

The Outcome: Transform Aid International invested \$1,844,814 through 30 projects in 2013/14. Community members have improved knowledge of health issues and practise behaviours which engender good health and see lives saved. Community members have access to improved health services and enjoy healthy physical environments.

Examples: Our partner in Nepal, United Mission to Nepal (UMN), in one project targeted 114,000 direct and 220,000 indirect beneficiaries in 10 of the most marginalised districts of Nepal. The project implemented awareness campaigns, strengthened community health workers in skills and empowered health organisations to address health issues locally. It provided education on living with HIV/AIDS, nutrition, sanitation, sexual reproductive health and infant and child health. Those most vulnerable being women, children and those living with AIDS were the primary target group.

Our partner in Timor Leste has been developing extensive and life-saving health facilities in one of the most vulnerable regions of this emerging country. After extensive civil conflict some parts of the country still have very limited access to health services. Transform Aid International has been supporting and strengthening our partner for nine years in developing rural health facilities with strong links to Government for eventual phase over incoming years that serves 24,502 people in eight villages.

LEARNING

The Impact: Community members are engaged in meaningful learning that leads to holistic human development, vocational opportunities and fulfilment of their potential.

The Outcome: Transform Aid International invested \$1,607,306 through 20 projects in 2013/14. Community members are participating in quality education and learning and using their skills to improve their situation. Children are developing mentally, emotionally, physically, morally and socially through participation in all levels of educational and recreational activities.

Examples: Our partner in Sri Lanka, LEADS, has established 50 child clubs with approximately 400 children involved that enhance educational gains through extra-curricular educational activities. For those children who cannot attend school, tutors are provided to ensure basic literacy and numeracy is achieved until the issues that prevent them attending school are resolved. In Bangladesh we open up opportunities for young people to participate in



apprenticeships in dress-making and construction. We target the growth industries for skills development while also addressing the inequality and worker conditions in those industries to ensure worker safety and equity is developed.

In the Philippines, we develop informal learning opportunities by linking learning to life. We train 200 leaders from 45 different self-help groups in effective leadership, strategic planning and financial management so that the income-generating activities associated with the self-help groups can be maximised in their profitability and functionality.

LIVELIHOODS

The Impact: Community members are engaged in sustainable livelihoods that lead to increased well-being and dignity, reduced vulnerability and the ability to fulfil family and community responsibilities.

The Outcome: Transform Aid International invested \$2,334,834 through 34 projects in 2013/14. Community members are engaging in income generation activities that contribute towards an improved standard of living. Community members are accessing the necessary resources, capital and markets to ensure the viability of their activities.

Examples: Our partner in India, Emmanuel Hospitals Association (EHA), worked with 5,540 people in extremely marginalised communities to strengthen Agri-businesses in rural eastern India. They are developing drought resistant crops, agriculture methods more suited to drought and changes to climate and establishing farmers groups to maximise collective enterprise techniques.

In Nepal, through International Nepal Fellowship (INF), we are working with 29,274 people in the most remote rural regions of Nepal with collective action livelihoods activities. These include training in agricultural technologies, starting kitchen gardens to increase food security and developing diversity in nutritional intake. Groups are formed to start village savings and loans programs which increase access to capital not otherwise available in these regions. Training also covers key health issues such as living with HIV/AIDS, disabilities and key child health matters.

PROTECTION

The Impact: Vulnerable groups and individuals, particularly children, are valued members of society and enjoy lives free from fear.

Our programs seek protection for the most vulnerable, strengthen community resilience and build grass roots leadership so that the benefits of intervention continue way beyond the life of the project.



Project: Enabling Children in Dhading District, Nepal
A Child-Centred Community Development Project

Partner: United Mission to Nepal (UMN)

Project year: Year 4 of 9 years (Phase two)

Overall project goals:

Enabled communities, where children are heard, protected, given opportunity for their development free from any type of discrimination (gender, caste etc) and threats to survival, and are able to attain their full potential.

Outcomes:

- Communities' awareness on child rights and non-discrimination have been enhanced and children have opportunities to express their opinions and make decisions in accordance with their development ability
- Families have learnt income generation and enterprise development skills which have enabled them to teach improved life skills to their own children
- Communities now have adequate knowledge, skills and resources to acquire quality health, sanitation and nutrition options for their families
- Children and their communities now have the knowledge and skills to combat all forms of abuse and exploitation.

Main activities for 2013/14:

- Child clubs and youth clubs were supported and child activities continued
- Schools supported to improve the quality of education
- Non-formal education classes held to assist in developing literacy skills and life skills within the communities
- Developed capacity of Self-Reliance Groups (SRG) and established SRG Network

as community-based organisations

- Support provided for goat rearing and bee keeping
- Training and support given in vegetable farming and micro-enterprise development
- Awareness raising sessions on environmental degradation and climate change held and 'Green Ambassador' program initiated in schools
- Safe maternal and neonatal health services funded at local level
- Training in improved nutrition
- Support given to establishing 'Open Defecation Free' communities
- Awareness raised on gender equity and anti-human trafficking and improvements made to local child protection systems

Impact:

"After my children have gone to child club we have learned that we should not consume bad food (that is old and food contaminated with flies). I have also learned how to address and behave with younger children and adults in the community." (Mother)

"In the past the practice was to love sons more than a daughter. But now we know that they are equal. The participation of boys and girls is now equal." (Mother)

"We did a street drama against child marriage and my speaking skill was developed from the event. That makes me really happy." (Child Partner)

International Programs

Transform Aid International invests in communities so that through preparedness, they are better able to mitigate the impact of local natural disasters and human conflicts.

Communities with good resilience are physically and psychologically better able to recover from internal conflicts and external shocks.

The Outcome: Transform Aid International Invested \$1,068,170 through 21 projects in 2013/14. Vulnerable groups and individuals, particularly children, are protected from human rights violations and are empowered to protect themselves. Community members are committed to protecting and upholding the rights of vulnerable groups and individuals.

Examples: In Malawi, our partner, Church and Society Program (CSP), facilitated children to initiate and then lead child protection groups. These groups collect information and liaise with families about abuse and potential abuse situations. This ensured greater child protection awareness and action for more than 800 children and their siblings.

In Cambodia, our partner, Chab Dai, maintains a coalition of 50 multi-sectoral response and support agencies tackling trafficking in the Mekong. In 2013/14 they have commenced a new project focused on displaced Vietnamese communities developing anti-trafficking strategies. This project is targeting 42 villages and 12,600 people.

RESILIENCE

The Impact: Community members, including children, are physically and psychologically prepared for, and better able to recover from, internal conflicts and external shocks.

The Outcome: Transform Aid International invested \$259,565 through eight projects in 2013/14. Communities, through preparedness, are better able to mitigate the impact of local natural hazards and human conflicts. Communities have increased social capital and are empowered to manage community conflict, violence and trauma.

Examples: This is Transform Aid International's newest strategic area of focus. However we have been partnering with Peace Bridges in Cambodia for some time with some excellent results. In 2013/14 we enabled a grass roots peace building program that trained and strengthened 739 community-based leaders and 'peace builders' in conflict resolution to serve a large number in their sphere of influence reaching approximately 17,000 people. The overall outcome is strengthening community resources to minimise violence at the heart of the community.

LEADERSHIP

The Impact: Communities have leadership in place that enables community members, including children, to work together to create a progressive, just and peaceful society, free from corruption.

The Outcome: Transform Aid International invested \$1,615,911 in 21 projects in 2013/14. Community members, including children, are aware of their rights and responsibilities and are actively participating in their local communities. Local civil society organisations are providing and modelling effective leadership and working with communities to address their opportunities and needs.

Examples: Transform Aid International has worked extensively with the Baptist Union of Uganda and its aid and development arm, Share an Opportunity Uganda (SAO), to develop a more effective governance structure. This structure ensures the church across Uganda is able to more effectively partner in community development initiatives which extends their reach and approach to poverty reduction. The structure also increases church cooperation with Share an Opportunity Uganda (SAO) so that their programs have greater impact through support and cooperation. This has resulted in more cohesive strategies and the development of greater community trust - both of which are essential to maximising community development effectiveness.

PARTNER ORGANISATIONAL DEVELOPMENT

Transform Aid International aims to see our partner organisations operate with good governance, effective management and demonstrate good practice in the implementation of their programs. In 2013/14, Transform Aid International invested \$789,136 in ongoing organisational development and support of 39 of our partners. We believe that strong local organisation will yield the greatest long term impact for our investments and ensure ongoing development long after Transform Aid International has phased out of our focus on any specific country. Developing nations need strong civil societies with faith-based organisation leading the way. To achieve this, Transform Aid International targets partner organisations, increasing their capacity as local development organisations delivering programs and providing services that are effective and efficient. Furthermore we ensure they have clear operational systems in place and model effective leadership and accountability to all stakeholders.

Results so far are very promising. Our partner in Papua New Guinea (PNG), the Baptist Union of PNG (BUPNG), has become a leading civil society actor and trusted provider of health and educational services for a very large portion of PNG communities. Government relationships with this partner, both in PNG and in Australia, are very strong. Both governments are now approaching BUPNG with greater investment to extend health services in some extremely remote areas of PNG.

Project Evaluations	Project ID
Indonesia	
Mentawai Islands Earthquake Response & Recovery	52095
Zambia	
Reformed Church in Zambia Diaconia Department - CCCD (Participatory Learning Evaluation)	52092
Sri Lanka	
LEADS Participatory Social Development Project	50685
Cambodia	
FH Tropeang Prasat District CCCD (Participatory Learning Evaluation)	52088
Nepal	
UMN Community Health Project	52100
UMN CCCD Sunsari (Participatory Learning Evaluation)	52116
Philippines	
Share an Opportunity CCCD (Participatory Learning Evaluation)	50692
Papua New Guinea	
Baptist Union PNG Health Project	52042

These Project ID codes identify projects that we receive funding for from the Australian Government

	Partners	Child Centred Community Development (CCCD) Projects*	Child Partners (at 30 June)	CCCD Expenditure	Community Development (CD) Projects	CD Expenditure	Disaster Management (DM) Projects	DM Expenditure
				\$'000	\$'000		\$'000	
Pacific								
Papua New Guinea	1				7	\$1,378		
Solomon Islands	1				1	\$295	1	\$18
Vanuatu	1				1	\$115		
South-East Asia								
Cambodia	7	1	758	\$184	7	\$846		
Indonesia	2				2	\$183		
Malaysia	1				1	\$22		
Philippines	5	1	2,994	\$833			6	\$317
Timor Leste	1				1	\$82		
South Asia								
Bangladesh	11	4	2,426	\$831	12	\$1,323		
India	3				5	\$242		
Nepal	3	2	1,198	\$328	8	\$1,094	2	\$11
Sri Lanka	1	1	638	\$146	1	\$196		
Africa								
Kenya	4				3	\$447	1	\$91
Malawi	1	1	651	\$260				
Niger	1						1	\$72
Uganda	2	1	1,990	\$680	1	\$109		
Zambia	1	1	595	\$219				
Other								
Cross-regional activity		1		\$26				
Total	46	13	11,250	\$3,507	50	\$6,332	11	\$509

Expenditure in this table consists of funds to international programs and program support costs as presented in the Consolidated Statement of Profit and Loss and Other Comprehensive Income on page 38.

Overseas Programs by Outcome Area FY2013/14

- Disaster Management - 5.61%
- Health - 18.29%
- Learning - 15.94%
- Livelihood - 23.16%
- Protection - 10.59%
- Resilience - 2.57%
- Leadership - 16.02%
- Partner Organisational Development - 7.82%





Disaster Management

Disasters are continuing to be reported with an increasing intensity and frequency. In 2013/14, Transform Aid International invested more than \$500,000 across 13 project and 11 partners.

The impact we seek is to see vulnerable communities being able to respond and recover from disasters with dignity. The outcomes we aim for are quite simple - that lives are saved through timely and coordinated responses of local partners and communities and communities are able to build back better.

Typhoon Haiyan

In 2013/14, Typhoon Haiyan, the most powerful storm ever to make landfall, hit the Philippines causing significant loss of life. Over 13 million people were estimated to have been impacted by it. Some communities will take many decades to fully recover.

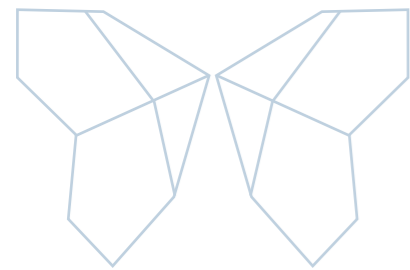
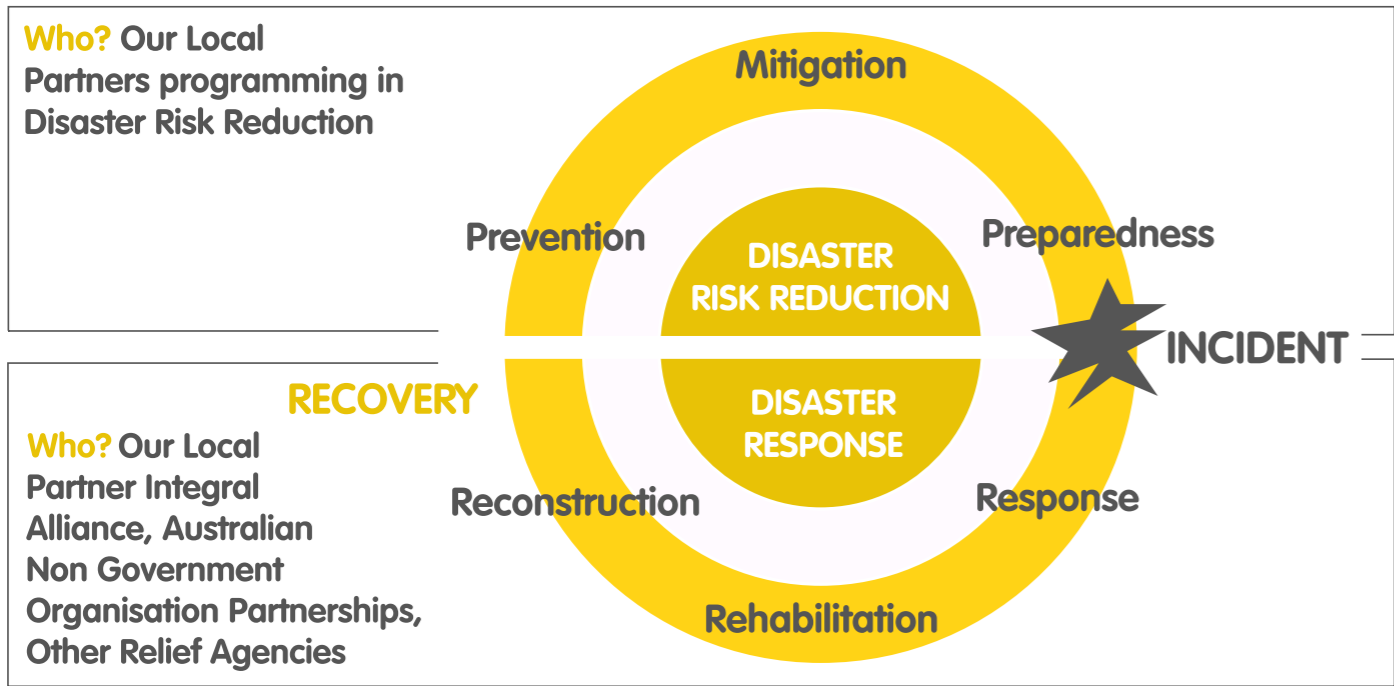
Once again, Transform Aid International supporters gave generously to this response raising just over one million dollars. With these funds, Transform Aid International was able to work with one of our existing partners, SAO Philippines, who initially responded in affected communities with immediate food and water as well as hygiene packs. Another of our partners, Medair, also responded with emergency shelter, non food item distributions, water, sanitation and medical supplies.

Transform Aid International also worked closely with the Asian Pacific Baptist Federation in coordinating the Global Baptist response to Typhoon Haiyan. This work aimed to assist APBAid to coordinate and oversee the implementation of relief and recovery projects that were delivered through local Philippine Baptist Conventions. These responses included initial food and water followed by trauma counselling and shelter and livelihood reconstruction.

Funds from our Typhoon Haiyan Special Appeal allowed Transform Aid International to provide, either fully or in part, assistance to approximately 243,000 people in the wake of the typhoon. These funds also allowed us to develop a partnership with World Renew and SAO Philippines to focus on house reconstruction and livelihood development for families impacted by the powerful storm. Rebuilding in the Philippines will also continue into 2014/15 and beyond through Transform Aid International funded Child Centred Community Development (CCCD) programs.

Other Disasters

In 2013/14, Transform Aid International also funded projects in Niger, Nepal and the Solomon islands. In Niger, the food security project was being completed. In Nepal, our partner UMN continued to respond to a number of localised disasters including floods, landslides and fire assisting 1,250 beneficiaries. International Nepal Fellowship (INF), another of our partners in Nepal, also responded to a fire emergency that impacted 36 families.



Strategy

Internally, Transform Aid International has continued to implement our Strategic Framework on Disaster Management. This included further document development and staff and partner training. This Strategic Framework continues to build upon the strong foundations of our Disaster Management portfolio as a third program in and of itself. Critically, as part of this portfolio, Transform Aid International is ensuring that the Sphere Guidelines, Red Cross Code of Conduct and the ACFID Code are implemented in all relief and recovery programs.

In 2013/14, the Integral Alliance proved to be a strong strategic asset for Transform Aid International. Through this Alliance, Transform Aid International continues to build partnerships with organisations with specific expertise in disaster relief and recovery. The CEO and Director of International Programs both attended working group meetings hosted by Integral Alliance. At these meetings, they were able to learn and share in the development of the alliance and help to set a greater strategic direction for approximately

\$690 million of disaster relief funding globally accessible across the 18 agencies which make up the Integral Alliance.

Disaster Risk Reduction

Transform Aid International agrees with the UN that there is no such thing as a 'natural' disaster, only natural hazards. Disaster Risk Reduction (DRR) aims to reduce the damage caused by natural hazards such as earthquakes, floods, droughts and cyclones through an ethic of prevention. Transform Aid International believes that investment in DRR programming represents good value for money and ensures long-term protection of gains made by community development. It also provides protection for communities against extensive loss of life, livelihoods, shelter and significant impact on ways of life. In 2013/14, Transform Aid International continued to encourage partners to integrate DRR programming into ongoing community development programs. Partners in Kenya, Bangladesh, Sri Lanka, Nepal and India have all taken up this initiative.



Project: Shelter Response to Typhoon-affected communities of South Leyte

Partner: Medair

Overall project goal:
To improve the humanitarian situation of vulnerable populations affected by Typhoon Haiyan in the Philippines and improve resilience to future disasters.

- Key outcomes:**
- 595 shelter self-recovery toolkits were distributed to share between households
 - 4,903 hygiene kits were successfully distributed to affected households
 - 3 Local Health Facilities, which service over 10,000 people, were provided with health kits which were restocked every 3 months

- Quality control, beneficiary accountability and complaints handling mechanisms were also established across the region

Beneficiaries assisted:

- The provision of 4,077 tarpaulins to households and 600 core shelters means nearly 23,000 people have benefited from shelter support
- The distribution of 4,903 hygiene and non food item kits to households benefited nearly 25,000 individuals



Thank you to all our partners

Africa

Kenya

Nakuru Region Christian Community Services
Catholic Relief Services
Ukamba Christian Community Services
Mount Kenya Christian Community Services

Malawi

Church and Society Program CCAP Synod of Livingstonia

Niger

Adventist Development and Relief Agency
Niger

Uganda

Share an Opportunity Uganda
TraumAid International Ltd

Zambia

Reformed Church in Zambia - Diaconia Department

South-East Asia

Cambodia

Chab Dai Coalition
FH Cambodia
International Cooperation Cambodia
National Centre for Disabled Persons
Peace Bridges Organisation
Ponleu Ney Kdey Sangkhum (PNKS)
Youth With A Mission Cambodia

Timor Leste

Fundacao Lafaek Diak

Indonesia

Cipta Fondasi Kommunitas

Malaysia

Alliance of Chin Refugees

Philippines

Share An Opportunity Philippines
Timor Lorosa'e
Fundacao Lafaek Diak

South Asia

Bangladesh

ABMS-Bangladesh (Australian Baptist Missionary Society)
Bangladesh Association for Sustainable Development
Bangladesh Baptist Fellowship
Koinonia
Love for Distressed People Bangladesh
PARI Development Trust
Protibondhi Community Centre
Sathi
SUPOTH
Symbiosis
ABWAid/SAO Bangladesh

India

Asian Pacific Baptist Aid
Baptist Churches of Mizoram
Emmanuel Hospital Association
Freeset

Nepal

International Nepal Fellowship
Multipurpose Community Development Services
United Mission to Nepal

Sri Lanka

Lanka Evangelical Alliance Development Service

Pacific

Papua New Guinea

Baptist Union of PNG

Solomon Islands

South Seas Evangelical Church

Vanuatu

Vanuatu Churches of Christ Conference

West Papua

Anugera Foundation



2013/14 Financial Summary

2013/14 has been a year of remarkable financial turnarounds and successes. As at 30 June 2014 total revenue was \$16.57 million, \$2.06 million more than the same period last year.

This is a 14% increase, largely due to the positive outcome of the End-of-Financial-Year appeal, and we finished the year with an extraordinary surplus of \$0.57 million.

Our total international programs expenditure was \$10.35 million, which included the ongoing building of the capacity, quality and effectiveness of our program support systems and human resources.

In 2013/14, grants from the Australian Government enabled work in communities in Bangladesh, Cambodia, Indonesia, Kenya, Nepal, Philippines and Sri Lanka. These projects sought outcomes in the

broad impact areas of Health, Learning, Livelihoods, Protection, Resilience and Leadership. Just prior to balance date, an additional grant of \$684,000 was announced for 2014/15 for the Community Health Worker School in Teleformin, Papua New Guinea. Graduates from this school will act as future primary health providers in very remote parts of Western PNG.

This has also been a year of deliberate consolidation and re-focusing of operational strategies and systems, including a more effective approach in managing our operating expenditure and introducing strategic marketing

“Going forward, we are confident the financial position of our organisation continues to be robust and healthy.”

initiatives; both of which were instrumental in delivering the positive financial results.

Going forward, we are confident the financial position of our organisation continues to be robust and healthy.

Throughout the year we continued to invest in a number of strategic initiatives, particularly in people and systems development.

Two good examples were the establishment of a partnership with a university and other Australian-based development agencies exploring the link between child and youth participation and development effectiveness. Mid-term findings demonstrate that our Child-Centred Community Development approach is creating measurable and sustainable long-term change for children, families and communities. And in January 2014 we rolled out a state-of-the-art unified communication system that enables our supporter care and tele-servicing teams to develop deeper relationships with our valued supporters.

With the rapid change of technologies that have been enabling the efficiency of our work, it is necessary that we continue to invest in systems that will further enhance our organisational effectiveness. To that end, we will be introducing a cloud-based financial/ERP system in the new financial year.

We finished the year with a number of important lessons learned – putting in place a number of efficiency improvement initiatives particularly in cost-containment effort have produced positive results in our fundraising costs; and restructuring our internal operations helped in improving our overall operational effectiveness.

Once again, our financial turnaround can only be attributed to a deliberate, disciplined approach to our programs and financial management, the continuous generosity of our faithful supporters, and the divine providence of our gracious God.

PETER LEAU
DIRECTOR OF BUSINESS



Baptist World Aid Australia
Supporter:

Trevor Morling QC

Trevor and Ruth Morling have faithfully and generously supported the work of Baptist World Aid Australia for over 18 years. During this time, they have also formed sponsorship relationships with three children as well as volunteering their time in the Baptist World Aid Australia office in order to help us reduce administration costs.

“What has most impressed me about Baptist World Aid Australia over the many years has been the competence with which they have always managed the funds contributed by supporters,” Trevor says.

“It is not sufficient that a charitable organisation is dedicated only to the needs of under-privileged people. Such dedication must be matched by efficiency in managing the funds entrusted to it and ensuring they are wisely disbursed.

“My many years association with Baptist World Aid Australia has made me completely confident that all contributions made to it will be used with maximum efficiency to assist people living in poverty,” Trevor concludes.



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Independent Concise Auditor's Report To the Members of Transform Aid International Ltd

Report on the concise financial report

We have audited the accompanying concise financial report of Transform Aid International Ltd (the "Company") which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, table of cash movements for designated purposes, consolidated notes comprising a summary of significant accounting policies and other explanatory information and the Responsible Persons declaration of the consolidated entity ("Group") comprising the Company and the entity it controlled at the year's end or from time to time during the financial year. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Responsible Persons' responsibility for the concise financial report

The Responsible Persons of the Group are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, the Australian Charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct and for such internal control as the responsible persons determine are necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Transform Aid International Ltd for the year ended 30 June 2014. Our audit report on the financial report for the year was signed on 2 October 2014 and was subject to the following qualification:

"Contribution revenues are a significant source of fundraising revenue for the Transform Aid International Ltd. The Group has determined that it is impracticable to establish control over the

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collection of contribution revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to contribution revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether contribution revenues of Transform Aid International Ltd recorded is complete.

In respect to the qualification, based on our review of the controls in relation to revenue transactions once received, nothing has come to our attention which would cause us to believe that the internal controls over income from fundraising and donations by the association are not appropriate."

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion, the concise financial report of Transform Aid International Ltd for the year ended 30 June 2014 is consistent with the full report referred to above from which they are derived. For a better understanding of the scope of our audit this report should be read in conjunction with our audit report on the annual statutory financial report referred to above.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance
Sydney, 2 October 2014

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
REVENUE			
Donations and gifts			
• Monetary		11,338	9,373
• Non-Monetary	5	262	231
		11,600	9,604
Bequests and legacies		94	475
Grants			
DFAT Australian Aid Programs:			
• Grants		4,828	4,304
• Interest on Grants		9	14
		4,837	4,318
Investment income		18	68
Other income	6	20	44
TOTAL REVENUE		16,569	14,509
EXPENDITURE			
International Aid and Development Programs Expenditure			
• Funds to international programs		9,279	9,478
• Program support costs		1,070	948
Community Education	7	425	921
Fundraising costs:			
• Public		1,860	1,417
• Government and multilaterals		20	28
Accountability and administration		3,110	2,482
Non-Monetary Expenditure	5	262	231
Total International Aid and Development Programs Expenditure		16,026	15,505
TOTAL EXPENDITURE		16,026	15,505
Gain from Sale of Assets		354	-
Fair value on Foreign Exchange Contracts		(327)	255
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE		570	(741)
Other Comprehensive Income		-	-
	24		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		570	(741)

NOTE

No revenue or expenditure was received/spent for International Political or Religious Proselytisation Programs.

Consolidated Statement of Financial Position

as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	3,430	2,872
Trade and other receivables	9	39	502
Tax receivables	18	4	-
Financial assets	10	-	254
Other current assets	11	527	448
		4,000	4,076
Non-Current Assets			
Property, plant and equipment	12	4,534	919
Investment properties	13	-	758
Intangibles	14	297	502
Other non-current assets	15	3	3
		4,834	2,182
Total Assets		8,834	6,258
LIABILITIES			
Current liabilities			
Trade and other payables	16	199	231
Financial liability	17	72	-
Tax payables	18	-	1
Borrowings	19	103	3
Provisions	20	274	291
Other	21	56	105
		704	631
Non-Current Liabilities			
Provisions	22	71	73
Borrowings	19	1,950	-
		2,021	73
Total Liabilities		2,725	704
NET ASSETS EQUITY			
Retained earnings	24	2,598	2,043
Reserves	23 (d)	3,511	3,511
TOTAL EQUITY		6,109	5,554

At the end of the financial year, Transform Aid International Ltd had no balances in the inventories, assets held for sale, and other financial liabilities categories.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2014

	General Funds \$'000	Designated Funds \$'000	Restricted Funds \$'000	Reserve Funds \$'000	TOTAL
Notes	23(a)	23(b)	23(c)	23(d)	
Balance as 1 July 2012	595	254	1,931	3,511	6,292
Shortfall of revenue over expenditure	(43)	(122)	(576)	-	(741)
Other comprehensive income for the year	-	-	-	-	-
Transfer of funds	3	-	-	-	3
Balance at 30 June 2013	556	132	1,355	3,511	5,554
Balance at 1 July 2013	556	132	1,355	3,511	5,554
Excess (shortfall) of revenue over expenditure	(103)	567	106	-	570
Other comprehensive income for the year	-	-	-	-	-
Transfer of funds	(14)	-	-	-	(14)
Balance at 30 June 2014	438	699	1,461	3,511	6,110

Table of Cash Movements for Designated Purposes

for the year ended 30 June 2014

	Cash available at beginning of year \$'000	Cash raised during year \$'000	Cash disbursed during year \$'000	Cash available at end of year \$'000
Australian Aid ANCP	-	3,327	(3,327)	-
Australian Aid Papua New Guinea CPP	64	1,404	(1,412)	56
Australian Aid Vanuatu CPP	41	57	(98)	-
Typhoon Haiyan Appeal	-	1,102	(494)	608
Solomons Flood Appeal	-	66	(27)	39
Other Non-Designated Purposes*	2,767	10,312	(10,352)	2,727
Total	2,872	16,268	(15,710)	3,430

*includes \$460,000 cash disbursed on property net of financing

Consolidated Statement of Cash Flow

for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations received		11,338	9,373
Bequests and legacies received		94	475
Operating grants received		4,788	4,148
Other income received		20	44
Payment to suppliers and employees		(5,857)	(5,315)
Distribution to overseas partners		(9,392)	(9,928)
Interest received		27	82
Net cash provided by (used in) operating activities		1,018	(1,121)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,590	-
Purchase of property, plant and equipment		(4,100)	-
Proceeds from sale of marketable securities		-	306
Net cash provided by (used in) investing activities		(2,510)	306
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term secured loans		2,100	-
Repayment of long term secured loans		(50)	-
Net cash provided by (used in) financing activities		2,050	-
NET INCREASE/(DECREASE) IN CASH HELD		558	(815)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		2,872	3,687
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	8	3,430	2,872

Sources of Income FY2013/14*



Use of Funds FY2013/14*



Responsible Persons' Declaration

In the opinion of the Responsible Persons of Transform Aid International Ltd, the consolidated financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including;

1. Giving a true and fair view of its financial position as at 30 June 2014 and of its performance for the financial year ended on that date.
2. Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations); and the Australian Charities and Not-for-profits Commission Regulation 2013.
3. There are reasonable grounds to believe that Transform Aid International Ltd will be able to pay its debts as and when they become payable.

Signed in accordance with a resolution of Responsible Persons:

Michael Turnbull
Chair

Dated the 2nd day of October 2014

A copy of the complete Financial Report is available on request from the Finance Manager, Transform Aid International Ltd.
*These graphs are derived from figures in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Notes to the consolidated Financial Statements

for the year ended 30 June 2014

NOTE 1 General information and statement of compliance

The financial report includes the consolidated financial statements and notes of Transform Aid International Ltd and its controlled entity ('Consolidated Group' or 'Group').

The Group has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. Transform Aid International Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 30 June 2014 were approved and authorised for issue by the board of Responsible Persons on 30 September 2014.

NOTE 2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

Amendments to AASB 119 Employee Benefits

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans.

The amendments:

- Eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- Change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- Enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits 'expected to be settled wholly' (as opposed to 'due to be settled' under the superseded version of AASB 119) within twelve (12) months after the end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the Group does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period, annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability. This change has had no impact on the presentation of annual leave as a current liability in accordance with AASB 101 Presentation of Financial Statements.

These amendments have had no significant impact on the entity.

NOTE 3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 Basis of consolidation

The Group financial statements consolidate those of Transform Aid International Ltd and its fully owned subsidiary, Baptist World Aid Australia Limited as of 30 June 2014. All transactions and balances between the Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group Companies. Amounts reported in the financial statements of Subsidiaries have been adjusted to ensure consistency with the accounting policies adopted by the Group.

3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) *Donations and fundraising*

The Group recognises amounts donated or raised on behalf of the Group as income only when they are received by the Group.

(ii) *Grants*

Grant revenue is recognised in the statement of profit or loss when the Group obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Group and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Group incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

(iii) *Interest and Dividends*

Interest and dividends are recognised when received/receivable.

All revenue is stated net of the amount of goods and services tax (GST).

3.4 Cash and cash equivalents

Cash includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

3.5 Prepayments

In order to facilitate program continuity over the year end period, a number of payments are made to overseas partners towards the following financial year's activities. These payments are separated in the accounts and included under other financial assets in the current financial year.

In some cases, a partner may have been unable to fully acquit project funds by the end of the financial year. These funds are also included under other financial assets and are expected to be fully acquitted in the following financial year.

3.6 Property, plant and equipment

Property, plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Property, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- property: 40 years
- furniture and fittings: 6-8 years
- computer hardware: 4 years
- motor vehicles: 6-7 years
- office equipment: 5-6 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

3.7 Intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.8. The following useful lives are applied:

Software: 3-5 years

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

3.8 Impairment of non-current assets

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each reporting date, the Group reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

3.9 Employee benefits

(i) *Wages and salaries*

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised and measured at the present value of the estimated 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.

(iii) *Annual Leave*

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Group does not expect all annual leave for all employees to be used wholly within twelve (12) months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 Presentation of Financial Statements.

(iv) *Superannuation*

The Group provides post-employment benefits through defined contribution plans. Amount charged to the income statement in respect of superannuation represents the contributions paid or payable by the Group to the employees' superannuation funds.

3.10 Income Tax

The Group is a Public Benevolent Institution and is exempt from Income Tax pursuant to section 50-5, item 1.1 of the Income Tax Assessment Act 1997.

3.11 Investment Property

Investment Properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the cost model and depreciated over the useful lives.

Rental income and operating expenses from Investment Property are reported within other income on the face value of the Statement of Profit and Loss and other Comprehensive Income.

3.12 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.13 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit Or Loss ('FVTPL')

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income

3.14 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant.

Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

3.15 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

3.16 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated 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.

4 NATURE AND OBJECTS OF ORGANISATION

On the 18th April 2013, Australian Baptist World Aid Inc. changed its legal status from an incorporated association to a company structure and subsequently received approval from the Australian Government as a Deductible Gift Recipient (DGR). Transform Aid International Ltd commenced operations under the new company structure from 23rd July 2013.

As Transform Aid International Ltd is the successor of Australian Baptist World Aid Inc and the nature of its business operations and members remain the same, it is appropriate that the financial comparatives to FY2013 are those of Australian Baptist World Aid Inc. as dictated under the accounting for "Business Under Common Control". Additionally, certain comparatives have been reclassified as a result of adopting general purpose financial report.

Additionally, a wholly owned subsidiary of Transform Aid International Ltd namely, Baptist World Aid Australia Ltd, was established as a company and registered as a Charity organisation on the 8th August 2013. This subsidiary will continue and expand the operations of the previous Australian Baptist World Aid Inc.

NOTE 5 GIFTS IN KIND VOLUNTEERS

The work of Transform Aid International Ltd is supported by a large number of volunteers each year. The contributions from volunteers, through regular mail opening, screening of children's mail, book-keeping, project assistance, etc. means that the Group is able to deliver a greater proportion of cash donations directly to its field projects.

During the year ended 30th June 2014, 10,504 volunteer hours were provided to the Group by 95 volunteers (FY2013: 9,064 hours provided by 54 volunteers) at a commercial value of \$261,648 (FY2013: \$230,937). Of this amount \$28,570 is considered recognised development expenditure for the purpose of assessing the Group's entitlement for Government funding (FY2013: \$84,835).

NOTE 6 OTHER INCOME

Total other income for the year is \$19,936 (FY2013: \$43,955). The balance represents income from deputations, resource sales and rental income.

NOTE 7 COMMUNITY EDUCATION

Community Education expenditure includes both Transform Aid International Ltd's component and a contribution to Micah Challenge which is coalition of different Christian denominations and Christian Aid & Development agencies to address the problem of poverty through advocacy and education.

Of the total amount of \$425,419, \$350,635 classified as Recognised Development Expenditure, \$74,784 (incurred by Micah Challenge) will not be classified as development expenditures as it has fundraising elements on its activities. The comparatives have also been adjusted for this reclassification.

During the year ended 30th June 2014, Micah Challenge costs that were previously classified as Domestic Programs expenditure have now been re-classified as Community Education expenditure.

NOTE 8 CASH AND CASH EQUIVALENTS

	2014	2013
The cash and cash equivalents amount in the balance sheet is represented by:		
Cash on hand	3,936	14,501
Cash at bank	2,904,958	2,747,758
Cash on deposit	308,536	5,191
Cash on restricted accounts	212,448	104,552
	3,429,878	2,872,002

NOTE 9 TRADE AND OTHER RECEIVABLES

The Trade and other receivables amount in the balance sheet is represented by:		
Unacquitted Travel Advances	24,752	-
Sundry Debtors	5,041	485,985
Accounts Receivable	9,408	15,745
	39,201	501,730

NOTE 10 FINANCIAL ASSETS

Financial Assets in the balance sheet include:		
Unrealised Gain on Foreign Exchange Contracts	-	254,731
	-	254,731

NOTE 11 OTHER CURRENT ASSETS

Other Current Assets in the balance sheet include:		
Project Prepayments	519,666	410,728
Prepaid Expenses	7,265	36,980
	526,931	447,708

NOTE 12 PROPERTY PLANT & EQUIPMENT

Property plant and equipment movements during the year were as follows:

	WDV* at 1/07/2013	Additions/ Transfers	Disposals/ Write Off	Revaluation / (Depreciation)	WDV at 30/06/2014
Land	200,955	-	(200,955)	-	-
Buildings	234,382	4,202,769	(232,661)	(97,454)	4,107,035
Computer Hardware	72,438	89,541	-	(47,149)	114,830
Furniture and Fittings	68,351	112,326	(15,224)	(19,645)	145,808
Office equipment	34,276	355	(9,258)	(8,571)	16,801
Motor Vehicles	200,563	16,413	(31,373)	(35,671)	149,933
Capital Works in Progress	107,682	(107,682)	-	-	-
	918,646	4,313,722	(489,471)	(208,491)	4,534,407

For depreciation policy refer note 1 (e).

* WDV = written down value

NOTE 13 INVESTMENT PROPERTY

Investment Property movements during the year were as follows:

	WDV* at 1/07/2013	Additions/ Transfers	Disposals/ Write Off	Revaluation / (Depreciation)	WDV at 30/06/2014
Land	532,878	-	(532,878)	-	-
Buildings	225,490	(6,000)	(219,490)	-	-
	758,368	(6,000)	(752,368)	-	-

NOTE 14 INTANGIBLES

Intangible assets movements during the year were as follows:

	WDV* at 1/07/2013	Additions/ Transfers	Disposals/ Write Off	Amortisation	WDV at 30/06/2014
Computer Software	502,174	157,180	(137,549)	(224,784)	297,021
	502,174	157,180	(137,549)	(224,784)	297,021

* WDV = written down value

These assets consist primarily of Microsoft® CRM ("Customer Relationship Management") software. Costs capitalised include systems development and customisation to better serve the Group's stakeholders.

NOTE 15 OTHER NON-CURRENT ASSETS

Life time sponsorships, restricted loans

	2014	2013
	3,000	3,000
	3,000	3,000

NOTE 16 TRADE AND OTHER PAYABLES

Trade and other payables include:

Creditors and Accruals

Bangladesh Office Vehicle Replacement Fund

	181,816	231,339
	17,673	-
	199,489	231,339

NOTE 17 FINANCIAL LIABILITY

Financial liability include:

Unrealised Loss on Outstanding Foreign Exchange Contracts

	71,860	-
	71,860	-

NOTE 18 TAX PAYABLES/ (RECEIVABLES)

Tax receivables include:

Net GST payable/(receivable)

	4,267	-
	4,267	-

Tax payables include:

Net GST payable/(receivable)

	-	600
	-	600

NOTE 19 BORROWINGS

Borrowings include:

Current

NAB Secured Loan

Other

	100,000	-
	3,000	3,000
	103,000	3,000

Non-Current

NAB Secured Loan

	1,950,000	-
	1,950,000	-

Since July 2013, Transform Aid International Ltd has entered into an overdraft facility and loan agreement with National Australia Bank Ltd. The facility also provides for overdraft credit of up to \$300,000 and is secured by the office property situated at 32 Delhi Road, North Ryde. The facility is in place to assist the Group to better manage its short term cash flow requirements. None of the overdraft facility was utilised during the current financial year.

The nature of the loan is a flexible rate loan with a single limit of \$2.1 million and a 5 year term. Any combination of fixed and floating interest rate components can be set up under this limit as long as the sum of the components does not exceed the facility limit and any one component does not exceed the expiry date or the relevant term. Currently \$1.63m of the total loan is at a fixed interest rate and of \$0.42m is at a floating interest rate.

Principal repayments are \$100,000 per annum.

NOTE 20 CURRENT LIABILITIES - PROVISIONS

Provision for Annual Leave
Provision for Long Service Leave
Other Employee Entitlements

	244,596	284,836
	24,575	-
	5,000	6,483
	274,171	291,319

NOTE 21 CURRENT LIABILITIES - OTHER

Unexpended Government Grants

	55,612	104,521
	55,612	104,521

During the year, Transform Aid International Ltd received funding from the Australian Government. Unexpended Government Grant funds represent that portion of Government funding which had not been acquitted as at 30th June 2014. These funds were either in the bank account of project partners or in the bank account of Transform Aid International Ltd pending completion and payment for development projects.

NOTE 22 LONG TERM LIABILITIES - PROVISIONS

Provision for Long Service Leave

	2014	2013
	70,720	73,661
	70,720	73,661

NOTE 23 FUNDS AND RESERVES**FUNDS****(a) General Funds**

Community Development (General Pool)

	437,898	555,501
	437,898	555,501

(b) Designated Funds

HELP Nepal

NCDP Community Based Rehabilitation Project

Freeset

Micah Challenge

Emergency Assistance to Refugees in Malaysia

Raptipari Community Health & Development Project

Emergencies (General Pool)

Matching Grant Projects (Donation Pool)

	-	32,737
	10,667	22,503
	14,933	46,961
	-	29,826
	4,541	-
	30,057	-
	58	-
	639,213	-
	699,468	132,028

(c) Restricted Funds

Bangladesh Office - Vehicle Replacement Fund

Sponsorship Funds

Dani Economic Dev't Foundation 1st Drugs Project

CRS Kambioos WASH Project

Typhoon Haiyan Philippines (Donation Pool)*

Solomon Islands Flash Flood Relief Response

	-	10,961
	813,562	1,252,381
	-	7,427
	-	84,261
	580,875	-
	66,689	-
	1,461,127	1,355,030

TOTAL FUNDS

* These funds are scheduled to be disbursed in FY2015 as and when needed.

	2,598,493	2,042,559
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RESERVES**(d) Reserve Funds**

Capital Fund

Capital Reserve

TOTAL RESERVES

	1,411,360	1,411,360
	2,100,000	2,100,000
	3,511,360	3,511,360

NOTE 24 RECONCILIATION OF TOTAL FUNDS**Opening Balance**

Surplus for the Year

Transfer of funds - Bangladesh Office

Closing Balance

	2,042,559	2,780,185
	570,087	(740,739)
	(14,152)	3,112
	2,598,493	2,042,559

NOTE 25 FOREIGN CURRENCY

The Group also holds a small amount of foreign currencies for use by staff when travelling to overseas programs. All assets denominated in foreign currencies have been restated in the these accounts at their Australian dollar equivalents as at 30th June 2014. Resulting gains or losses have been recognised in determining the reported excess/shortfall recorded in the income statement.

NOTE 26 RELATED PARTY TRANSACTIONS

The Group's related parties include its Key Management Personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

NOTE 27 CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Group in relation to 2014 or 2013.

NOTE 28 POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

NOTE 29 MEMBER'S GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the Company are liable to contribute if the Company wound up is \$110 (2013: \$140).



Volunteers are the lifeblood of our organisation. Without their faithful, ongoing and committed support, Transform Aid International and Baptist World Aid Australia would be unable to love and serve children and their families living in poverty across Asia, Africa and the Pacific in the way that we do.

Each and every day, both in our Sydney office and in Baptist churches and communities all around Australia, our wonderful volunteers give their time in acts of service and prayer to faithfully support the work we do. Here is a list of just some of our hard-working volunteers who we would like to publically acknowledge for service in excess of five years.

In addition to these people are many, many more wonderful Transform Aid International and Baptist World Aid Australia supporters who continue to uplift and encourage us every day with phone calls, letters and emails. We thank God for every one of you walking alongside us on this journey to love and serve the poor.

On behalf of everyone here at Transform Aid International and Baptist World Aid Australia...

Volunteers

- Janet Poole
- Claire Mercer
- Betty Helm
- John Helm
- Shirley Marx
- Els Gell
- Graham Shute
- Hazel Shute
- Allan Smith
- Heather Martin
- Ray Martin

Service

- 5 years
- 6 years
- 8 years
- 8 years
- 10 years
- 16 years
- 17 years
- 20 years
- 21 years
- 25 years
- 32 years!

Thank you!

Transform Aid International Ltd commenced operations under the new company structure from 23 July 2013 (ABN 63 430 709 718). Additionally a wholly-owned subsidiary was established, namely Baptist World Aid Australia Ltd, to continue and expand its Australian operations. Transform Aid International Ltd is the aid and development agency for Australian Baptist Ministries and operates as a company limited by guarantee with its own Board.

Transform Aid International Ltd is a registered charity with the Australia Charities and Not-for-profits Commission, it operates nationally and holds fundraising licences in all Australian states where legislation requires it to do so. Licences are held under the following numbers: South Australia: ccp934; Victoria: 10918; Western Australia: 20417. Transform Aid International Ltd is an approved Deductible Gift Recipient (DGR).

Transform Aid International Ltd engages the services of the National Australia Bank, Grant Thornton auditors and Church and Grace solicitors. Transform Aid International Ltd has official accreditation from Department of Foreign Affairs and Trade (DFAT) which enables the organisation to receive government funds for its programs. We acknowledge not only the funds, but the care and support of key government staff in our work together.

Transform Aid International Ltd is a compliant signatory of the Australian Council For International Development's (ACFID) Code of Conduct. Baptist World Aid Australia Ltd, as a wholly owned subsidiary of Transform Aid International Ltd, adheres to the requirements of the same Code.

A copy of ACFID's Code of Conduct can be obtained from www.acfid.asn.au. If you believe that Transform Aid International Ltd or Baptist World Aid Australia Ltd have breached the Code of Conduct, you can lodge a complaint with ACFID either on their website or to the Code Manager, ACFID Code of Conduct Committee, C/- ACFID, Private Bag 3, Deakin ACT 2600.

If you wish to lodge a complaint with Transform Aid International Ltd or Baptist World Aid Australia Ltd, please write to the Supporter Engagement Manager, Locked Bag 2200, North Ryde BC NSW 1670. The complaints handling policy and the ability to lodge a complaint are also available on our websites, www.transformaid.org or www.baptistworldaid.org.au.

Transform Aid International Ltd is a member of the Integral Alliance, a global consortium of Christian aid and development agencies with presence in 85 countries.

Photographs have been taken by Transform Aid International staff, partners and associates in Africa, Asia and the Pacific unless otherwise indicated. Design by Fiona Russell.



Transform Aid

INTERNATIONAL
For a world without poverty



**BAPTIST
WORLD AID
AUSTRALIA**
Be love. End poverty.



Australian Government
Department of Foreign Affairs and Trade





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