

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Consolidated Financial Statements

For the Year Ended 30 June 2023

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Contents

For the Year Ended 30 June 2023

	Page
Directors' Report	1
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	33
Independent Audit Report	34

Transform Aid International Ltd and Controlled Entities

ABN: 63 430 709 718

Board's Report

For the year ended 30 June 2023

The directors of Transform Aid International Ltd ('TAI') present their report together with the financial statements of the consolidated entity, being Transform Aid International Ltd ('the Company') and its controlled entity ('the Group') for the year ended 30 June 2023 and the Independent Audit Report.

Information on Directors

The names of each person who has been a Director during the year and to the date of this report are:

Tara Reid

Qualifications & Experience B. Business (Accounting); Graduate Diploma in Applied Finance; Cert IV in Training and Assessment; GAICD.

Special Responsibilities Board Chair. Member of the Finance and Risk Committee and the Nominations and Governance Committee. Baptist World Aid Australia Board member

Allan Demond

Qualifications & Experience B.A. (Hon), M.Div. (Hon), Th.M., Ph.D, GAICD.

Special Responsibilities Board Vice-Chair, Chair of Nominations and Governance Committee

Heidi Tak

Qualifications & Experience B Commerce, CA, MAICD.

Special Responsibilities Board Member (retired 11.11.2022) Member of the Finance and Risk Committee

Tabitha Mathew

Qualifications & Experience B Media & Communications.

Susan Campbell

Qualifications & Experience B Dip Ed; Grad Dip Theology; MA Leadership & Management (Organisational Dynamics)

Special Responsibilities Member of the Nominations and Governance Committee

Meredith Downey

Qualifications & Experience B Agricultural Economics; M International and Community Development; M Law and International Development; Dip. Biblical Studies

Michelle Farrall

Qualifications & Experience B Public Relations, Cert IV Workplace Business Coaching, Cert IV in Youth Development and MA Leadership & Management (Org Dynamics)

Special Responsibilities Baptist World Aid Australia Board member

Michael Fisher

Qualifications & Experience MFinPlan, GradDipFinPlan, DFP, MeSAFAA.

Special Responsibilities Chair of the Finance and Risk Committee. Baptist World Aid Australia Board member

Peter Chandra

Qualifications & Experience GAICD; PhD Sociology of Education; BSc Hons in Engineering (with Management/Marketing Studies).

Special Responsibilities Member of the Nominations and Governance Committee

Alistair Macpherson

Qualifications & Experience B Arts; MA (Christian Studies); GD Legal Practice.

Special Responsibilities Member of the Finance and Risk Committee

Melissa Lipsett

Qualifications & Experience B Ministry; B Applied Science. MAICD.

Special Responsibilities CEO. Member of the Finance and Risk Committee and the Nominations and Governance Committee

Transform Aid International Ltd and Controlled Entities

ABN: 63 430 709 718

Board's Report

For the year ended 30 June 2023

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Natasha Thompson is the current Group's Chief Financial Officer and Company Secretary. Natasha is a qualified Chartered Accountant and a graduate of the AICD Company Director's Course and is currently completing a Master of Laws. She has held senior finance and governance executive positions in ASX listed corporates and not for profits for more than 15 years.

Principal activities

During the year, the principal activities of the Group have included fundraising, advocacy and international community development. The organisation commenced their five-year *Fullness of Life* Strategic Plan, focusing work on economic dignity, participation for all and building resilient communities. In addition to fundraising and the receipt of Australian government grants for our ongoing work, we undertook special appeals for humanitarian, conflict and/or disaster work in Türkiye and Syria, Pakistan, Afghanistan, Ukraine and the Global Hunger Crisis. Our advocacy initiatives, which address labour rights and environmental sustainability in global supply chains, continued with the publication of our tenth Ethical Fashion Report.

Short-term objectives

- Strategic investment in our international programs particularly in four "Impact Areas" - Economic Dignity, Empower the Local Church, Meet Needs in Humanitarian Crisis, and Organisational Capability.
- Create advocacy initiatives to create awareness of systemic issues that cause poverty and injustice, and mobilise supporters to campaign for change.
- Investment in organisational development through the introduction and continuous improvement of systems, processes, and people.

Long-term objectives

The Group developed a new five-year strategic plan covering the period 2023 – 2027 which commenced on 1 July 2022. Through local Christian partners the organisation has focused its work in order to achieve the greatest impact.

- Economic Dignity for All.
TAI target global and local barriers to equality so that women and youth are empowered, and all people can experience economic dignity and flourish as God intends.
- Participation for All.
TAI stand with children, youth and women as they grow into bold agents of change in their communities and teach others to diversify income streams, improve agricultural practices and promote education and human rights.
- Resilient communities.
TAI respond to the vulnerabilities and needs caused by disaster and crises. Build local capacity to withstand shocks, such as disasters, global pandemics (COVID-19), climate change, conflict and displacement, so that communities experience greater resilience and continue to flourish as God intends.

Transform Aid International Ltd and Controlled Entities

ABN: 63 430 709 718

Board's Report

For the year ended 30 June 2023

Strategy for achieving short and long-term objectives

To achieve these objectives, the Group will adopt the following strategies:

- Deepen our relationship with local communities to support their development.
- Speak and act prophetically to challenge and disrupt systems that cause injustice.
- Pray for, inspire and empower a movement to join as part of God's story of restoration across the Globe.
- Inspire and generate sustainable, diverse, and innovative funding to enable and grow our missional impact.
- Develop our people, culture and systems to deliver faithful missional impact and excellence.

Responsible Persons' meetings

The number of meetings of Responsible Persons held during the year and the numbers of meetings attended by each Responsible Person were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Tara Reid	7	7
Allan Demond	7	7
Susan Campbell	7	6
Michelle Farrall	7	4
Tabitha Mathews	7	4
Michael Fisher	7	7
Meredith Downey	7	7
Peter Chandra	7	6
Alistair MacPherson	7	7
Melissa Lipsett	7	7
Heidi Tak	4	4

Transform Aid International Ltd and Controlled Entities

ABN: 63 430 709 718

Board's Report

For the year ended 30 June 2023

Contribution in winding up

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 of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the Company are liable to contribute if the Company is wound up is \$100 (2022: \$100).

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 5 of this financial report and forms part of the Responsible Persons' Report.

Signed in accordance with a resolution of the Responsible Persons'.

Director and Chair:



Tara Reid

Dated: 13/11/2023

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Auditor's Independence Declaration To the Board of Directors Transform Aid International Ltd and Controlled Entities and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC
Dated: 13 November 2023

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
REVENUE			
Donations and gifts:			
Monetary		13,248,624	13,126,820
Non-monetary	4	48,110	106,170
		<u>13,296,734</u>	<u>13,232,990</u>
Bequests and legacies		1,487,470	536,461
Grants:			
Department of Foreign Affairs and Trade		5,305,297	4,785,863
Other Australian		221,077	128,648
Other Overseas		-	50,036
Commercial Activities Income		15,230	10,153
Investment income		611,291	158,360
Other income		33,439	6,195
		<u>20,970,538</u>	<u>18,908,706</u>
EXPENDITURE			
International Aid and Development Programs Expenditure			
International programs:			
Funds to international programs		10,550,353	10,313,317
Program support costs		1,304,842	1,121,761
		<u>11,855,195</u>	<u>11,435,078</u>
Community education		1,262,825	1,140,266
Fundraising costs:			
Public		2,462,673	2,650,886
Government, multilateral and private		24,376	33,081
		<u>2,487,049</u>	<u>2,683,967</u>
Accountability and administration		3,666,195	3,717,319
Non-monetary expenditure	4	48,110	106,169
		<u>19,319,374</u>	<u>19,082,799</u>
Total International Aid and Development Programs Expenditure			
Commercial Activities Expenditure		-	6,829
		<u>19,319,374</u>	<u>19,089,628</u>
Unrealised fair value on foreign exchange contracts		(95,801)	120,816
Share of loss in Associate	24	-	(16,750)
		<u>1,555,363</u>	<u>(76,856)</u>
EXCESS OF REVENUE OVER EXPENDITURE			

The accompanying notes form part of these financial statements.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on revaluation of assets		1,421,659	-
Total comprehensive income for the year		<u>2,977,022</u>	<u>(76,856)</u>

The accompanying notes form part of these financial statements.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	8,507,237	6,657,688
Trade and other receivables	8	42,924	92,968
Other financial assets	9	354,318	326,718
Other assets	10	321,981	395,135
TOTAL CURRENT ASSETS		<u>9,226,460</u>	<u>7,472,509</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,268,011	3,354,280
Investment properties	12	3,960,000	1,040,000
Intangible assets	13	167,381	246,333
Right-of-use assets	14	83,553	16,507
Other financial assets	9	258,973	-
Investments in associates	24	-	258,974
TOTAL NON-CURRENT ASSETS		<u>6,737,918</u>	<u>4,916,094</u>
TOTAL ASSETS		<u>15,964,378</u>	<u>12,388,603</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	678,688	561,685
Lease liabilities	14	37,738	10,014
Employee benefits	17	478,549	355,404
Other liabilities	16	273,047	-
TOTAL CURRENT LIABILITIES		<u>1,468,022</u>	<u>927,103</u>
NON-CURRENT LIABILITIES			
Lease liabilities	14	47,432	7,846
Employee benefits	17	100,778	82,530
TOTAL NON-CURRENT LIABILITIES		<u>148,210</u>	<u>90,376</u>
TOTAL LIABILITIES		<u>1,616,232</u>	<u>1,017,479</u>
NET ASSETS		<u>14,348,146</u>	<u>11,371,124</u>
EQUITY			
Reserves	18	7,528,580	7,509,189
Retained earnings		6,819,566	3,861,935
TOTAL EQUITY		<u>14,348,146</u>	<u>11,371,124</u>

The accompanying notes form part of these financial statements.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023
2023

	General Reserve	Restricted Funds	Capital Reserves	Asset revaluation reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	3,861,935	3,840,592	3,511,360	157,237	11,371,124
Excess/(shortfall) of revenue over expenditures	1,555,363	-	-	-	1,555,363
Other comprehensive income	-	-	-	1,421,659	1,421,659
Transfer to and from reserves	1,413,704	(1,413,704)	-	-	-
Balance at 30 June 2023	6,831,002	2,426,888	3,511,360	1,578,896	14,348,146

2022

	General Reserve	Restricted Funds	Capital Reserves	Asset revaluation reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	4,404,620	3,458,904	3,511,360	157,237	11,532,121
Retrospective adjustment upon change in accounting policy	(84,141)	-	-	-	(84,141)
Balance at 1 July 2021 restated	4,320,479	3,458,904	3,511,360	157,237	11,447,980
Excess/(shortfall) of revenue over expenditures	(76,856)	-	-	-	(76,856)
Other comprehensive income	-	-	-	-	-
Transfers to and from reserves	(381,688)	381,688	-	-	-
Balance at 30 June 2022	3,861,935	3,840,592	3,511,360	157,237	11,371,124

The accompanying notes form part of these financial statements.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Donations received		13,248,624	13,126,820
Bequests and legacies		1,366,569	536,461
Operating grants received		6,379,363	4,925,294
Other income received		181,760	146,063
Payments to suppliers and employees		(8,845,847)	(8,585,194)
Distributions to overseas partners		(10,484,200)	(10,269,188)
Interest received		101,549	11,363
Net cash (used in)/provided by operating activities		<u>1,947,818</u>	<u>(108,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		3,116	20,000
Purchase of property, plant and equipment		(65,551)	-
Purchase of intangible assets		(57,730)	(31,233)
Proceeds from investment property		48,860	53,577
Net cash received from/(paid for) investment in financial assets		<u>(2,500)</u>	<u>249,529</u>
Net cash provided by/(used in) investing activities		<u>(73,805)</u>	<u>291,873</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		<u>(24,464)</u>	<u>(1,541)</u>
Net cash used in financing activities		<u>(24,464)</u>	<u>(1,541)</u>
Net increase in cash and cash equivalents held		1,849,549	181,951
Cash and cash equivalents at beginning of year		<u>6,657,688</u>	<u>6,475,737</u>
Cash and cash equivalents at end of financial year	7	<u><u>8,507,237</u></u>	<u><u>6,657,688</u></u>

The accompanying notes form part of these financial statements.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

Basis of Preparation

The financial report covers Transform Aid International Ltd and its Controlled Entities ('the Group'). Transform Aid International Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures the *Australian Charities and Not-for-profits Commission Act 2012* and the ACFID Code of Conduct. Transform Aid International Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board* ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 21 to the financial statements.

Associates

Associates are those entities over which the Group is able to exert significant influence, but which are not subsidiaries.

Investments in associates are accounted for using the equity method - refer to note 24.

Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention except for the following

- Investment property is measured at fair value
- Financial assets through profit or loss are measured at fair value.

The methods used to measure the fair value of these assets are described below.

(c) Income Tax

Transform Aid International Ltd is a Public Benevolent Institution and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(d) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Where the Group has assessed there are no specific performance obligations, the grant revenue is recognised on receipt in accordance with AASB 1058.

Revenue recognition policy where there are no sufficiently specific performance obligations

The revenue recognition policies for the principal revenue streams of the Group are:

Donations, fundraising and bequests

The Group recognises amounts donated or raised on behalf of the Group as income when the income is received by the Group. Bequests are recognised when the legacy is received.

In-kind and non-monetary donations are recognised at fair value.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(d) Revenue and other income

Revenue recognition policy where there are no sufficiently specific performance obligations

Dividends from investments are recognised when the right to receive a dividend has been established.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Prepayment

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 assets in the current financial year.

Additionally, in some cases, an international partner may have been unable to fully acquit project funds by the end of the financial year. For ordinary programming activities that are part of ongoing multiyear projects these funds are also included under other assets and are expected to be fully acquitted in the following financial year.

Payments made to international payments for disaster management programs that are not fully acquitted at year end are subject to no-cost extension contract variations and are therefore fully expensed in the current financial year.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(g) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	40 years
Investment Property	40 years
Furniture, Fixtures and Fittings	6 - 8 years
Motor Vehicles	6 - 7 years
Office Equipment	5 - 6 years
Computer Hardware	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Investment property

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

(i) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(i) Financial instruments

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Group's financial assets measured at FVTPL comprise forward exchange contracts in the consolidated statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(i) Financial instruments

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

(j) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(j) Impairment of non-financial assets

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Intangible assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between three and five years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Employee benefits

Provision is made for the Group's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

1 Summary of Significant Accounting Policies

(n) Leases

At inception of a contract, the Group assesses whether a lease exists.

(i) Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Change in Accounting Policy

The Group has changed its accounting policy in relation to the recognition of prepaid project expenses for disaster management programs that do not form part of on-going multi-year projects.

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 assets in the current financial year.

However, in some cases, an international partner may have been unable to fully acquit project funds by the end of the financial year. Funds made to international payments for disaster management programs that are not fully acquitted at year end are subject to no-cost extension contract variations and are therefore fully expensed in the current financial year rather than being recognised as part of other assets.

This change in accounting policy has been applied retrospectively and comparative figures have been restated accordingly. The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2023 is as follows:

	Previously stated \$	30 June 2022 Adjustments \$	Restated \$	Previously stated \$	1 July 2021 Adjustments \$	Restated \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income						
Funding to international programs	10,142,191	171,127	10,313,318	-	-	-
Consolidated Statement of Financial Position						
Other assets	650,402	(255,267)	395,135	-	-	-
Retained earnings	3,777,663	84,141	3,861,804	4,404,620	(84,141)	4,320,479

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Group has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - Employee benefits provision

As discussed in note 1(m), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key judgements - Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, cost, quantity and the period of transfer related to the goods or services promised.

4 Other Income

Non-monetary gifts and donations

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. mean that the Group is able to deliver a greater portion of cash donations directly to its field partners.

During the year ended 30 June 2023, 1,444 volunteer hours were provided to the Group by 24 volunteers (2022: 3,370 hours provided by 24 volunteers) at a commercial value of \$48,110 (2022: \$106,170). Of this amount, none is considered as Recognised Development Expenditure (RDE) for the purpose of assessing the Group's entitlement for Government funding (2022: \$4,129).

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Expenses

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Other expenses:		
Employee benefits expenses (excluding superannuation)	5,797,970	5,795,340
Superannuation contributions	506,087	486,866
Depreciation and amortisation expense	295,881	345,990
Interest expense on lease liability	3,557	1,869
Net foreign exchange loss/(gain)	(73,580)	205,972

6 Community Education

Community education expenditures include all costs related to informing and educating the Australian community of, and inviting their active involvement in global justice, development and humanitarian issues. This includes the costs of research, producing and distributing materials, the cost of conducting educational campaigns and the cost of personnel involved in these activities.

The total amount of \$1,300,642 (2022: \$1,140,266) is classified as Recognised Development Expenditure (RDE).

7 Cash and Cash Equivalents

Cash on hand	11,116	10,541
Bank balances	4,765,710	5,262,336
Short-term deposits	3,730,411	1,384,811
	<u>8,507,237</u>	<u>6,657,688</u>

Transform Aid International Ltd has in place a secured bank overdraft facility of \$500,000 with NAB. The facility was not utilised during 2023 and 2022 and remains unused at the reporting date.

8 Trade and Other Receivables

CURRENT		
Trade receivables	276	36,980
Prepaid corporate cards	-	11,645
GST receivable	9,512	43,581
Other receivables	33,136	762
Total current trade and other receivables	<u>42,924</u>	<u>92,968</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Other Financial Assets

	2023	2022
	\$	\$
CURRENT		
Fair value on forward exchange contracts (FVTPL)	27,265	123,066
Restricted term deposits (amortised cost)	206,152	203,652
Listed investments (FVTPL)	120,901	-
	<u>354,318</u>	<u>326,718</u>
NON-CURRENT		
Investments in Integra - at fair value	258,973	-
	<u>258,973</u>	<u>-</u>
Total	<u><u>613,291</u></u>	<u><u>326,718</u></u>

10 Other assets

CURRENT		
Project prepayments	266,074	370,550
Prepaid expenses	55,907	24,585
	<u>321,981</u>	<u>395,135</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, plant and equipment

	2023	2022
	\$	\$
Buildings		
At cost	2,875,578	4,202,769
Accumulated depreciation	(712,507)	(936,287)
Total buildings	<u>2,163,071</u>	<u>3,266,482</u>
Furniture, fixtures and fittings		
At cost	222,856	210,872
Accumulated depreciation	(207,564)	(205,269)
Total furniture, fixtures and fittings	<u>15,292</u>	<u>5,603</u>
Office equipment		
At cost	80,648	79,150
Accumulated depreciation	(54,017)	(45,474)
Total office equipment	<u>26,631</u>	<u>33,676</u>
Computer equipment		
At cost	527,841	480,347
Accumulated depreciation	(464,824)	(431,828)
Total computer equipment	<u>63,017</u>	<u>48,519</u>
Total property, plant and equipment	<u><u>2,268,011</u></u>	<u><u>3,354,280</u></u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, plant and equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2023					
Balance at the beginning of year	3,266,482	5,603	33,676	48,519	3,354,280
Additions	129,999	15,049	1,498	49,004	195,550
Disposals	-	(3,065)	-	-	(3,065)
Depreciation expense	(105,069)	(2,295)	(8,543)	(34,506)	(150,413)
Revaluation increase	1,421,659	-	-	-	1,421,659
Transferred to investment property	(2,550,000)	-	-	-	(2,550,000)
Balance at the end of the year	2,163,071	15,292	26,631	63,017	2,268,011

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Investment Properties

	2023	2022
	\$	\$
Investment property - at fair value	3,960,000	1,040,000
	<u>3,960,000</u>	<u>1,040,000</u>

The Group measures investment properties at fair value on a recurring basis.

The basis of the valuation of investment properties is fair value. The investment properties are revalued periodically based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

13 Intangible Assets

Computer software		
Cost	1,940,316	1,977,599
Accumulated amortisation	(1,772,935)	(1,762,499)
	<u>167,381</u>	<u>215,100</u>
Work in progress		
Cost	-	31,233
	<u>-</u>	<u>31,233</u>
Total Intangible assets	<u><u>167,381</u></u>	<u><u>246,333</u></u>

(a) Movements in carrying amounts of intangible assets

	Computer software	Work in progress	Total
	\$	\$	\$
Year ended 30 June 2023			
Balance at the beginning of the year	215,100	31,233	246,333
Additions	57,730	-	57,730
Disposals	(15,942)	-	(15,942)
Transfers	31,233	(31,233)	-
Amortisation	(120,740)	-	(120,740)
	<u>167,381</u>	<u>-</u>	<u>167,381</u>
Balance at the end of the year	<u><u>167,381</u></u>	<u><u>-</u></u>	<u><u>167,381</u></u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Leases

	2023	2022
	\$	\$
Right of use assets		
Right of use assets - equipment	138,936	47,162
Accumulated depreciation	(55,383)	(30,655)
	<u>83,553</u>	<u>16,507</u>

Right-of-use assets - carrying values

	Equipment	Total
	\$	\$
Opening balance	16,507	16,507
Depreciation charge	(24,728)	(24,728)
Additions to right-of-use assets	91,774	91,774
Balance at end of year	<u>83,553</u>	<u>83,553</u>

Lease liabilities

	2023	2022
	\$	\$
Current lease liabilities	37,738	10,014
Non-current lease liabilities	47,432	7,846
	<u>85,170</u>	<u>17,860</u>

Maturity analysis of future lease payments

Less than 1 year	37,738	10,680
Between 1 and 5 years	47,432	8,010
	<u>85,170</u>	<u>18,690</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

15 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	71,831	122,084
Employee benefits	89,945	67,883
Accrued expense	73,128	63,731
Overseas projects short term liabilities	69,662	107,985
Other payables	374,122	200,002
	<u>678,688</u>	<u>561,685</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

16 Other Liabilities

CURRENT		
Grants received in advance	273,047	-
	<u>273,047</u>	<u>-</u>

17 Employee Benefits

CURRENT		
Long service leave	57,042	62,430
Annual leave	421,507	292,974
	<u>478,549</u>	<u>355,404</u>
NON CURRENT		
Long service leave	100,778	82,530
	<u>100,778</u>	<u>82,530</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Reserves

(a) General funds

The general funds represent the retained surpluses of the Group. These funds have not been set aside for an specific purposes.

	2023	2022
	\$	\$
Non-deductible giving fund	35,338	16,835
Where needed most fund	5,882,704	3,651,049
TAI income generation fund	901,522	449,314
	<u>6,819,564</u>	<u>4,117,198</u>

(b) Restricted Funds

Restricted funds are donations received for specific appeal and purpose.

Sponsorship funds	493,154	506,947
COVID-19 global response	8,830	-
COVID-19 PNG response	211,623	356,241
COVID-19 India response	-	208,054
Middle east projects	92,515	161,633
Rohingya crisis appeal	-	17,817
Afghanistan appeal	9,461	341,161
Tonga appeal	144,814	261,258
Ukraine conflict appeal	259,400	796,352
Fund for Africa	34,623	205,333
TAI Strategic initiatives	640,895	985,796
Turkey and Syria earthquake appeal	409,871	-
Pakistan disaster response	12,886	-
Hunger Crisis appeal	120,252	-
	<u>2,438,324</u>	<u>3,840,592</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Reserves

(c) Capital reserves

Capital reserves are funds set aside for future expansion of the Group.

	2023	2022
	\$	\$
Reserves	3,511,360	3,511,360
	<u>3,511,360</u>	<u>3,511,360</u>

(d) Asset revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Asset revaluation reserve	1,578,896	157,237
	<u>1,578,896</u>	<u>157,237</u>

19 Members' Guarantee

Transform Aid International Ltd 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 of \$ 10 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 10 (2022: 10).

20 Auditors' Remuneration

Remuneration of the auditor

- audit of the financial statements	30,000	28,000
- other services	1,450	1,200
Total	<u>31,450</u>	<u>29,200</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

21 Controlled entities

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Subsidiaries:			
Baptist World Aid Australia Ltd	NSW, Australia	100	100
Baptist World Aid Australia Public Ancillary Fund	NSW, Australia	100	100
Transform Aid International Bangladesh	Dhaka, Bangladesh	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

22 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 23.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2023 \$	2022 \$
Transactions with entities related to directors		
Corney & Lind Lawyers		
Legal fee expense	16,158	-
The Future Leader Group		
Consulting fee expense	1,683	11,955
	<u>17,841</u>	<u>11,955</u>

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Notes to the Financial Statements

For the Year Ended 30 June 2023

23 Key Management Personnel Disclosures

Key management personnel refer to the Board of Directors and members of senior management who have the authority and responsibility to plan, direct and control the activities of the Group. All the Board of Directors with the exception of the CEO, act in an honorary capacity and receive no paid compensation for their services. The CEO is remunerated as part of the senior management group of Transform Aid International Ltd.

The remuneration paid to key management personnel of the Group is \$904,233 (2022: \$ 1,147,761).

24 Interests in Associates

Integra Cooperative

On 26th November 2018, the Group acquired a US\$200,000 interest into the equity of Integra Cooperative, a social investment fund in Slovakia. As of 30 June 2023, this equates to a 12.95% interest in Integra Cooperative (2022:14.99%).

As at 30 June 2023, The Group is no longer an associate to Integra Cooperative. This investment has been transferred to financial assets and reported at fair value.

	2023	2022
	\$	\$
Balance at the beginning of the year	258,974	275,724
Share of gain/(loss)	-	(5,275)
(Loss)/Gain from foreign exchange revaluation	-	(11,475)
Transferred to financial assets	<u>(258,974)</u>	-
Balance at the end of the year	<u>-</u>	<u>258,974</u>

25 Contingencies

In the opinion of the Directors, the Group did not have any contingent liabilities at 30 June 2023 (30 June 2022:None).

26 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

27 Statutory Information

The registered office and principal place of business of the company is:

Transform Aid International Ltd
32 Delhi Road
North Ryde
NSW, 2113, Australia

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 6 to 32, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and the *Australian Charities and Not-for-Profits Commission Regulation 2022*; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Director



Dated 13/11/2023

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Independent Audit Report to the members of Transform Aid International Ltd and Controlled Entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Transform Aid International Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Regulation 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Independent Audit Report to the members of Transform Aid International Ltd and Controlled Entities

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Independent Audit Report to the members of Transform Aid International Ltd and Controlled Entities

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

Part B: Compliance

We have audited the compliance of Baptist World Aid Australia Public Ancillary Fund with the requirements of the *Public Ancillary Fund Guidelines 2022* for the year ended 30 June 2023.

Conclusion

In our opinion, the trustee of Baptist World Aid Australia Public Ancillary Fund has complied, in all material respects, with the requirements of the Trust Deed, and the Public Ancillary Fund Guidelines 2022, for the year ended 30 June 2023.

Use of Report

This compliance audit report has been prepared to meet the needs of the trustee of Baptist World Aid Australia Public Ancillary Fund. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the trustee of Baptist World Aid Australia Public Ancillary Fund, or for any purpose other than that for which it was prepared.

Trustee's responsibility for compliance

The trustee is responsible for complying with requirements of the *Public Ancillary Fund Guidelines 2022*.

Transform Aid International Ltd and Controlled Entities

ABN 63 430 709 718

Independent Audit Report to the members of Transform Aid International Ltd and Controlled Entities

Auditor's responsibilities

Our responsibility is to express a conclusion on compliance with the Public Ancillary Fund Guidelines 2022, in all material respects. Our audit has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements) to provide reasonable assurance that Baptist World Aid Australia Public Ancillary Fund has complied with the Public Ancillary Fund Guidelines 2022. Our procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the Public Ancillary Fund Guidelines 2022. These procedures have been undertaken to form a conclusion as to whether the Baptist World Aid Australia Public Ancillary Fund has complied in all material respects, with the Public Ancillary Fund Guidelines 2022 for the year ended 30 June 2023.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC

Dated: 13 November 2023