Transform Aid INTERNATIONAL
For a world without poverty

Transform Aid International Ltd

A.B.N. 63 430 709 718

Consolidated Financial Statements

for the year ended 30 June 2015

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Responsible Persons' Report

The Responsible Persons 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 2015 and the Independent Audit Report.

Director details

The following persons were Responsible Persons of Transform Aid International Ltd during or since the end of the financial year.

Michael Raymond Turnbull
24 March 2011 and continuing
Chairman

Susan Kate Campbell
23 May 2012 and continuing
Member of Human Resources & Governance Committee

Andrew James Ellis
25 November 2009 and continuing
Vice-Chair
Chair of Marketing & Communications Committee

Deanne Louise Firth
21 November 2012 and continuing
Member of Finance, Audit & Investment Committee

Heather Joy Coleman
27 February 2012 and continuing
Ex-officio Board Member (Global Interaction)

Simon Mark Lynch
14 May 2009 and continuing
Member of Programs Performance Committee

John Vincent Hickey
19 July 2010 and continuing
CEO and Board Member

Raymond Bartell
1 June 2013 and continuing
Chair of Programs Performance Committee

Bradley Charles Entwistle
9 August 2008 and continuing
Member of Marketing & Communications Committee

Philip Noel Newman
14 May 2009 and continuing
Chair of Human Resources & Governance Committee

David Allan Rowe
19 May 2010 and continuing
Chair of Finance, Audit & Investment Committee

Company Secretary

Peter Leau is the Director of Business with more than 10 years of NGO/Not For Profit experience in senior management positions. Peter has been the Company Secretary of Transform Aid International Ltd since its incorporation in 2013.

Principal activities

During the year, the principal activities of the Group have included fundraising, advocacy and community development.

Short-term objectives

The Group's short-term objectives are to:

- Develop sustainable income streams to continue investment in community development programs;
- Build effective development programs that will bring about transformational change and improvement to people living in poverty; and
- Invest in organisational development through the introduction and continuous improvement of systems, processes and people.

Long-term objectives

The Company's long term objectives are to:

- Establish longer-term, enduring fundraising products;
- Provide transformational and sustainable community development programs;
- Develop effective and efficient organisational systems and processes to service and support domestic and international like-minded partners; and
- Become an innovative learning organisation.

Strategy for achieving short and long-term objectives

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

- Introduce innovative and sustainable fundraising products;
- Invest in Monitoring, Evaluation and Learning (MEL) systems and tools that will shape the quality and effectiveness of community development programs; and
- Invest in effective and efficient technologies, introduce quality assurance systems and processes, and introduce learning and development programs that will enhance the knowledge, skills and effectiveness of staff.

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:

	Board meetings	
	Number of meetings the Responsible Person was entitled to attend	Number of meetings the Responsible Person attended
Michael Raymond Turnbull	5	5
Andrew James Ellis	5	5
Bradley Charles Entwistle	5	5
David Allan Rowe	5	5
Deanne Louise Firth	5	3
Heather Joy Coleman	5	4
John Vincent Hickey	5	5
Philip Noel Newman	5	2
Raymond Bartell	5	5
Simon Mark Lynch	5	3
Susan Kate Campbell	5	5

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 2015, the total amount that members of the Company are liable to contribute if the Company was wound up is $110 (2014:$110).

Auditors 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 Person's Report.

Signed in accordance with a resolution of the Responsible Persons.

M. L. Turnbull

Michael Turnbull

Chair/Responsible Person

2nd October 2015

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Auditor's Independence Declaration
To the Directors of Transform Aid International Ltd

In accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, as lead auditor for the audit of Transform Aid International Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance

Sydney, 2 October 2015

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2015

	Notes	2015	2014
REVENUE			
Donations and Gifts:			
Monetary		12,444,821	11,338,016
Non-Monetary	6	315,060	261,648
		12,759,881	11,599,664
Bequests and Legacies		404,178	93,859
Grants:			
Department of Foreign Affairs and Trade		5,474,586	4,837,289
Other Australian		38,300	-
Other Overseas		143,279	-
		5,656,165	4,837,289
Investment Income		350,121	351,713
Other Income	7	9,951	19,937
TOTAL REVENUE		**19,180,296**	**16,902,462**
EXPENDITURE			
International Aid and Development Programs Expenditures:			
International Programs:			
Funds to International Programs		10,910,677	9,612,447
Programs Support Costs		1,059,623	1,069,591
		11,970,300	10,682,038
Community Education	8	771,046	1,049,033
Fundraising Costs:			
Public		1,207,371	1,236,536
Government, Multilateral and Private		40,781	20,200
		1,248,152	1,256,736
Accountability and Administration		3,165,267	3,109,944
Non-Monetary Expenditure	6	315,060	261,648
Total International Aid and Development Programs Expenditures		17,469,825	16,359,399
TOTAL EXPENDITURE		**17,469,825**	**16,359,399**
Gain from Sale of Assets		-	353,615
Fair value on Foreign Exchange Contracts		139,618	(326,591)
EXCESS OF REVENUE OVER EXPENDITURE		**1,850,089**	**570,087**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,850,089**	**570,087**

This statement should be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Financial Position
as at 30 June 2015

	Notes	2015	2014
ASSETS			
Current Assets			
Cash and cash equivalents	9	5,126,895	3,429,878
Accounts Receivables	10	47,946	4,027
Other Current Assets	11	813,835	566,576
		5,988,676	4,000,481
Non-Current Assets			
Fixed Assets	12	4,439,372	4,534,407
Other Non-Current Assets	13	502,167	300,021
		4,941,539	4,834,428
TOTAL ASSETS		**10,930,215**	**8,834,909**
LIABILITIES			
Current Liabilities			
Trade and other payables	14	518,370	199,488
Other Current Liabilities	15	501,459	504,847
		1,019,829	704,335
Non-Current Liabilities			
Non-Current Provisions	16	100,444	70,721
Long Term Borrowings	17	1,850,000	1,950,000
		1,950,444	2,020,721
TOTAL LIABILITIES		**2,970,273**	**2,725,056**
NET ASSETS		**7,959,942**	**6,109,853**
EQUITY			
Retained Earnings	18	4,448,582	2,598,493
Reserves	19 (d)	3,511,360	3,511,360
TOTAL EQUITY		**7,959,942**	**6,109,853**

This statement should be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

	Notes	General Funds 19 (a)	Designated Funds 19 (b)	Restricted Funds 19 (c)	Reserves 19 (d)	TOTAL
Balance as 1 July 2013		**555,501**	**132,028**	**1,355,030**	**3,511,360**	**5,553,919**
Excess/(shortfall) of revenue over expenditures		(103,451)	567,440	106,097	-	570,086
Other comprehensive income for the year		-	-	-	-	-
Transfer of funds		(14,152)	-	-	-	(14,152)
Balance at 30 June 2014		**437,898**	**699,468**	**1,461,127**	**3,511,360**	**6,109,853**
Excess/(shortfall) of revenue over expenditures		1,268,219	292,110	289,760	-	1,850,089
Other comprehensive income for the year		-	-	-	-	-
Transfer of funds		-	-	-	-	-
Balance at 30 June 2015		**1,706,116**	**991,578**	**1,750,887**	**3,511,360**	**7,959,942**

This statement should be read in conjunction with the accompanying notes to the financial statements.

Table of Cash Movement for Designated Purposes

for the year ended 30 June 2015

	Cash available at beginning of year	Cash raised during the year	Cash disbursed during the year	Cash available at end of year
DFAT Australian NGO Cooperation Program	-	3,327,080	(3,327,080)	-
DFAT Church Partnership Program	55,613	2,091,894	(2,147,507)	-
Typhoon Haiyan appeal	608,431	93,756	(702,187)	-
Solomon flood appeal	39,134	2,420	(41,554)	-
Middle east appeal	-	242,237	(158,738)	83,499
Cyclone PAM appeal	-	461,006	(262,821)	198,185
Nepal earthquake appeal	-	642,328	(176,388)	465,940
Other non-designated purposes	2,726,700	11,907,827	(10,255,256)	4,379,271
TOTAL	**3,429,878**	**18,768,548**	**(17,071,531)**	**5,126,895**

This statement should be read in conjunction with the accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Donations received		12,444,821	11,338,016
Bequests and legacies received		404,178	93,859
Operating grants received		5,559,475	4,788,380
Other income received		311,657	353,278
Payments to suppliers and employees		(5,594,940)	(5,622,224)
Distributions to overseas partners		(10,919,813)	(9,592,304)
Interest received		48,417	18,373
Net cash provided by/(used in) operating activities		**2,253,795**	**1,377,378**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash received/(paid for) from property, plant and equipment		(123,738)	(2,820,004)
Net cash received/ (paid for) from intangible assets		(333,040)	(49,498)
Net cash provided by/(used in) investing activities		**(456,778)**	**(2,869,502)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash received/(repaid to) from NAB secured loans		(100,000)	2,050,000
Net cash provided by/(used in) financing activities		**(100,000)**	**2,050,000**
NET INCREASE IN CASH HELD		**1,697,017**	**557,876**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		**3,429,878**	**2,872,002**
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	9	**5,126,895**	**3,429,878**

This statement should be read in conjunction with the accompanying notes to the financial statements.

Transform Aid INTERNATIONAL

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, ACFID Code of Conduct 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 2015 were approved and authorised for issue by the board of Responsible Persons on 2nd October 2015.

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 2016. Information on these new standards is presented below.

AASB 9 Financial Instruments

AASB 9 supersedes AASB 139 Financial Instruments: Recognition and Measurement.

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a.) Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.
b.) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
c.) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.
d.) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
e.) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
    - the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')

- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities;
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

Based on Transform Aid International Ltd's assessment, as the adoption of this new standard only occurs in 30 June 2019, there is no material impact on the transactions and balances recognised in the financial statements ending 30 June 2015.

NOTE 3 RESTATEMENT OF COMPARATIVE FIGURES

During the current reporting period, the Group has amended the comparative figures within the Statement of Profit or Loss and Other Comprehensive Income as well as the Statement of Cash Flows. The Group has concluded that this amendment has resulted in a 'correction of prior period errors' in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The classifications made in the year ended 30 June 2014 were incorrect and as a result, the changes were made for the year ended 30 June 2015 for the retrospective changes. The Group has concluded that these changes does not change the overall result of the financial report however it has been adjusted to provide a more reliable financial report.

The first change to the Statement of Profit or Loss and Other Comprehensive Income was made to reclassify investment income that was initially offset against project expenditure. The Group has reported investment income of $350,121 for FY2015 as a separate revenue line item as a retrospective restatement. Correspondingly, the investment income for FY2014 is now disclosed as $351,713. This change was necessitated given that the investment income earned on foreign currency exchange contracts has no relation to the various projects and hence the amendment distinguishes the nature of the investment income within the financial statements.

In addition, the Group has included a restatement within the Statement of Cash Flows. In FY2014, the purchase of property, plant and equipment of $4.1m only relates to the purchase of buildings and was presented within Cash Flows from Investing Activities. Other cash flows relating to the remaining property, plant and equipment were disclosed within Cash Flows from Operating Activities. The Group has concluded that a retrospective restatement is required to reflect reliable information about the transactions made during the financial periods. Accordingly, all transactions made with the proceeds and/or purchases of property, plant and equipment shall be disclosed within 'Cash Flows from Investing Activities'.

The final reclassification made was in relation to 'Community Education' and 'Fundraising Costs – Public'. The classification error came about as a result of the change in the chart of accounts and the expenses are attached to Community Education. This classification has been applied correctly for both FY2015 and FY2014 comparatives.

NOTE 4 SUMMARY OF ACCOUNTING POLICIES

4.1 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.

4.2 Basis of consolidation

The Group financial statements consolidate those of Transform Aid International Ltd. and its fully owned subsidiary, Baptist World Aid Australia Ltd as of 30 June 2015. 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.

4.3 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 where 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).

4.4 Cash and cash equivalents

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

4.5 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.

4.6 Fixed assets/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.

4.7 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.

4.8 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.

4.9 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. Amounts charged to the income statement in respect of superannuation represent the contributions paid or payable by the Group to the employees' superannuation funds.

4.10 Income Tax

Transform Aid International Ltd 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.

4.11 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.

4.12 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 payables.

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

4.13 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.

4.14 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.

4.15 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.

NOTE 5 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.

Baptist World Aid Australia Ltd, a wholly-owned subsidiary of Transform Aid International Ltd, was established and registered as a Charity organisation on the 8th of August 2013.

NOTE 6 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 proportion of cash donations directly to its field projects.

During the year ended 30 June 2015, 12,605 volunteer hours were provided to the Group by 84 volunteers (FY2014: 10,504 hours provided by 95 volunteers) at a commercial value of $315,060 (FY2014: $261,648). Of this amount $42,684 is considered recognised development expenditure for the purpose of assessing the Group's entitlement for Government funding (FY2014: $28,570).

NOTE 7 OTHER INCOME

Total other income for the year is $9,951 (FY2014: $19,937). The balance represents income from deputations and resource sales.

NOTE 8 COMMUNITY EDUCATION

Community Education expenditure includes both Transform Aid International Ltd's component and a contribution to Micah Challenge which is a 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 $771,046 (FY2014: $1,049,033), $723,187 (FY2014: $974,250) classified as Recognised Development Expenditure, $47,859 (FY2014: $74,783) (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.

NOTE 9 CASH AND CASH EQUIVALENTS

The cash and cash equivalents amount in the balance sheet is represented by:

	2015	2014
• Cash at bank	2,814,264	2,910,811
• Cash on hand	6,145	3,936
• Cash on restricted accounts	-	212,448

	2015	2014
• Cash on short-term deposits	2,306,486	302,683
	5,126,895	3,429,878

NOTE 10 ACCOUNTS RECEIVABLE

Accounts receivable amount in the balance sheet is represented by:

	2015	2014
• Accounts receivable	6,869	4,027
• Grants receivable from partners	41,077	-
	47,946	4,027

NOTE 11 OTHER CURRENT ASSETS

Other current assets amount in the balance sheet is represented by:

	2015	2014
• Un-acquitted travel	703	24,752
• Sundry debtors	9,173	3,273
• Prepaid corporate card	12,305	7,149
• Project prepayments	639,118	519,667
• Prepaid expenses	4,625	7,265
• GST paid	80,153	4,470
• Provision on FEC contracts	67,758	-
	813,835	566,576

NOTE 12 FIXED ASSETS

Fixed assets movements during the year were as follows:

	WDV* at 1/07/2014	Additions/ Transfers	Disposals/ Write off	Revaluation/ (Depreciation)	WDV at 30/06/2015
Buildings	4,107,035	-	-	105,069	4,001,966
Computer hardware	114,830	69,520	-	51,619	132,731
Furniture and fittings	145,808	7,638	-	25,292	128,154
Office equipment	16,801	1,031	-	7,033	10,799
Motor vehicles	149,933	136,464	84,250	36,425	165,722
	4,534,407	214,653	84,250	225,438	4,439,372

For depreciation policy refer note 3.6 ** WDV = written down value*

NOTE 13 OTHER NON-CURRENT ASSETS

	WDV* at 1/07/2014	Additions/ Transfers	Disposals/ Write off	Amortisation/ Depreciation	WDV at 30/06/2015
Restricted loan – lifetime sponsorships	3,000	(3,000)	-	-	-
Capital works in progress	-	130,655	-	-	130,655
Computer software	297,021	202,385	-	127,894	371,512
	301,021	330,040	-	127,894	502,167

For depreciation policy refer note 3.7 ** WDV = written down value*

NOTE 14 TRADE AND OTHER PAYABLES

Trade and other payables amount in the balance sheet is represented by:

	2015	2014
• Accounts payables	352,479	74,489
• Accruals/other short-term liability	140,669	107,326
• Replacement of project vehicles	25,222	17,673
	518,370	199,488

	2015	2014

NOTE 15 OTHER CURRENT LIABILITIES

Other current liabilities amount in the balance sheet is represented by:

	2015	2014
• Provision on FEC contracts	-	71,860
• Sponsors' loans	-	3,000
• NAB secured loan (current portion)	100,000	100,000
• Un-acquitted government grants	-	55,612
• GST collected	12,013	203
• Purchasing card payable	24,544	-
• PAYG/HECS withheld	42,000	-
• Annual leave provision	295,872	244,597
• Long service leave provision (current portion)	23,974	24,575
• Employment liabilities	-	5,000
• Employee car liability	3,056	-
	501,459	504,847

NOTE 16 NON-CURRENT PROVISIONS

Non-current provisions amount in the balance sheet is represented by:

	2015	2014
• Long service leave provisions (long-term)	100,443	70,720
	100,443	70,720

NOTE 17 LONG TERM BORROWINGS

Non-current provisions amount in the balance sheet is represented by:

	2015	2014
• NAB secured loan (long-term)	1,850,000	1,950,000
	1,850,000	1,950,000

NOTE 18 RECONCILIATION OF TOTAL FUNDS

	2015	2014
Opening balance	2,598,493	2,042,558
Surplus for the year	1,850,089	570,087
Transfer of funds – Bangladesh office	-	(14,152)
Closing balance	4,448,582	2,598,493

NOTE 19 FUNDS AND RESERVES

FUNDS

(a) General Funds

	2015	2014
Community development fund	638,432	437,898
Non-deductible giving fund	67,684	-
Where needed most fund	1,000,000	-
	1,706,116	437,898

		2015	2014
(b)	**Designated Funds**		
	NCDP community based rehabilitation project	-	10,667
	Matching grants fund	826,156	639,212
	Orphans and vulnerable children fund	112,044	-
	Emergency assistance to refugees project	2,929	4,541
	Freeset project	-	14,933
	Raptipari CH&D project	10,856	30,057
	Ethnic community prevention project	39,593	-
	Disaster action fund	-	58
		991,578	699,468
(c)	**Restricted Funds**		
	Sponsorship funds	881,055	813,563
	Typhoon Haiyan projects	-	580,875
	Solomon Islands flash flood project	33,447	66,689
	Middle east crises projects	146,028	-
	Cyclone PAM projects	224,223	-
	Nepal earthquake projects	466,134	-
		1,750,887	1,461,127
(d)	**RESERVES**		
	Reserves	3,511,360	3,511,360
		3,511,360	3,511,360

NOTE 20 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 accounts at their Australian dollar equivalents as at 30th June 2015. Resulting gains or losses have been recognised in determining the reported excess/shortfall recorded in the income statement.

NOTE 21 CONTROLLED ENTITIES

Baptist World Aid Australia Ltd (Company Limited by Guarantee)

A.B.N: 86 164 099 736

Baptist World Aid Australia Public Ancillary Fund

A.B.N: 77 507 629 093

The above entities are controlled by Transform Aid International Ltd, with the same Registered Office as Transform Aid International Ltd.

	2015	2014

NOTE 22 RELATED PARTY TRANSACTIONS

During the year, Transform Aid International Ltd received donations fundraised from Baptist World Aid Australia Public Ancillary Fund.

	2015	2014
Distribution received from Baptist World Aid Australia Public Ancillary Fund	11,145,111	11,184,630
	11,145,111	11,184,630

NOTE 23 KEY MANAGEMENT PERSONNEL

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 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.

	2015	2014
Total key management personnel compensation	568,685	629,023
	568,685	629,023

NOTE 24 CONTINGENT LIABILITIES

There have been no contingent liabilities incurred by the Group for the years 2015 and 2014.

NOTE 25 POST-REPORTING DATE EVENTS

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

NOTE 26 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 2015, the total amount that members of the Company are liable to contribute if the Company wound up is $110 (2014: $110).

NOTE 27 PARENT ENTITY INFORMATION

(a) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2015	2014
Revenue	8,098,635	5,705,299
Expenditure	17,412,122	16,319,841
Surplus/(loss) for the year	**(9,295,022)**	**(10,614,541)**

(b) STATEMENT OF FINANCIAL POSITION

	2015	2014
Current assets	5,978,688	3,999,681
Non-current assets	4,941,538	4,834,427
Total assets	**10,920,226**	**8,834,108**
Current liabilities	1,009,842	703,535
Non-current liabilities	1,950,443	2,020,720
Total liabilities	**2,960,285**	**2,724,255**
Total funds	**7,959,942**	**6,109,853**

NOTE 28 OTHER DISCLOSURE

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

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.

Responsible Persons' Declaration

1. 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:

   i. Giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date.

   ii. Complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations); and the Australian Charities and Not-for-Profits Commission Regulation 2013.

   iii. There are reasonable grounds to believe that Transform Aid International Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Persons:

Michael Turnbull
Chair/Responsible Person

Dated the 2nd day of October 2015

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

We have audited the accompanying financial report of Transform Aid International (the "Company"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Responsible Persons declaration of the consolidated entity (the "Group") comprising the Company and the entity it controlled at the year's end or from time to time during the financial year.

Responsibility Persons' responsibility for the financial report

The Responsible Persons of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Code of Conduct for the Australian Council for International Development (ACFID) and the Australian Charities and Not-for-profits Commission Act 2012. This Responsible Persons' responsibility includes such internal controls as the Responsible Persons determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Responsible Persons, as well as evaluating the overall presentation of the financial report.

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 applicable 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 financial report of Transform Aid International

i presents fairly, in all material respects, the Group's financial position as at 30 June 2015 and of its performance and cash flows for the year then ended; and

ii complies with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance

Sydney, 2 October 2015