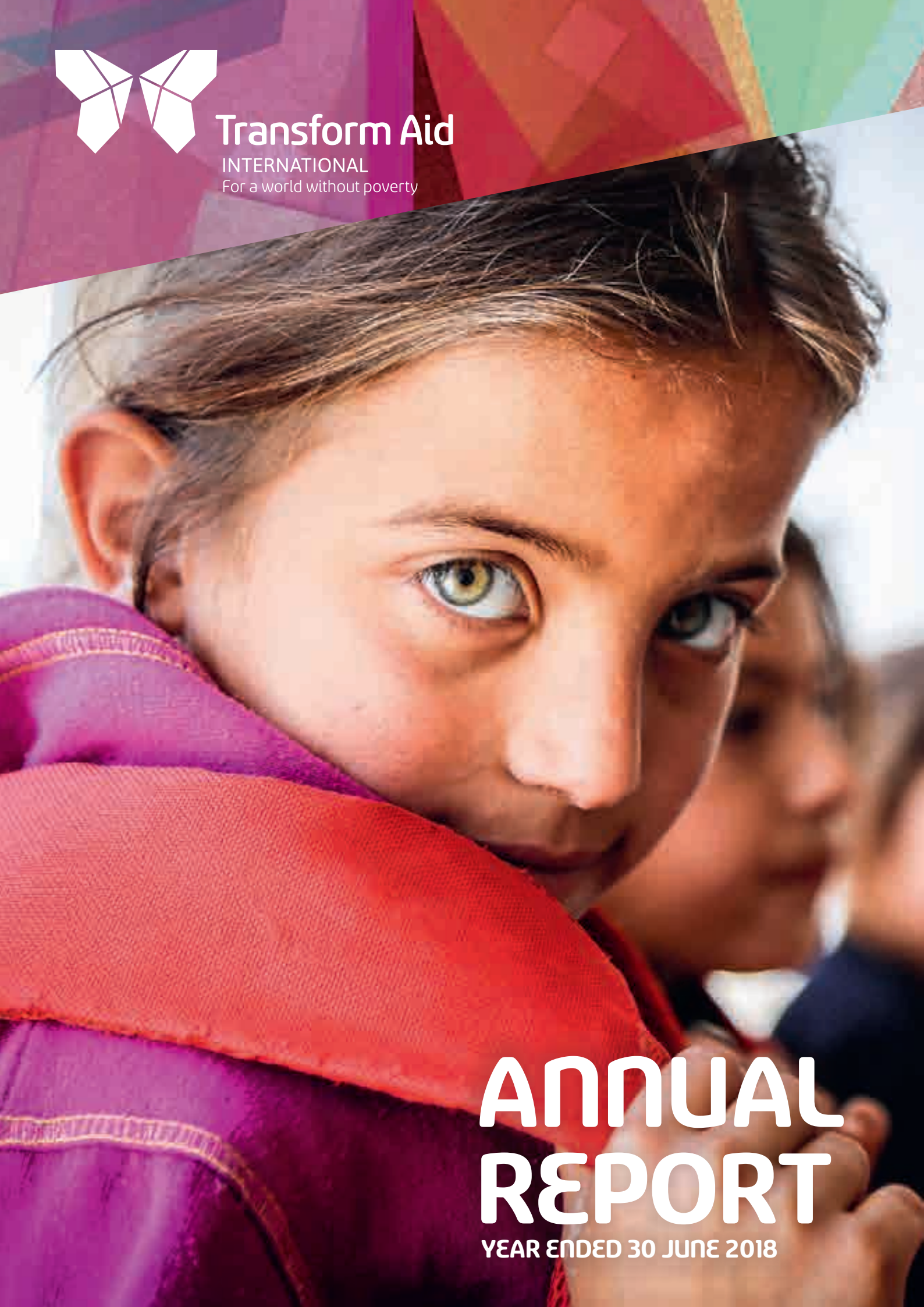




Transform Aid

INTERNATIONAL
For a world without poverty



ANNUAL REPORT

YEAR ENDED 30 JUNE 2018

Our Vision

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



Transform Aid

INTERNATIONAL
For a world without poverty



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

Our Mission

Building partnerships to generate lasting solutions to global poverty.

Our Core Values

As an organisation we are:

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

In our development work we are committed to:

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

Message from Chair of the Board

As I reflect on the financial year now behind us, I am humbled by the continuing generosity of you, our faithful supporters. It's your commitment to Transform Aid International, our Christian partners in the field, and the communities we serve that enables the impact you see in the stories shared throughout this Annual Report. Thank you.

We finished the year with a very strong financial result. This does not happen by accident – it reflects the diligence, stewardship, and commitment to excellence of our Executive team, staff, and volunteers, as they deliver impact across programming and advocacy through the range of global alliances we are part of.

The words “impact”, “partnership”, and “collaboration”, increasingly define who we are as an organisation and what we want to achieve. The formation of deep partnerships with like-minded networks and organisations like Integral Alliance, Baptist World Alliance, and the Church Agencies Network in Australia allow us to extend our reach and effectiveness well beyond our own capacity. We're able to respond to disasters with trusted and experienced partners, strengthen Baptist conventions as they seek to respond to global poverty and injustice, and collaborate with our Australian peer agencies to leverage Australian Government funding for aid in the Pacific.

As an accredited agency with the Department of Foreign Affairs and Trade (DFAT), Transform Aid International continues to partner with the Australian Government to deliver quality development programs at scale. We know that significant investment across multiple years can strengthen local partners to unlock the potential of the communities we seek to serve. We're grateful for our partnership with DFAT and the opportunities it brings to make a real difference around the world.

This past year the Board reviewed and approved a new Strategic Framework for Transform Aid International. The Strategy responds to our vision to do more, to be bolder, and to support regional and global initiatives that encourage Christians to be part of transformational change. We also endorsed a new International Program Strategy. The Board is excited to see strategic imperatives that focus on community-led transformation, deeper partnerships, knowing our impact, and a commitment to being future ready.

None of this is achieved without the grace and provision of our Lord Jesus Christ. Through Him, our hearts are moved to stand for justice, to advocate for the oppressed, and to partner with local communities as they determine their own development path. Together, we can be love and end poverty.



Phil Newman
CHAIR OF THE BOARD

It's your commitment to Transform Aid International, our Christian partners in the field, and the communities we serve that enables the impact you see in the stories shared throughout this Annual Report. Thank you.

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Message from our CEO

At Transform Aid International, we are blessed to work alongside Australian supporters, key partners such as our Christian partners in the field, the Australian government, and alliance partners across the world. Each one of you continues to demonstrate a high level of trust in our organisation and the impact of our work. Thank you. Together we have achieved another effective year in our shared mission to tackle global poverty and empower vulnerable people to sustainably transform their lives.

Financially, FY2018 has ended with a strong result. Overall, when excluding a specific and large donation from the previous financial year, our general fundraising increased by almost 14% to \$13.57 million. (This figure excludes government grants, turn to page 30 for a full Financial Summary).

FY2018 also proved to be a record year for Impact Investment across our international programs, advocacy, and other community education activities, totalling \$13.1 million. This came despite a reduction in Australian Government grants funding of around \$600,000, due to the restructure of programming in Papua New Guinea.

In FY2018, the Board of Transform Aid International approved a new long-term strategic framework and refreshed business plan. Asking the question, "What do you hope to see achieved in 20 years' time?", the Board challenged our leadership to think beyond the next few years and imagine generational impact. It is a tremendous blessing to work with

a Board and leadership team who share a desire to dream big dreams... and who look beyond limitations and towards possibilities!

In conjunction with the new Organisational Strategic Framework, the Board approved a new International Programs Framework in May 2018. This sets a course for fresh and innovative development, disaster management, and specialised programs in the years ahead.

The end of FY2018 saw the successful commencement of a new approach to child-focussed programming connected to your Child Sponsorship: Children, Youth, and Communities for Change (CYCC). This is an exciting new platform to advance our development work through a lens which prioritises children and youth as key change agents (read more on page 25). Over the next three years, all of our child-focussed work will be transitioned to this new approach.

And in March 2018, the Executive of the Baptist World Alliance approved the formation of the global Baptist Forum for Aid and Development (BFAD), in the creation of which, Transform Aid International played a leadership role. In the years ahead, BFAD will enable leading agencies in the global Baptist movement to collaborate more effectively — empowering the local church to support vulnerable communities across the world, and respond to large-scale disasters.

The leveraging of partnerships and alliances such as BFAD are core to Transform Aid International's

strategy. We endeavour to collaborate with like-minded groups to ensure your impact is wider-reaching than it would be otherwise, in many cases, taking a leadership role in this process. Along with our global disaster management footprint through Integral Alliance, and other collaborative groups such as the Church Agencies Network in Australia, we are improving influence and scale as Christian participants in the development and humanitarian sector.

In all this, I am thankful for a wonderful team at Transform Aid International and Baptist World Aid Australia. I particularly want to express my gratitude to my colleagues on the Executive team, who are all very talented, creative, and committed leaders. I also wish to thank my Board colleagues, who contribute excellent governance with skill and passion.

And thank you. As always, I am so encouraged by your continued and generous support.



John Hickey
CHIEF EXECUTIVE OFFICER

Kenya: Community Development Project, ADS Eastern.
Source: Transform Aid International/Shane Burrell, 2016.



About Transform Aid International Ltd Group

(including Baptist World Aid Australia Ltd)

We are committed to transforming the lives of vulnerable people around the world, holistically and sustainably. Not only do we facilitate a path out of extreme poverty; but we also seek to influence the policies, practices, systems, and attitudes of those whose power impacts on people living in extreme poverty.

We believe that sustainable transformation takes a collective and strategic effort made by parties from both the developed and the developing world — individuals, businesses, churches, organisations, communities, societies, governments, and cultures. In short, we seek change at every level.

In FY2018, the Board of Transform Aid International approved a new long-term Organisational Strategic Framework for the group, as well as a new International Programs Strategic Framework. Updated Strategic Frameworks for our Advocacy, Education and Community Engagement areas will be finalised in FY2019.

These strategies are indicative of a deliberate process of development for Transform Aid International (and Baptist World Aid Australia), which

has taken place over the past few years. The frameworks will be regularly reviewed, but are designed to set a course for long-term focus by underpinning our desire to play a meaningful role in the creation of lasting impact for poor and vulnerable people around the world.

In FY2018, we undertook a review of our Vision and Mission statements, to ensure that they effectively express our intent and our practice.

Our Vision for the Transform Aid International Group remains unchanged:

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

This continues to represent the core desire of our work. It also acknowledges that we are in partnership with Jesus, who will ultimately bring this redemption to bear.

But the Transform Aid International Mission has been updated to reflect the global reach and ambition of our organisation and its unique ability, as the holding company of the group, to impact change beyond an Australian and Baptist identity:

“Building partnerships to generate lasting solutions to global poverty.”



Building Global Baptist Capacity Education and Movement

Transform Aid International (and its primary subsidiary, Baptist World Aid Australia) is an affiliated agency of Australian Baptist Ministries.

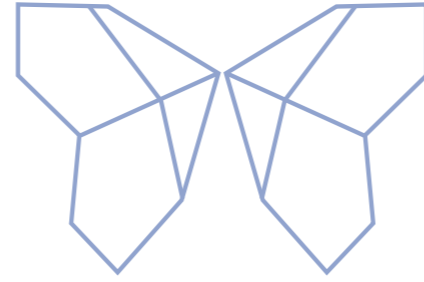
As the largest specialist Baptist agency in the world addressing poverty through aid, development, and advocacy, we recognise the potential of the global Baptist movement to engage in justice for the poor and vulnerable. Across the world, local Baptist churches can be found in many vulnerable areas and are well situated to make a positive difference to their wider communities in a far greater way.

That's why we are taking leadership to assist more than fifty million Baptists, in more than 230 conventions and unions across the world, to play a more active positive role in justice for the poor, marginalised, and vulnerable. This is taking place under the banner of the Baptist World Alliance and through the formation of a global Baptist Forum for Aid and Development.

We also continue to play a key role in mobilising Australian Baptists through initiatives such as Catalyst and Converge (read more on page 12), and through our involvement in the Asia Pacific Baptist Federation and Asia Pacific Baptist Aid.

Our People

Staff and Volunteers



Transform Aid International's people are our most valuable assets. They are central to bringing to fruition our vision of a world where poverty has ended and all people enjoy the fullness of life that God intends. The diversity across the organisation, with a cohort of people from different backgrounds and disciplines, contributes to a strong, collaborative, mission-focussed culture, with a collective heart set on God's love for all.

Flexibility and Wellbeing

Transform Aid International continues to foster a culture of trust and positivity by providing appropriate flexible working arrangements. Ahead of local train station closures in September 2018, the Executive were ready well in advance — conducting research, communicating with staff members, and implementing appropriate measures, such as adjustable working hours. These arrangements will ensure disruption to normal working arrangements is minimised and staff remain engaged, motivated, and able to serve.

Our staff also have access to an Employee Assistance Program, which includes access to an onsite Chaplain, as well as access to an independent, confidential, and free professional counselling service by external, registered psychologists to address vocational or personal issues.

Leadership and Development

Transform Aid International is committed to investing in staff development. We do this in two

ways — formally, through targeted external learning and development opportunities; and informally, through in-house learning initiatives.

Over the last two years, there has been an intentional focus on leadership development and future leadership capabilities within the organisation. Programs have been specifically designed to further develop and utilise the Transform Aid International Leadership Group which is made up of the Executive, Managers, and Specialists, to drive future success.

FY2018 realised the fruits of these initiatives in the Transform Aid Management Group. Its purpose is to provide input into the development of organisational strategy, supporting the direction of the Executive, and to oversee and drive operational activities. The Management Group meet once a month with a rotating member of the Executive. This provides a mechanism for information sharing, cooperation, and collaboration to drive organisational capability and performance.

We will continue to focus on leadership development into FY2019 with planning already underway.

Volunteers

Our volunteers add so much value to our organisation! In FY2018, we had 53 different individuals volunteer. Combined, they volunteered for 6719.46 hours.

Our volunteers are active across each department in the organisation, in 16 different roles, ranging from General Administration Assistant, to Finance Administration Assistant, to Advocacy Research Assistant, and even a Graphic Design Assistant! We aim to build the skills of our volunteers, with the majority of those leaving last financial year to move into paid employment. Thank you volunteers!



Cambodia: Child Sponsorship Project, FH Cambodia.
Source: Transform Aid International/Antoine Raab, 2017.

Our Governance

The Board of Transform Aid International is responsible for the governance of the organisation. Board Members serve for a standard period of six years. New Board Members are selected based on their skills, with consent for board appointments received from Australian Baptist Ministries as Transform Aid International acts on its behalf. Service on the Board is voluntary.

Our Board

Our Board establishes the strategic direction for Transform Aid International and reviews the performance of the organisation against set targets. The Board approves the annual budget and is also responsible for appraising the performance of the Chief Executive Officer.

Board Members sit on Board Committees according to their skill sets, and the Committees report to and provide recommendations to the Board. This assists the Board to discharge its duties efficiently, with each Committee specialising in key areas, but with the Board retaining the responsibility to make decisions collectively.

Our Board Committees are: Board Executive Committee, Programs Performance Committee, Finance and Risk Committee, Nominations and Governance Committee, and Stakeholder Engagement Committee. Further details of the function of each Board Committee are available on both our websites: www.transformaid.org and www.baptistworldaid.org.au.

Annual General Meeting

The Annual General Meeting was held on 27th October 2017.



“Each of you should use whatever gift you have received to serve others, as faithful stewards of God’s grace in its various forms.”

1 Peter 4:10

OUR BOARD



PHIL NEWMAN
Chair of the Board; Chair of the Board Executive Committee; Chair of Nominations and Governance Committee; Member of Programs Performance Committee; Member of Finance and Risk Committee; Member of Stakeholder Engagement Committee.



TARA REID
Vice Chair of the Board; Chair of Finance and Risk Committee.



JOHN HICKEY
Member of Board Executive Committee; Member of Nominations and Governance Committee; Member of Programs Performance Committee; Member of Finance and Risk Committee; Member of Stakeholder Engagement Committee.



SIMON LYNCH
Outgoing Chair of Programs Performance Committee.



PAUL OATES
Incoming Chair of Programs Performance Committee.



TABITHA MATHEW
Chair of Stakeholder Engagement Committee.



MICK TURNBULL
Member of Finance and Risk Committee.



BRAD ENTWISTLE
Member of Stakeholder Engagement Committee.



HEIDI TAK
Member of Finance and Risk Committee.



ALLAN DEMOND
Member of Nominations and Governance Committee.



NISHA GRAHAM
Specialist Advisor to the Board.



PETER LEAU
Company Secretary.

Further information about our Board Members, including their qualifications and memberships, can be found on both our websites: www.transformaid.org and www.baptistworldaid.org.au.



Bangladesh: Community Development Project, BASD. Source: Transform Aid International/Agnes Burrell, 2017.

Be Vocal: Advocacy

As we reflect on another huge year of advocacy for the team at Baptist World Aid, we acknowledge the passion and commitment of our faithful supporters. Thank you for your involvement in this work — our voices are stronger together!



Gershon Nimbalker
Advocacy Manager

Modern Slavery Act Update

For years we have been campaigning together to see the creation of a new law; one that tackles the problem of slavery and exploitation being used in the production of the things we buy. We're excited to report that FY2018 saw a bipartisan commitment to enact a Modern Slavery Act by the end of 2018.

There are approximately 25 million forced labourers in the world. Most live in the Asia Pacific region — many of them making products that end up in the homes of Australian consumers.

Last financial year, Baptist World Aid worked with many others to step up our campaigning for a robust Modern Slavery Act. Our Advocacy Manager presented formal evidence to the Joint Standing Committee for Foreign Affairs and Trade, to the Attorney General's department, to the Home Affairs department. And, to Labour's Shadow Justice Minister, your Catalyst groups and churches continued to meet with their MPs and write them emails and letters calling for a law to fight slavery.

Baptist World Aid also continued to work alongside our coalition partner, Stop the Traffik, to form strategy, educate supporters, and share information with civil society.

We're excited for the change that a Modern Slavery Act can make for millions of people. Let's keep working together to ensure that the new Act is as robust and as effective as it can be.

2018 Ethical Fashion Report

Baptist World Aid's 2018 Ethical Fashion Report continued to set the standard for ethical supply chain benchmarking for the Fashion industry. Through this research, we engaged with some of Australia's biggest companies to help shape their practices toward supply chains that are free from exploitation.

In FY2018, the 2018 Ethical Fashion Report graded 114 companies. There was a 62% increase in orders of the 2018 Ethical Fashion Guide (27,820); and a significant 130% increase in our ethical fashion Facebook reach (636,000). As always, the launch of the 2018 Ethical Fashion Report garnered significant media attention across radio, print, TV, and online platforms.

Excitingly, despite the increased requirements for validation demanded by our research this year, more than a quarter of companies improved their labour rights systems.

The 2018 Ethical Fashion Report also conducted preliminary research examining the efforts of companies

to mitigate their environmental footprint — an important milestone for expanding the scope of this research in the years ahead.

Exciting New Research

In addition to the 2018 Ethical Fashion Report, the Advocacy Team also commenced detailed research for a new report in FY2018. The Global Neighbour Index measures Australia's comparative performance with other OECD countries in addressing the Sustainable Development Goals (SDGs), particularly as they pertain to the world's most vulnerable people.

Churches in Action!

The grassroots advocacy of your Baptist Churches has been delivering tremendous results. In FY2018, through the Catalyst program, your churches campaigned against domestic violence, spoke out for tax justice, called for an increase in aid, and demanded an end to slavery. Thank you.

Additionally, more than 40 Baptist Churches hosted 2018 Ethical Fashion Guide launches and helped to distribute more than 7000 Ethical Fashion Guides.

Thank you for mobilising and educating your communities to live justly, be love, and end poverty.

International Programs

For Transform Aid International

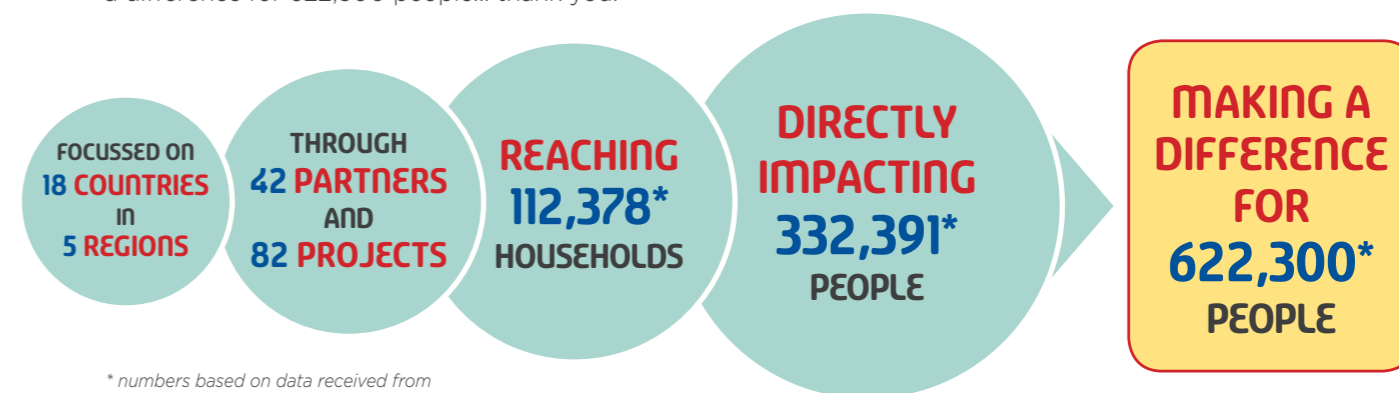
In FY2018, Transform Aid International worked with 42 Christian partner organisations to implement 82 projects in 18 countries. Over 332,391 people were reached by these projects, enabling them to build on their own strengths and tackle complex underlying drivers of poverty and injustice, and pursue long-term sustainable approaches to development. This happened with a total program investment that grew to \$10,391,820.



Kenya: Community Development Project, ADS Eastern. Source: Transform Aid International/Shane Burrell, 2016.

Total Beneficiaries FY2018

In FY2018, your generosity helped to make a difference for 622,300 people... thank you!



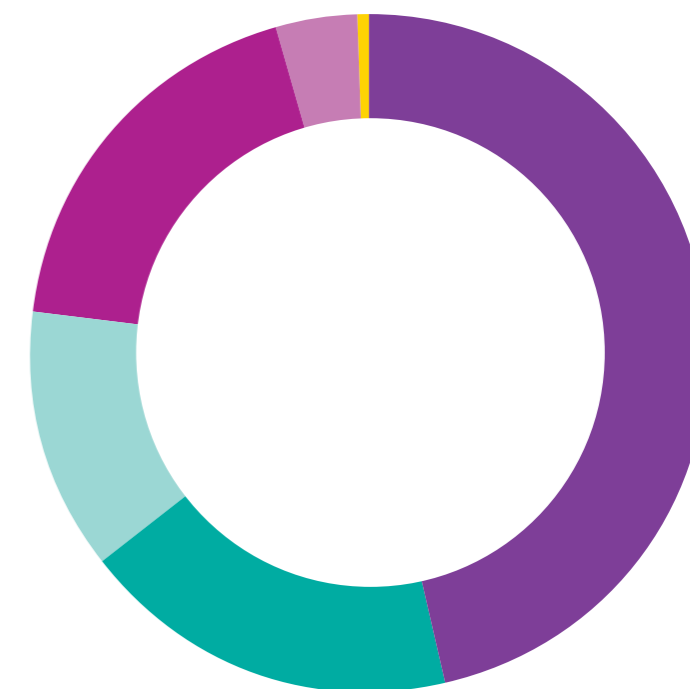
* numbers based on data received from partners at the time of printing this report.

Investment by Region FY2018

In FY2018, this program was implemented across five regions: South Asia, South-East Asia, Africa, Middle East, and the Pacific.

- 45% South Asia
- 18% South East Asia
- 13% Pacific
- 19% Africa
- 4% Middle East
- 1% Cross Regional

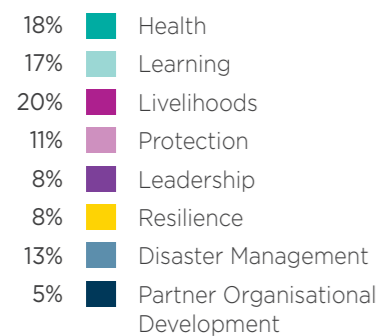
Total investment
\$10,391,820





Annual Investment FY2018

In FY2018, our Annual Program Investment was focussed in six development outcome areas — Health, Learning, Livelihoods, Leadership, Protection, and Resilience — in addition to Disaster Management and Partner Organisational Development.



Total investment
\$10,391,820

Our FY2018 Impact and Outcome Results

HEALTH

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

The Outcome: With your generosity, Transform Aid International invested \$1,902,379 through 23 projects in FY2018. This led to 72,826 people reporting improved access to adequate food and nutrition, 96,875 people with improved access to safe water, and 86,490 people with improved access to basic sanitation.

LEARNING

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

The Outcome: Transform Aid International invested \$1,769,566 through 21 projects in FY2018. With your support, School Management Committees and Parent Teacher Associations have been strengthened to improve the quality of education, school attendance has increased, children have started participating in child and youth clubs, and adults have benefited from vocational education and adult literacy.

LIVELIHOODS

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

The Outcome: Transform Aid International invested \$2,043,489 through 32 projects in FY2018, with the help of your generous support. Through these initiatives 14,779 people experienced an increase in their income and 21,966 people increased their access to financial services.

PROTECTION

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

The Outcome: Transform Aid International invested \$1,111,892 through 16 projects in FY2018. As a result, Child Protection Committees and youth and children's clubs have been strengthened to perform their important roles. And, community-led initiatives to tackle key protection challenges, such as child marriage and trafficking, have been supported. Thank you!

LEADERSHIP

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

The Outcome: Transform Aid International invested \$858,000 through 15 projects in FY2018. Community structures were strengthened, empowered by strong leadership and an awareness of rights and responsibilities. This year, over 6,252 local structures were supported with help from your generous donations.

RESILIENCE

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

The Outcome: Transform Aid International invested \$814,103 through 28 projects in FY2018. This included over 231 communities developing their own community disaster risk reduction plans, and over 36,361 people increasing their own understanding of risks in their own environment. Thank you for supporting this important work.

* based on data received from partners at the time of printing this report.

In FY2018, your generosity helped to make a difference for **622,300 people ...** thank you!

Light of Hope for mums in rural Cambodia

Project: The Somleng Program

Partner: Ponleu Ney Kdey Sangkhum (PNKS)

The working area of the PNKS Somleng Program extends across 58 Cambodian villages. The project work is carried out through Village Development Associations (VDAs), which are community-based groups that have been established in each project village. During the reporting period, 37,058 people were impacted through participating in this project.

Recently, in a rural Cambodian village, Transform Aid International met a woman named Sem Rith. She told us her painful story.

One of 10 children, Rith was only in second grade when she dropped out of school. Her parents were just too poor for her to continue with her education.

“I had to help my family in the farm and look after the younger ones,” Rith explained. “I was not able to follow the lessons and I decided to stop. I was never able to go back.”

When you're an uneducated girl like Rith, you have few prospects. Rith could barely read or write. And with no education to speak of, she had no hope of getting a good job.

Years later, now a mother herself, Rith was stuck doing the only work she'd ever known... growing rice. But even that was not enough.

“Rice is not very profitable,” Rith told us. “In the rural area, whatever we have, we just eat that. If we have less, we eat less. And in the seasons when we don't grow enough rice, we need to beg from others to eat.”

This was Rith's life. A constant struggle to survive. Every waking hour marred by underlying fear — fear of going hungry; fear for her children's future.

Then disaster struck.

It happened when Rith was heavily pregnant with her second child and her husband was bedridden with sickness. The rains came. So much rain. Too much rain.

Rith could only watch as a huge flood devastated her village and destroyed her crops and her family was left with nothing.

Ponleu Ney Kdey Sangkhum (PNKS) is one of our Cambodian partners in the field. Translated, its name means “light of hope”... and hope is exactly what the generous support of the Australian Government has meant for Rith and her family ever since she began taking part in this Australian NGO Cooperation Program (ANCP) funded project.

Rith had worked hard all her life. But without the know how to do anything but grow rice, she had very little to show for it. Through her Savings Group she learned to keep chickens, cows, and fish. She learned the skills to run a business.

And, as it turns out, Rith is a brilliant entrepreneur!

Rith now has six businesses which generate enough income to give all her children the schooling she missed out on herself.

“I am uneducated, but I want my children to be educated,” she said. “I don't want them to be like me. I want them to have good jobs, so they would not have difficult lives like us.”

That's why ANCP funding is so important. With the help of the Australian Government, mums like Rith can do everything in their power to support those they love.

“I am very grateful for the support that have changed my life,” Rith said. “Now I am happy, not scared, worried like before.”

No more fear... only hope. What an incredible outcome for this continuing partnership between the Australian Government and Transform Aid international!

Cambodia: Community Development Project, PNKS.
Source: Transform Aid International/Antoine Raab, 2017.



Disaster Management

In FY2018, Transform Aid International responded to disasters in 13 countries through 30 Disaster Management projects. Your generosity in times of disaster helped us to invest \$1,478,758 to reach over 84,033 people... thank you!

FY2018 brought with it the onset of the Rohingya Refugee Crisis in Bangladesh.

Since August 2017, 700,000 Rohingya people have fled Myanmar seeking safety across the border in Bangladesh. Thank you for giving generously and enabling us to partner with partners Medair, Food for the Hungry, Medical Teams International, and World Concern, to provide life-saving emergency relief — including shelter and medical assistance — to these refugees who have been left with nothing. This work will continue into FY2019, with a focus on protection through this ongoing crisis.

Your generosity in the last financial year also helped to support partners in Nepal and India respond to the devastating South Asia floods, provide relief in Northern Uganda and Yemen in the midst of an ongoing hunger crisis, and continue disaster risk reduction investment through 25 partners and ongoing community development projects. Thank you!

Leveraging impact through disaster

As an individual organisation, Transform Aid International has finite resources, expertise, and capacity to achieve impact. That's why, in

order to leverage our impact in the context of disasters to greater scale, Transform Aid International continued to prioritise investment in establishing and actively participating in key networks and alliances. This means your generosity achieves change well beyond our own scale.

The key networks and alliances we have actively engaged with throughout the year have been the Church Agencies Network Disaster Operations, Integral Alliance, Asia Pacific Baptist Aid, and the new global Baptist Framework for Aid and Development.

FY2018: WHERE WE'VE TAKEN ACTION



Back to school

Project: Syrian Refugee Assistance Program
Partner: Merath

The Syrian War is now in its seventh year. Hosting an estimated 1.5 million Syrian refugees, Lebanon has the highest number of refugees per capita in the world. With your generosity, Transform Aid International partners with Merath through initiatives like the Tahaddi Centre — providing free informal education, healthcare, social support, and psychosocial support to refugees and vulnerable Lebanese families living in southern Beirut. During the reporting period, 619 people received this support.

Before they fled Syria, Yara* and her five daughters lived under ISIS occupation. Life was brutal.

When they first arrived in Lebanon, the family received a wide variety of support thanks to your generosity, including an emergency food voucher, a refrigerator, a gas bottle and cooker, mattresses, blankets, and milk for their baby girl.

But Yara told us that one of the most important things offered to her family through the Syrian Refugee Assistance Program has

been her daughters' education and the support of the Tahaddi Centre.

Since school was forbidden in Syria under ISIS occupation, at the age of nine, Yara's eldest daughter, Zara*, had never even held a pencil.

The war in Syria has cost children like Zara many years of schooling. And even in Lebanon, where the arrival of every new Syrian refugee puts a further strain on the nation's resources, opportunities for a good education are very

limited. That's why your generosity helps to fund the Tahaddi Centre, which provides children with informal education and support to enter the school system.

With your support, her own hard work, and the help of Tahaddi Centre field staff, Zara has now entered public school... and so have two of her younger sisters!

On behalf of this beautiful family, and all the children in Lebanon who are now being provided with a quality education with the help of your support, we thank you.

**Names changed for protection reasons.*



Lebanon: Syrian Refugee Assistance Program, Merath. Source: Merath, 2017.

Local Partnership

We choose to partner with local organisations, because they are uniquely qualified to identify the strengths and challenges in areas where they live and work. We choose to partner with Christian organisations because they share our understanding of the better future God intends for people living in poverty.

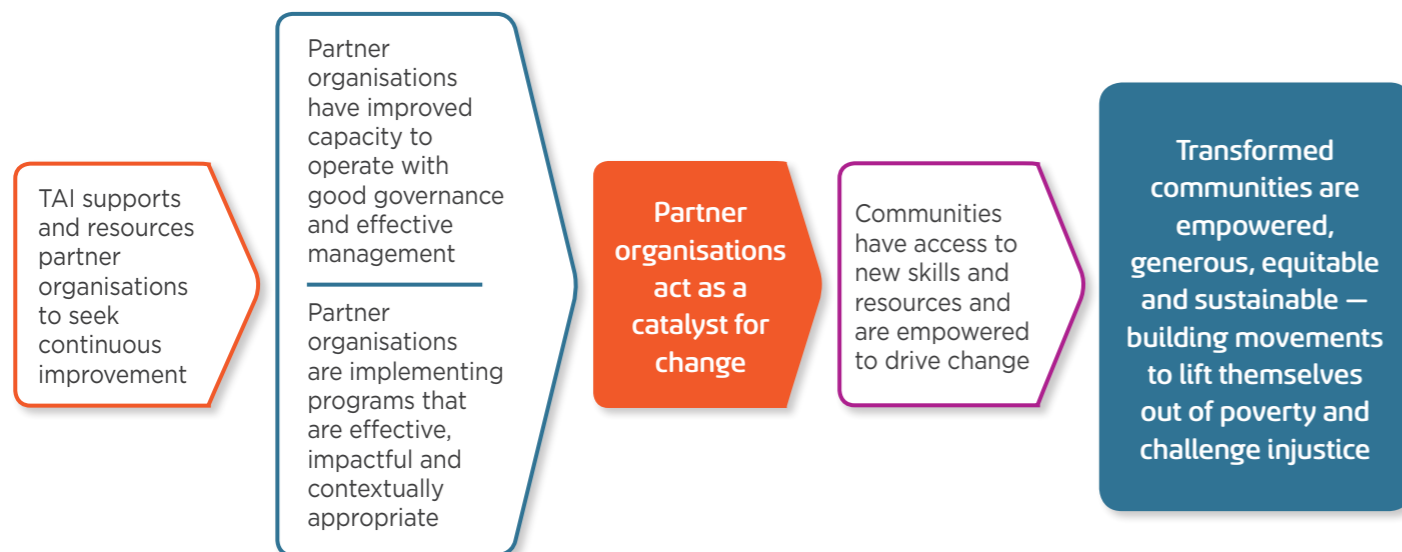
Transform Aid International delivers its programming through a partnership model, which is based on long-term, sustainable partnerships with local faith-based implementing partners and churches. We believe that partnering with local organisations is the most effective and sustainable way of achieving our vision. We see our implementing partner organisations as catalysts for change in communities; and, therefore, draw on their intimate knowledge of local context, language, and culture. This approach is captured in our Partnership Theory of Change.

To support this work, we provided 25 Organisational Development grants to partners in FY2018. These covered a range of areas identified as priorities by partners, with the

most common areas of focus being: policy/strategy development and implementation, staff capacity building, monitoring and evaluation, financial management, and Board development.

As we have learnt from ongoing practice, monitoring and evaluation, and intentional reflection, we have sought to formalise our approach to partnership in a new Partnership Framework which was finalised in FY2018. We also piloted the development of Partnership Strategies that articulate shared objectives for partnership between Transform Aid International and each of our partners. The rollout of these strategies will continue in future years, with a goal of ensuring a strategy is in place with every one of our partners.

Partnership Theory of Change



Thank you to all our partners

Community Development

Bangladesh

- Baptist Aid-BBCF
- Bangladesh Association for Sustainable Development
- Love for Distressed People Bangladesh
- PARI Development Trust
- Protibondhi Community Centre
- Symbiosis
- World Renew/SATHI

Cambodia

- Chab Dai Coalition
- FH Cambodia
- International Cooperation Cambodia
- Peace Bridges Organization
- Ponleu Ney Kdey Sangkhum

India

- Emmanuel Hospital Association

Kenya

- Anglican Development Services — Eastern
- Anglican Development Services — Mount Kenya
- Nakuru Region Inter Diocesan Christian Community Services

Malawi

- Church and Society Program CCAP Synod of Livingstonia

Malaysia

- Alliance of Chin Refugees Malaysia

Nepal

- International Nepal Fellowship Nepal
- Multipurpose Community Development Services
- United Mission to Nepal
- Welfare Association for Children Tikapur

Papua New Guinea

- Baptist Union of PNG

Philippines

- Share An Opportunity Philippines

Solomon Islands

- South Seas Evangelical Church

South Africa

- Fisantekraal Centre for Development
- Learn to Earn
- The Diepsloot Foundation

Sri Lanka

- LEADS — Lanka Evangelical Alliance Development Service
- Palmera

Uganda

- Share an Opportunity Uganda

Zambia

- Reformed Church in Zambia Diaconia Department

Disaster Management

Bangladesh

- Food for the Hungry
- MEDAIR Emergency Relief and Recovery
- World Concern US

Fiji

- Tearfund NZ

India

- Asia Pacific Baptist Federation
- Emmanuel Hospital Association

Kenya

- Anglican Development Services — Eastern
- Nakuru Region Inter Diocesan Christian Community Services

Lebanon

- Merath/Lebanese Society for Educational and Social Development
- MEDAIR Emergency Relief and Recovery

Nepal

- International Nepal Fellowship Nepal
- Multipurpose Community Development Services
- United Mission to Nepal

Papua New Guinea

- Baptist Union of PNG
- Uniting World

Philippines

- Asia Pacific Baptist Federation

Sri Lanka

- LEADS — Lanka Evangelical Alliance Development Service

Syria

- Merath/Lebanese Society for Educational and Social Development

Uganda

- Food for the Hungry

Vanuatu

- Asia Pacific Baptist Federation
- Tearfund NZ

Yemen

- Partner cannot be named

Financial Support Partnerships for International Programs

- Australian Government, Department of Foreign Affairs, Australian NGO Cooperation Program and Church Partnership Program
- BMS World Mission
- Cooperative Baptist Fellowship

Learning and Continuous Improvement

Transform Aid International is strongly committed to ongoing learning — it’s one way that we seek to ensure wise stewardship of your generosity. In FY2018, we have used ongoing reporting, regular monitoring visits, strategic review meetings, intentional learning reviews, periodic evaluations, and research to identify opportunities to learn from our experience and drive continuous improvement and enhanced program effectiveness and quality.

Learning and Continuous Improvement

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Learning and Improvement in Program Quality and Effectiveness

Transform Aid International is committed to supporting partners that have robust quality program designs and strong systems for collection, where analysis and reporting of monitoring, evaluation, and learning data clearly demonstrates the impact achieved with the help of your generosity.

While our design and monitoring, evaluation, and learning processes have been commended — by the Department of Foreign Affairs and Trade and others — our learning processes have continued to identify challenges in relation to the quality and consistency of project design and monitoring and evaluation data.

Throughout FY2018, we have sought to learn from this experience by

implementing a number of key improvements to our processes, developing new tools, and increasing investment. Key initiatives have included: increasing investment and direct staff engagement in our community assessment and design processes for new projects; initiating a new Project Design Quality Assessment Committee to bring a cross-disciplinary lens to review the quality of new project designs before approval; developing and piloting a new monitoring, evaluation, and learning strengthening workshop to be conducted with partners; and recruiting a dedicated Design, Monitoring, Evaluation, and Learning Specialist.

Learning through Evaluation

TAI continues to ensure each of our projects are evaluated every three years, at the end of each project phase. In FY2018, 11 evaluations were conducted and are listed on page 25.

These evaluations are used to inform new phase design, sustainability and phase over approaches, and whole or program learning. For example:

- The evaluation of Baptist Aid-BBCF’s Child Centred Community Development (CCCD) project was one of four Phase 2 Evaluations conducted in FY2018 — before these CCCD projects moved into their third and final phase. It guided our decision with Baptist Aid-BBCF to focus on two

FY2018 PROJECT EVALUATIONS

Country	Partner	Project
Bangladesh	Bangladesh Baptist Fellowship	50165 Child Centred Community Development
	World Renew/SATHI	52106 SATHI Child Centred Community Development
Cambodia	FH Cambodia	52206 LIFE’s Hope Project
	Ponleu Ney Kdey Sangkhum (PNKS)	52135 Somleng program
	International Cooperation Cambodia	52144 Identity Based Community Development and Education
Nepal	International Nepal Fellowship	52052 Dang Community Based Rehabilitation
	International Nepal Fellowship	52115 Raptipari Community Health and Development
	United Mission to Nepal	52207 Far Western Education Project
	United Mission to Nepal	52127 Dhading Disaster Recovery Project
Philippines	Share An Opportunity Philippines	50692 Child Centred Community Development
Sri Lanka	LEADS	52107 Child Centred Community Development

project pillars (protection and participation) rather than four, as key outcomes in the two remaining pillars (survival and development) were identified as having already been sustainably attained.

- The evaluation of Symbiosis’ Rural Integrated Project, that was conducted in the previous financial year, was used in FY2018 to inform targeted capacity building and sustainability approaches. This was especially beneficial as this long-term project is preparing for phase over in FY2019.
- The evaluation of Food for the Hungry Cambodia’s Life’s Hope project generated valuable learnings about the extent to which the poorest and most vulnerable members of the community are fully able to participate and benefit from Self Help Group approaches. These learnings were used not only within that project, but also inform our new initiative to strengthen

inclusion and equity across our international program.

Learning and Improvement in Child and Youth Programming

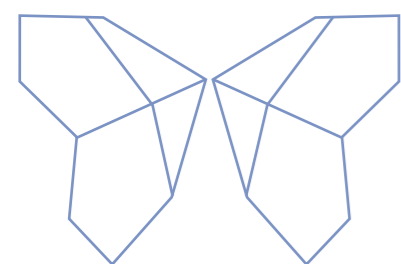
In FY2018 we laid foundations for our new child-focussed program, which will be connected to your Child Sponsorship — Children, Youth and Communities for Change (CYCC).

The new CYCC Framework was finalised early in the financial year and was developed by drawing on learnings from our past and current child-focussed programming. Key inputs included: end of phase evaluations from the Child-Centred Community Development program; feedback from our local partners; internal learning; and the findings of the major research project into Child Participation and Development Effectiveness, that was completed in the previous financial year. As a result, the new program has increased emphasis on the following: child participation; program

flexibility; life stage approaches; and the integration of program activities with monitoring and evaluation and Child Partner activities.

We used lessons from past projects in the development of a new IT system to manage our child-focussed programming. We utilised a new agile approach, the development of which included high levels of consultation with the organisational partner staff who will use the system, as well as strong collaboration with internal stakeholders from across our own organisation. It will allow us to work with partners to collect improved data on your impact and outcomes in the field.

The first CYCC project commenced at the end of FY2018, with SAO Uganda. In FY2018, an additional two assessment and design processes also began in other countries. The transition from CCCD to CYCC will continue over the next three years.



Brand new child-focussed programming is now underway

Project: Children, Youth, and Communities for Change

Partner: Share an Opportunity (SAO) Uganda

In FY2018, we began the rollout of our new child-focussed program, Children, Youth, and Communities for Change (CYCC).

Like its predecessor, Child-Centred Community Development (CCCD), our new CYCC programming will be linked to your Child Sponsorship. However, there are several important improvements which have been developed in consideration of the experience gained through eight years of CCCD.

CYCC acknowledges that a child's experience varies depending on their life stage. Instead of classifying all children who are under 18 as one big homogeneous group, CYCC aims to understand the specific needs of children at various life stages and ensure that programming is targeted at the particular needs of each life stage.

CCCD identified four key pillars to child development — survival, development, protection, and participation. It also taught us that these were the right areas to focus on, so these pillars have become an important part of the new CYCC framework. However, unlike its predecessor, CYCC allows some flexibility as to which of these pillars a project might focus on. This allows for projects which are designed to work more fluidly with the strengths of the partner organisation, as well as the specific needs of a community. Additionally, participation, has become a core feature and cross-cutting theme of this new approach.

There has also been a very intentional move to reinforce whole-of-program integration, to ensure that the child's best interests are always at the centre of every interaction that comes from CYCC programming. While this is not, by any means, a new idea for Transform Aid International, it does bear mentioning, because this intentional move toward increased integration not only includes the development work that takes place in-field, but also extends to the way we might seek to facilitate a relationship between an Australian Supporter and their Child Partner. To this end, a cross-team working group has led the creation of a new approach to things like letter writing and photo taking so that, rather than being viewed as administrative activities that happen alongside quality programming, they are now a part of the quality programming, assuring the best interests of the children involved.

Off and running

In FY2018, in partnership with SAO Uganda, Transform Aid International launched the first CYCC project in Kaberamaido.

Historically, much of the development focus in Uganda has been constrained to its central and southern regions.

This is where the political power has been and where the big cities are. Additionally, in northern Uganda, areas which have been at the centre of conflict have also

drawn relief and development funds. However, between these regions there remain a lot of areas that were affected by the conflict and have not yet been reached.

Kaberamaido is one of them.

SAO Uganda officially commenced its CYCC project work in May, towards the end of the financial year. The earlier part of FY2018 was spent laying a strong foundation for program work in the future. It began with community assessment. In November, we ran co-design workshops with key SAO Uganda staff; monitoring and evaluation plans were developed; and after further consultation with the community, Transform Aid International approved the project design and SAO Uganda began to work with community stakeholders to select Child Partners and form Savings Groups.

Thank you, SAO Uganda, for your hard work in FY2018!

CYCC roll out will continue in FY2019, with community assessment and project design already underway with another two partners in Malawi and Nepal.

A New Strategy

Throughout FY2018, Transform Aid International finalised a new International Programs Strategy that will guide our work through to 2023.

Our new strategy is framed around four strategic imperatives:

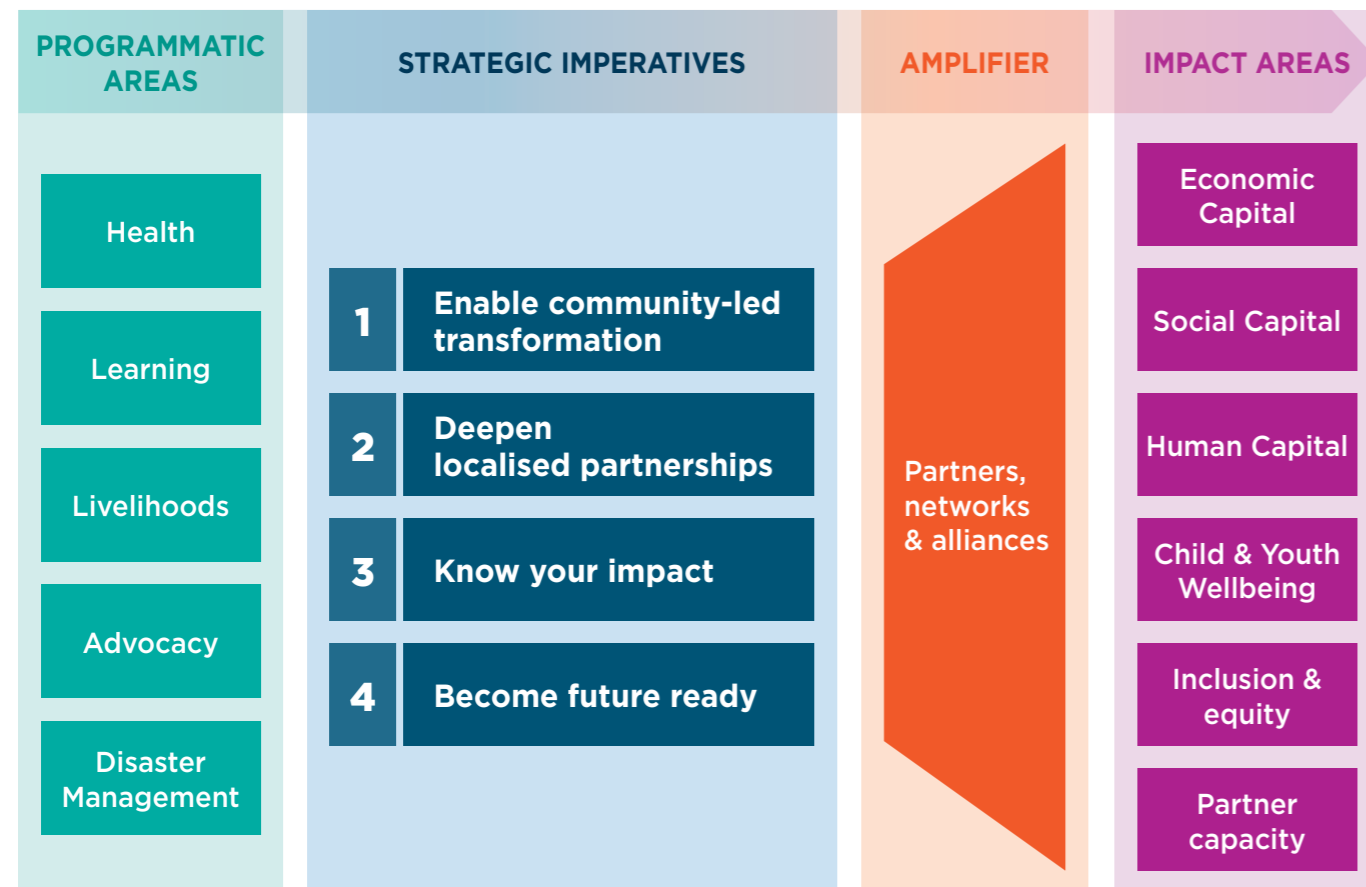
- 1 | **Enable community-led transformation**
- 2 | **Deepen localised partnerships**
- 3 | **Know our impact**
- 4 | **Become future ready**

While we will continue to invest in projects that fall within the sectoral areas of health, learning, livelihoods, advocacy, and disaster management; we will focus increasingly on understanding and strengthening the impact of the work you so generously support. Six key impact areas have been identified within the strategy and will be further developed within the accompanying Performance Framework.

These are:

- Economic Capital**
- Social Capital**
- Human Capital**
- Child & Youth Wellbeing**
- Inclusion & Equity**
- Partner Capacity**

International Program Strategic Framework 2018–2023



Bangladesh: Rohingya Refugee Disaster Response, Medair. Source: ©Medair/Nath Fauveau, 2017.





Nepal: Community Development Project, INF.
Source: Transform Aid International / Agnes Burrell, 2017.

examples of strategic developments that have brought about better organisational effectiveness now and for the future.

Our Future Direction

While we are in a financially strong position, we acknowledge the challenges of funding our ambitious long-range strategic plans. We are, however, highly motivated by the potential of reaching out to thousands more people and communities through our focus, quality programs, and strategic relationships with like-minded organisations. To that end, we will continue to invest in innovative international programs, developing passionate people, and introducing efficient technical systems; to bring about greater impact in our work. We will also build strategic and closer relationships with regional Baptist bodies, such as the Asia-Pacific Baptist Federation — 61% of the world's population live in the Asia-Pacific region, an area that has seen a number of large-scale humanitarian disasters in the last 15 years. A conceivable aspect of these strategic relationships will be the opportunity to offer our emerging cloud-based infrastructure, that will enable timely and efficient information exchange and learning, and stronger collaboration on humanitarian and community development initiatives.

Once again, we are very thankful for the generosity of our Baptist churches and supporters, the continuing support of the Australian Government, and the faithful providence of our sovereign God.

FY2018 Financial Summary

FY2018 was another financially positive year for Transform Aid International, with Total Revenue of \$18.1 million, and a Net Surplus of just over \$0.21 million. Our Total Revenue was down by \$0.94 million, a 5% decrease compared to the previous year.



Peter Leau
Director of Finance
and Operations

This was primarily due to: a) reduced government grants; b) fewer major international humanitarian emergencies; and c) an abnormally large donation received in the previous financial year that enabled us to fully discharge our bank loans. Conversely, there were improvements in fundraising, including the \$2.1 million raised for the Matching Grant Appeal, representing our best result ever for that campaign and a 9.4% increase on last year. In FY2018, we consciously and purposefully increased our impact expenditure — across international programs, advocacy, and education — totalling \$12.76 million.

Our Impact Expenditure

To sustain the continuing flow of funds to support 82 community development projects in 18 countries, there was a slight increase in our Fundraising expenditure — just over 1%. However, we were able to achieve a significant 8.6% reduction in our Accountability & Administration expenditure, the result of greater efficiency in managing our technical systems and compliance costs; while we consistently continued to maintain the high quality of our information systems, policies and processes, and external compliance standards. We are now reaping the benefits of prior years' capital investment in our technical systems,

including the Oracle-NetSuite's ERP system, through better financial planning, budgeting, monitoring and reporting, as well as more effective management of the HR systems of payroll, staff entitlements, and leave planning.

In FY2018, The Department of Foreign Affairs and Trade provided total grants of \$4.15 million to support our international aid and development programs in the Pacific, Southeast Asia, South Asia, and Eastern Africa. An example is the Integrated Initiatives to Combat Food Insecurity project in Kenya, with a budget of \$274,000. The project has worked to increase agricultural productivity and access to clean water. It has also improved knowledge of basic sanitation and hygiene practices for school-aged children. Nearly 3,760 people have benefited thanks to this work.

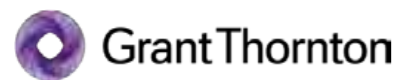
Our Health

Our Balance Sheet continues to be solid and healthy with no large, long-term liabilities or borrowings, and we

were able to achieve a 2.2% growth in our net assets — a total of \$9.97 million. Our overall reserves continue to be strong. This includes \$0.69 million designated for humanitarian crisis projects, \$0.17 million for the rebuilding phase of recent large-scale disasters in the coming years, and \$2.92 million earmarked for multi-year community programs.

Our Investments

In this financial year, we continued to invest in our people and organisational systems for the future, including: a) equipping our people to effectively manage growing internal and external complexities and risks; b) implementation of NEO-Connect, a sophisticated cloud-based data capture system with state-of-the-art technologies (including facial recognition), for a higher quality of invaluable data sourced from our field operations; and c) rolling-out Phase One of the development of our Business Intelligence, intended to gain better insight into the needs and preferences of our faithful supporters. These are three strong



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Independent Auditor's Report

To the Members of Transform Aid International Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Transform Aid International Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, 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, and comprising notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the Reasonable 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.

In our opinion, the accompanying financial report of Transform Aid International Ltd:

- a presents fairly, in all material respects, the Group's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards –Reduced Disclosure Requirements, the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for opinion

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

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

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Information other than the Financial Report and Auditor's Report

The Responsible Persons for the Group are responsible for the other information. The other obtained at the date of this auditor's report is information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsible 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 2012. This Responsible Persons' responsibility includes such internal controls as the Responsible Persons determine are necessary to enable the preparation of the financial report to be free from material misstatements, whether due to fraud or error.

In preparing the financial report, the Responsible Persons of the Group 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

A G Rigele
Partner – Audit & Assurance

Sydney, 24 October 2018

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 2018 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:



Philip Newman
Chair/Responsible Person

Dated the 24th day of October 2018

Financials at a Glance

Source of Income FY2018*

12,438,086	69%	Donations & Gifts Monetary
180,058	1%	Donations & Gifts Non-Monetary
1,127,923	6%	Bequests
4,146,282	23%	Australian Government Grants
46,489	0%	Other Non-Government Grants
156,556	1%	Investment & Other Income

Total revenue
\$18,095,396



Use of Funds FY2018 *

5,462,674	31%	Community Development
3,263,113	18%	Child Centered Community Development
187,275	1%	Children, Youth, and Communities for Change (CYCC)
1,478,758	8%	Disaster Management
1,336,439	7%	Other Programs Costs
1,030,985	6%	Community Education
1,903,129	11%	Fundraising
3,040,413	17%	Accountability & Administration
180,058	1%	Other

Total expenditure
\$17,882,844



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

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2018

	Notes	2018	2017
REVENUE			
Donations and Gifts:			
Monetary		12,438,086	13,336,655
Non-Monetary	4	180,058	206,625
		<u>12,618,144</u>	<u>13,543,280</u>
Bequests and Legacies		1,127,924	583,065
Grants:			
Department of Foreign Affairs and Trade		4,146,282	4,722,485
Other Australian		-	2,610
Other Overseas		46,489	26,274
		<u>4,192,771</u>	<u>4,751,369</u>
Investment Income		147,188	147,659
Other Income	5	9,369	12,896
TOTAL REVENUE		<u>18,095,396</u>	<u>19,038,269</u>
EXPENDITURE			
International Aid and Development Programs Expenditures:			
International Programs:			
Funds to International Programs		10,391,820	10,334,180
Programs Support Costs		1,336,439	1,350,865
		<u>11,728,259</u>	<u>11,685,045</u>
Community Education	6	1,030,985	943,580
Fundraising Costs:			
Public		1,848,948	1,763,397
Government, Multilateral and Private		54,181	118,983
		<u>1,903,129</u>	<u>1,882,380</u>
Accountability and Administration		3,234,217	3,540,281
Non-Monetary Expenditure	4	180,058	206,625
Total International Aid and Development Programs Expenditures		<u>18,076,648</u>	<u>18,257,911</u>
TOTAL EXPENDITURE		<u>18,076,648</u>	<u>18,257,911</u>
Unrealised Fair Value on Foreign Exchange Contracts		193,804	(33,456)
EXCESS OF REVENUE OVER EXPENDITURE		<u>212,552</u>	<u>746,902</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>212,552</u>	<u>746,902</u>

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

Consolidated Statement of Financial Position

as at 30 June 2018

	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	3,748,454	3,046,750
Trade and Other Receivables	8	701,528	528,130
Financial Assets	9	1,568,765	1,750,929
		<u>6,018,747</u>	<u>5,325,809</u>
Non-Current Assets			
Property, Plant and Equipment	10	3,844,810	4,046,907
Investment Property	11	898,080	880,804
Intangibles	12	565,138	648,994
		<u>5,308,028</u>	<u>5,576,705</u>
TOTAL ASSETS		<u>11,326,775</u>	<u>10,902,514</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	13	727,948	492,095
Provisions	14	397,326	374,159
Financial Liabilities	15	29,074	86,380
Tax Liabilities	16	80,189	50,740
		<u>1,234,537</u>	<u>1,003,374</u>
Non-Current Liabilities			
Provisions	17	117,365	136,819
		<u>117,365</u>	<u>136,819</u>
TOTAL LIABILITIES		<u>1,351,902</u>	<u>1,140,193</u>
NET ASSETS		<u>9,974,873</u>	<u>9,762,321</u>
EQUITY			
Retained Earnings	18	6,463,513	6,250,961
Reserves	19 (d)	3,511,360	3,511,360
TOTAL EQUITY		<u>9,974,873</u>	<u>9,762,321</u>

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 2018

Notes	General Funds 19 (a)	Designated Funds 19 (b)	Restricted Funds 19 (c)	Reserves 19 (d)	TOTAL
Balance as 1 July 2016	1,199,737	629,514	3,674,808	3,511,360	9,015,419
Excess/(shortfall) of revenue over expenditures	2,220,233	(485,028)	(988,303)	-	746,902
Other comprehensive income for the year	-	-	-	-	-
Transfer of funds	-	-	-	-	-
Balance at 30 June 2017	3,419,970	144,486	2,686,505	3,511,360	9,762,321
Excess/(shortfall) of revenue over expenditures	311,807	(124,484)	25,229	-	212,552
Other comprehensive income for the year	-	-	-	-	-
Transfer of funds	-	-	-	-	-
Balance at 30 June 2018	3,731,777	20,002	2,711,734	3,511,360	9,974,873

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 2018

Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Donations received	12,438,086	13,336,655
Bequests and legacies received	1,127,924	583,065
Operating grants received	4,192,771	4,748,759
Other income received	22,537	29,575
Payments to suppliers and employees	(7,078,229)	(7,530,338)
Distributions to overseas partners	(10,289,053)	(10,053,774)
Interest received	19,491	30,051
Net cash provided by (used in) operating activities	433,528	1,143,993
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash received/(paid for) from property, plant and equipment	7,218	(24,274)
Net cash received from investment property	51,429	31,352
Net cash paid for intangible assets	(154,970)	(141,698)
Net cash received from investment in financial assets	364,499	-
Net cash provided by (used in) investing activities	268,176	(134,620)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash received from (repaid to) NAB secured loans	-	(1,850,000)
Net cash provided by (used in) financing activities	-	(1,850,000)
NET INCREASE IN CASH HELD	701,704	(840,627)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	3,046,750	3,887,377
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	3,748,454	3,046,750

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2018

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 Entities ('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 Group has adopted all applicable standards which became effective for the first time during the period ended 30 June 2018. There has been no material impact resulting from the adoption of these standards.

The consolidated financial statements for the year ended 30 June 2018 were approved and authorised for issue by the board of Responsible Persons on 24 October 2018.

NOTE 2 SUMMARY OF ACCOUNTING POLICIES

2.1 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 described in the accounting policies below.

2.2 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 2018. 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.

2.3 Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost except for the following:

- Investment property is measured at fair value.
- Available-for-sale financial assets are measured at fair value.

The methods used to measure the fair values of these assets are discussed in notes 2.7 and 2.13. Cost is based on the fair values of the consideration given in exchange for assets.

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

i. Donations, fundraising and bequests

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

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.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Group obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Group receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

iii. Interest and dividends

Interest and dividends are recognised when received/receivable.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6 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.

2.7 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
- investment 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 and investment property 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.

2.8 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation and are accounted for using the fair value model. Investment properties are revalued periodically and are included in the statement of financial position at their open market value. These values are supported by market evidence and are determined by external professionals with sufficient experience. Any gain or loss resulting from either a change in fair value of the sale of the investment property is immediately recognised in Statement of Profit and loss.

Rental income and operating expenses from investment property are reported within other income on the face of the Statement of Profit and loss.

2.9 Intangible assets

i. Acquired intangible assets

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

ii. 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 2.8. 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.

2.10 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.

2.11 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.

2.12 Financial instruments

i. 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.

2.13 Classification and subsequent measurement of financial assets

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

- loans and receivables
- financial assets at fair value through profit or loss ('FVTPL')

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

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

criteria to determine impairment are applied for each category of financial assets, which are described below.

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

i. 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.

ii. 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.

iii. 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.

2.14 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

2.15 Goods and Services Tax (GST)

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

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

2.16 Significant management judgement in applying accounting policies

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

i. Estimation uncertainty

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

ii. 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.

iii. 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.

iv. 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.

v. Fair value

Investment properties and financial assets are held at fair value. Whilst professionals are used to assist in the valuation process, the models are subject to assumptions which may affect the valuation. As at 30 June 2018, there is no

significant risk identified in relation to these assets.

vi. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

NOTE 3 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 4 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 30th June 2018 (FY2018), 6,719 volunteer hours were provided to the Group by 53 volunteers (FY2017: 7,857 hours provided by 60 volunteers) at a commercial value of \$180,058 (FY2017: \$206,625). Of this amount \$34,250 is considered as Recognised Development Expenditure (RDE) for the purpose of assessing the Group's entitlement for Government funding (FY2017: \$39,698).

NOTE 5 OTHER INCOME

Total other income for the year is \$9,369 (FY2017: \$12,896). Other income comprise of income from deputations and resource sales.

NOTE 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 \$1,030,985 (FY2017: \$943,580) are classified as Recognised Development Expenditure (RDE).

	2018	2017
NOTE 7 CASH AND CASH EQUIVALENTS		
The cash and cash equivalents amount in the balance sheet is represented by:		
• Cash at bank	2,358,152	2,793,936
• Cash on hand	15,016	7,893
• Cash on restricted accounts	200,593	244,921
• Cash on short-term deposits	1,174,693	-
	<u>3,748,454</u>	<u>3,046,750</u>

Transform Aid International Ltd has in place a secured bank overdraft facility of \$500,000. The facility was not utilised during 2017 and 2018 and remains unused at the reporting date.

NOTE 8 TRADE AND OTHER RECEIVABLES

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

• Accounts receivables	6,634	-
• Project prepayments	579,786	362,800
• Prepaid expenses	27,829	55,555
• Prepaid corporate cards	14,507	36,197
• Sundry debtors	2,868	262
• Un-acquitted travel	259	1,403
• GST paid	69,645	62,580
• Refund from overseas partners	-	2,685
• Receivable from Asia Pacific Baptist Federation	-	6,648
	<u>701,528</u>	<u>528,130</u>

NOTE 9 FINANCIAL ASSETS

Financial assets amount in the balance sheet is represented by:

• Provision on forward exchange contracts	129,807	-
• Restricted term deposit	1,438,958	1,750,929
	<u>1,568,765</u>	<u>1,750,929</u>

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

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

	WDV* at 1/07/2017	Additions	Disposals / Write off	Revaluation/ (Depreciation)	WDV at 30/06/2018
Buildings	3,791,827	-	-	(105,069)	3,686,758
Computer hardware	70,628	23,762	-	(38,489)	55,901
Furniture and fittings	79,097	-	-	(22,948)	56,149
Office equipment	3,271	1,958	-	(1,523)	3,706
Motor vehicles	102,084	33,198	(79,986)	(13,000)	42,296
	4,046,907	58,918	(79,986)	(181,029)	3,844,810

* WDV = written down value

NOTE 11 INVESTMENT PROPERTY

Investment properties movements during the year were as follows:

	WDV* at 1/07/2017	Additions	Transfers	Disposals/ Write off	Reversal FY16 Depreciation	WDV at 30/06/2018
Investment property	880,804	-	-	-	17,276	898,080
	880,804	-	-	-	17,276	898,080

* WDV = written down value

NOTE 12 INTANGIBLES

Intangibles movements during the year were as follows:

	WDV* at 1/07/2017	Additions	Transfer from WIP	Disposals/ Write off	Amortisation / Depreciation	WDV at 30/06/2018
Computer software	648,994	32,306	-	-	(238,826)	442,474
Work-in-Progress	-	122,664	-	-	-	122,664
	648,994	154,970	-	-	(238,826)	565,138

* WDV = written down value

NOTE 13 TRADE AND OTHER PAYABLES

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

	2018	2017
• Accounts payable	262,469	251,075
• Other short-term liabilities	125,102	122,426
• Employment liabilities	29,684	110
• Overseas projects short term liability	310,693	118,484
	727,948	492,095

NOTE 14 CURRENT PROVISIONS

Current provisions amount in the balance sheet is represented by:

	2018	2017
• Provisions for annual leave	304,600	328,816
• Provisions for long service leave (short term)	92,726	44,621
• Payroll clearing account	-	722
	397,326	374,159

NOTE 15 FINANCIAL LIABILITIES

Financial liabilities amount in the balance sheet is represented by:

	2018	2017
• Provisions on forward exchange contracts	-	63,996
• Purchasing card payables	29,074	22,384
	29,074	86,380

NOTE 16 TAX LIABILITIES

Tax liabilities amount in the balance sheet is represented by:

	2018	2017
• GST collected	31,115	183
• PAYG/HECS withheld	49,074	50,557
	80,189	50,740

NOTE 17 NON-CURRENT PROVISIONS

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

	2018	2017
• Long service leave provisions (long term)	117,365	136,819
	117,365	136,819

NOTE 18 RECONCILIATION OF RETAINED EARNINGS

	2018	2017
Opening balance	6,250,961	5,504,059
Surplus for the year	212,552	746,902
Closing balance	6,463,513	6,250,961

	2018	2017
NOTE 19 FUNDS AND RESERVES		
FUNDS		
(a) General Funds		
Community development fund	1,067,252	1,031,673
Non-deductible giving fund	12,877	35,401
Where needed most fund	2,486,054	2,269,283
TAI income generation fund	165,594	83,613
	<u>3,731,777</u>	<u>3,419,970</u>
(b) Designated Funds		
Matching grants fund	20,002	81,402
Raptipari community health & development project	-	25,647
Solomon Islands capacity building project	-	37,437
	<u>20,002</u>	<u>144,486</u>
(c) Restricted Funds		
Sponsorship funds	216,372	22,357
Middle east crises projects	285,442	228,341
Cyclone PAM projects	-	60,556
Nepal earthquake projects	166,600	349,403
Hunger crisis: East Africa and Yemen	195,937	-
True Vine non-formal education	-	30,000
Rohingya crisis appeal	207,832	-
Fund for Africa	1,639,551	1,995,849
	<u>2,711,734</u>	<u>2,686,505</u>
(d) RESERVES		
Reserves	3,511,360	3,511,360
	<u>3,511,360</u>	<u>3,511,360</u>

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 2018. 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
Suite 4.03, 32 Delhi Road, North Ryde, NSW 2113, Australia.
- Baptist World Aid Australia Public Ancillary Fund**
A.B.N: 77 507 629 093
Suite 4.03, 32 Delhi Road, North Ryde, NSW 2113, Australia.
- Transform Aid International Bangladesh**
Registered in NGO Affairs Bureau Bangladesh, Registration number 1324
86 Monipuripara (1st Floor), Flat no. A5, Farmgate, Tejgaon, Dhaka 1215 Bangladesh.

The above entities are controlled by Transform Aid International Ltd.

NOTE 22 RELATED PARTY TRANSACTIONS

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

	2018	2017
Distribution received from Baptist World Aid Australia Public Ancillary Fund	11,333,542	11,348,903
	<u>11,333,542</u>	<u>11,348,903</u>

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.

Total key management personnel compensation	678,532	638,305
	<u>678,532</u>	<u>638,305</u>

NOTE 24 CONTINGENT LIABILITIES

There are no contingent liabilities incurred by the Group for the years 2018 and 2017.

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 2018, the total amount that members of the Company are liable to contribute if the Company wound up is \$110 (2017: \$110).

NOTE 27 PARENT ENTITY INFORMATION**(a) Statement of Profit and Loss and Other Comprehensive Income**

	2018	2017
Revenues	6,892,487	7,608,760
Expenditures	6,679,935	6,861,858
Surplus for the year	212,552	746,902

(b) Statement of Financial Position

Current assets	6,012,647	5,319,810
Non-current assets	5,308,028	5,576,705
Total assets	11,320,675	10,896,515
Current liabilities	1,228,437	997,375
Non-current liabilities	117,365	136,819
Total liabilities	1,345,802	1,134,194
Net assets	9,974,873	9,762,321
Retained earnings	6,463,513	6,250,961
Reserves	3,511,360	3,511,360
Total equity	9,974,873	9,762,321

NOTE 28 OTHER DISCLOSURE

No revenue or expenditure was received or spent for international political or religious proselytisation programs.

For the financial year 2018, Transform Aid International Ltd contributed a total of \$24,836 for the running of a school and a health clinic for Chin refugees in Malaysia and as per DFAT guideline, these program expenditures have been classified as welfare.

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

Legal and Regulatory

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

Transform Aid International Ltd is a registered charity with the Australian Charities and Not-for-profits Commission. It operates nationally and holds fundraising licences in all Australian states where required to do so. Licences are held under the following numbers: South Australia: CCP2610; Victoria: 10918.16; Western Australia: 20417 and Tasmania: FIA-173. Transform Aid International Ltd is an approved Deductible Gift Recipient (DGR).

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

Transform Aid International Ltd is a compliant signatory of the Australian Council for International Development's (ACFID) Code of Conduct. Baptist World Aid Australia Ltd, as a wholly owned subsidiary of Transform Aid International Ltd, adheres to the requirements of the same code. A copy of ACFID's Code of Conduct can be obtained from www.acfid.asn.au. If you believe that Transform Aid International Ltd or Baptist World Aid Australia Ltd have breached the Code of Conduct, you can lodge a complaint with ACFID either on their website or to the ACFID Code of Conduct Committee, Private Bag 3, Deakin, ACT 2600. If you wish to lodge a complaint with Transform Aid International Ltd or Baptist World Aid Australia Ltd, please write to our Complaints Handling Officer, Locked Bag 2200, North Ryde BC, NSW 1670. Our Complaints Handling Policy is available on both our websites: www.transformaid.org and www.baptistworldaid.org.au.

Transform Aid International Ltd is a member of Integral Alliance, a global consortium of Christian aid and development agencies with presence in 90 countries. Photographs featured in this Report have been taken by Transform Aid International Ltd staff, partners, and associates in Africa, Asia, the Middle East, and the Pacific unless otherwise indicated; and are reproduced in this Report with appropriate consent.



Transform Aid
INTERNATIONAL
For a world without poverty



BAPTIST WORLD AID AUSTRALIA
Be love. End poverty.



Feedback and complaints

We believe that to improve our services provided to our supporters, donors, partners, and beneficiaries we need to be open to feedback, both positive and negative, from all stakeholders. Receiving feedback is an important way of learning, so in the case of a complaint, timely and appropriate action will be taken in order to continuously improve the quality of our work and proactively develop and maintain good practice.

We also recognise that we have a responsibility to work with our partners

to ensure they also develop safe and effective feedback mechanisms that are accessible to all members of every community with whom we work. These communities should be informed of their rights and entitlements and how to provide feedback or make a complaint. We follow an established escalation procedure to ensure complaints are handled in a timely and sensitive manner. Feedback and complaints can be provided via our website, by telephone or email, or by mail addressed to:

Complaints Handling Officer
Locked Bag 2200
North Ryde BC, NSW 1670

We actively comply with the requirements of the Australian Council for International Development (ACFID) and the Australian Charities and Not-for-profits Commission (ACNC) and regularly review our Complaints Handling Policy, a copy of which is available on both our websites: www.transformaid.org and www.baptistworldaid.org.au.



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