

cc ref

1098152

ADARA DEVELOPMENT (UK)

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
31 DECEMBER 2016**

**SOMERBYS LIMITED
CHARTERED ACCOUNTANTS
30 NELSON STREET
LEICESTER LE1 7BA**

CHARITY COMMISSION
FIRST CONTACT

- 8 MAY 2017

ACCOUNTS
RECEIVED

ADARA DEVELOPMENT (UK)

INDEX

	<u>Page</u>
Charity Particulars	1
Trustees' Report	2 - 8
Independent Auditor's Report	9 - 10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 - 15

REGISTERED CHARITY NO: 1098152

Trustees

Ms A Exel (Chair)
Mr J Rice (resigned 22nd February 2016)
Mr A della Casa
Ms K Vacher
Mr R Houghton

Executive Officer

Ms S M Biggs

Address

1st Floor
661 Darling Street
Rozelle
Sydney
NSW 2030
Australia

Auditor

Somerbys Limited
Chartered Accountants
Statutory Auditor
30 Nelson Street
Leicester
LE1 7BA

Bankers

HSBC
60 Queen Victoria Street
London
EC4N 4TR

Commonwealth Bank of Australia
201 Sussex Street
Sydney
NSW 2000
Australia

Connected Charities

Adara Development (Bermuda)
Adara Development (Australia)
Adara Development (USA)
Adara Development (Uganda)

TRUSTEES' REPORT YEAR ENDED 31 DECEMBER 2016

The Trustees present their report with the accounts of Adara Development (UK) for the year ended 31 December 2016.

This report and the annual financial statements are prepared in accordance with the Trust Deed and comply with the Statement of Recommended Practice for Charities as issued by the Charity Commission in 2015 and the Charities Act 2011.

Structure, governance and management

The Trust was established under a Deed of Trust dated 20 May 2002, as amended by Supplementary Deed dated 3 June 2003, a second Supplementary Deed dated 21 June 2010, a third Supplementary Deed dated 18 February 2011, and a fourth Supplementary Deed dated 10 November 2015.

The Charity is administered by the Trustees as listed on page 1. Where there is a requirement for new Trustees, the power to appoint new Trustees is vested in Audette Evelyn Exel. The remaining Trustees acknowledge receipt of the appointment of the new Trustee in writing.

Objectives and activities

The Trustees shall hold the Trust Fund and its income upon trust to apply it:

- for the relief of poverty anywhere in the world;
- to advance education anywhere in the world; and
- for the relief of sickness by the provision of healthcare anywhere in the world.

In furtherance of the above objects the Trustees may, in particular, alone or in association with others, (but not so as to limit the generality of the objects listed above):

- initiate healthcare projects in the developing world with the aim of improving the health of children or adults in underprivileged communities;
- procure essential drugs and medical equipment for use in underprivileged communities;
- establish outreach medical services for remote areas of the world;
- educate and train healthcare workers to provide healthcare services;
- promote education and initiate education programmes in the developing world through school improvement and vocational education support
- establish, support or transfer funds to any charitable trust, charitable company or other association or institution which is formed for any of the objects above.

Adara Development (UK)'s purpose is to: "work side by side with women, children and their communities in remote and rural areas to improve their lives; change the way people think about the role of business in the world and the power of business/non-profit partnerships; and share our expertise and experience to achieve greater impact".

In applying the Trust Fund in accordance with their charitable objectives the Trustees shall aim to achieve the mission statement by:

- deepening health, education and clinical research programmes in Nakaseke Uganda in maternal newborn child health;
- deepening health and education programmes in Humla Nepal;

TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

- deepening research to ensure that Adara always does evidence-based work;
- sharing our knowledge locally, nationally and globally to reach as many people as possible;
- ensuring the Adara brand and our innovative business/non-profit model is communicated worldwide;
- building a sustainable funding base;
- building organisational capacity to ensure our goals can be met;
- ensuring the Adara business is sustainable and a core long-term funder of Adara Development.
- ensuring that Adara's projects work to improve the lives of underprivileged people in a way that is locally appropriate; and
- ensuring that Adara's work is non-political and is not used to the advantage or disadvantage of any political party.

We declare that the Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

Achievements and performance

Adara Development (UK) is one of a number of registered Foundations and Trusts under Adara Development banner. Adara Development receives donations through partnership agreements, support from businesses or individual donors. Globally in 2016, Adara achieved the following for families and their children in Nepal and Uganda:

Nepal

Adara has worked in Nepal since 1998 in the remote mountains of Humla and the capital city of Kathmandu. In 2015, following the devastating Nepal earthquake, our work expanded, and we are now also working with the Village Development Committee (VDC) of Ghyangfedi in the Nuwakot district. We are dedicated to integrated community-led development projects to address key gaps in health, education and children at risk. We endeavour to strengthen capacity using best-practice approaches and we focus on long-term sustainable support, in partnership with local communities.

Humla Projects:

In Humla, we are focusing on two major programme components: community health (with an emphasis on mothers, infants and children) and education.

1. Community Health

There are huge gaps in access to healthcare in Humla. Many villagers have gone their whole life without ever seeing a doctor. Adara has a holistic, multi-pronged approach to improving health services, to both address immediate community needs and implement long-term, sustainable strategies.

Adara works with target villages to support the development and training of alternative technologies, nutrition and sanitation to improve overall health. In 2016:

- 256 people participated in hygiene, sanitation and waste-management training.
- 192 farmers were given training in greenhouse and solar dryer management.
- 213 farmers were given 25,560 gm of vegetable seeds to improve food security in the region.
- 3,000 apple and walnut saplings were distributed to farmers to help develop orchards.
- Kermi, Muchu, Chauganfaya, Yalbang and Chala health posts are operating regularly with health workers and sufficient medicines.
- 21 farmers were supported for orchard development project with apple and walnut saplings, tools, pipes, fencing and technical support.
- 3,260 saplings of apple, walnut and peach were distributed to farmers of target villages.

Additionally, a Tibetan medicine practitioner has been working with Adara for many years providing traditional health services to communities in Humla. For nine months of the year, he treks through Humla providing healthcare to all of the villages in the region. In 2016, 980 people were treated successfully with Tibetan herbal treatment and medicine.

TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

For two months every year we also conduct a mobile medical camp. Nepali doctors position themselves in Health Posts providing general check-ups, gynaecology, paediatric care, eye services, laboratory support, counselling and vaccinations to people in need. In 2016, 3,673 people received care in the camp.

Additionally, 184 women participated in training on reproductive health and 43 Humli people in need received emergency medical support both organised by Adara.

2. Education

We work with local village schools to improve the standard of education, provide them with much needed school supplies and help them to be more child-friendly. We also provide assistance to children who would not normally be able to afford to go to school. By improving education in the district, Adara also hopes to eliminate the need for children to be sent away or trafficked to receive a quality education. In 2016:

- Child friendly classroom support is provided to 8 target schools with learning materials and improvement works.
- Educational materials, sports, science and musical materials were provided to 7 schools benefitting 988 students.
- Scholarship support such as school supplies, uniforms, bags and shoes were distributed to 706 kids.
- 10 before and after classes for kids are running effectively with 234 kids attending.
- 392 parents from nine schools received training in being more proactive in their children's education.
- Teacher training was given to 20 teachers and before and after class facilitators of eight target schools.
- 6 teachers and 2 school helpers are working regularly to fill teachers' gap in target schools.
- Kids' awareness training was conducted successfully for 8 child clubs of target schools.

3. Child wellbeing

Adara has partnered with a local NGO, The Himalayan Innovative Society (THIS) to raise awareness amongst the communities of Humla about child trafficking and the displacement of children from their families, communities and districts through an FM radio programme. THIS also works with the children of single mothers who are oppressed in Nepali society, to make sure they receive an education. 62 children in single-parent families were supported with school fees, uniforms, stationery, bags and shoes, so they could attend school through the work of THIS and with Adara's assistance.

Kathmandu Projects:

1. Children at Risk

Adara Development cares for 136 previously trafficked children who were taken from the mountainous region of Humla and brought to Kathmandu by child-traffickers. We help them to live happy and healthy lives, and assist them in becoming more independent as they get older. We are slowly and thoughtfully repatriating all the children with their families.

2. Community Health

Adara supports Himalayan Medical Foundation (HMF), a local NGO to provide free health care to people living in poverty on the outskirts of the city, including homeless people, monks, nuns, and other members of the community unable to afford to visit hospitals. In 2016, 12,209 people in Kathmandu received free medical treatment through the work of HMF.

3. Education

Adara supports the staff and children's health costs of Hands in Outreach (HIO), a local NGO that provides educational support to more than 140 children, primarily girls, at five schools around Kathmandu. These children live in very disadvantaged communities and would not otherwise attend school.

TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

4. Legal support

Adara provides support for the salary of one full-time lawyer to work with the Women's Foundation, a local NGO in their legal assistance programme, providing legal advice, representation and guidance to women and children suffering domestic and other violence who cannot afford to seek redress. Since 2012, more than 2,200 women have received justice through this work, with 94% of cases successfully settled in favour of the victim.

Ghyangfedi Projects:

Ghyangfedi is a small community in Nuwakot district, northeast of Kathmandu. Immediately after the earthquake at the request of the Nepal government, Adara delivered emergency food, medical care and even sheets of tin so the community could build temporary shelters before the monsoon season hit.

Now that the emergency relief work has been completed, Adara is working with Ghyangfedi to improve access to education. Using the expertise we have gained in delivering remote education programmes in Humla over the past 19 years, Adara is building a new earthquake-resistant school for 300 students. The Shree Ghyangfedi School opened in April 2017, two years after the earthquake struck. It will be a government school, with 13 child-friendly rooms. It will include an early learning centre (ELC) for children aged 18 months to 5 years. While the construction is under way, in 2016 and 2017 Adara has been providing education to the community through a temporary learning centre (TLC). The centre helped 152 children in 2016, of whom 45% were girls.

Uganda Projects:

Adara's work in Uganda is primarily focused at Kiwoko Hospital located in a rural area north of the capital city of Kampala in the middle of the country. We have also established a programme to support 28 ex-street children. Some of the key projects are outlined below.

1. NICU

Adara supports specialised new born baby care for infants needing services in the neonatal intensive care unit (NICU) at Kiwoko Hospital. Adara helped design, resource and support the building and expansion of the NICU. Adara also continues to help the NICU with programme design, medical protocols, and capacity building clinical doctors and nurses through regular training on-site by specialist clinicians sent to Kiwoko every year.

In 2016:

- 1,090 babies received care in the Kiwoko Hospital neonatal intensive care unit (NICU)
- 90% total survival rate in the NICU
- 29% improvement in survival in the NICU for low birth weight infants (babies weighing <2.5kg) since 2005.
- 100 sets of twins and three sets of triplets were cared for in the NICU.

2. Maternal health care

Uganda desperately needs maternal health services. Although the maternal mortality rate has declined by 36% since 1990, Uganda still has one of the highest rates in the world. For the past 19 years, Adara has been working with Kiwoko Hospital with the goal of reducing maternal mortality in the Nakaseke district, and we are seeing great improvements. Adara supported the building of a new maternity ward with 78 beds. In 2016:

- 3,417 women were admitted to the maternity ward to give birth or for other complications associated with pregnancy.
- Annual admissions have increased by 26% since the new maternity ward opened in 2010.
- 26.8% increase in antenatal appointments since Adara began training Village Health Teams in maternal and newborn care in 2013.
- Construction of a single-storey nurses' accommodation unit that may be expanded upon if required.

TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

3. Community based health care

Adara and Kiwoko Hospital are bringing key maternal and neonatal health services to families through community outreach Safe Motherhood clinics. These clinics provide access to family planning, antenatal care and postnatal care. Each month 22 one-day clinics are held, and each clinic services two villages at a time. The clinics also address newborn health, ensuring babies are weighed to measure their growth and mothers are provided with health advice on infant follow-up. Babies are immunised, and if the team has any concerns it can refer mothers and infants to the hospital. In 2016:

- 7,433 children received lifesaving immunisations in the Nakaseke community – more than 40,000 children have been immunised since 2012.
- 240 community antenatal care clinics were held in 22 villages surrounding Kiwoko Hospital.

The community based health care programme also supports other vulnerable groups in the community, including those with tuberculosis, people living with disabilities, and people living with epilepsy.

4. HIV/AIDS programme

1.6 million Ugandans live with HIV/AIDS and close to a million children have been orphaned because of this terrible disease. Adara began supporting the HIV/AIDS work at Kiwoko Hospital in 2005, filling gaps that fall outside the ambit of other international donors.

Adara supports the Kiwoko Hospital nutrition programme, funds hospital admission and treatment costs for clients suffering from opportunistic infections and assists orphans and vulnerable children to go to school. This support is part of a larger HIV programme which conducts weekly clinics, and provides extensive counselling to people living with HIV. More than 9,300 people living with HIV have received support for treatment costs and hospital admissions since 2007.

5. Children at Risk

For many years, Adara has supported a small project focused on 26 ex-street children who we fully supported with education, housing and other needs to ensure their rehabilitation back into society. Adara wanted to ensure that all of these young men grew up able to support themselves as soon as possible, and as such, enrolled most of the boys in vocational education to help them develop employable skills.

In 2016, almost all the boys graduated from Adara's care into full time employment. There are two boys who will graduate in May 2017, at which point, this project will conclude.

Reserves

The Charity retains minimal unrestricted reserves however fluctuations in receipts and payments are limited. Any specific future needs and contingencies in excess of available unrestricted reserves would be met with the support of other related entities and the settlor.

The Trustees consider this policy appropriate considering the size and nature of the Charity's activities.

At the end of the year under review the unrestricted reserves fund is in deficit of USD 2,114 (2015: USD 683 deficit).

Risk management

The Trustees continue to assess the major risks to which the Trust is exposed and are satisfied that systems are in place to mitigate exposure to these risks.

TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2016**Financial review and results for the year**

The total income for the year under review was USD 471,365 compared to USD 445,371 for the previous year. Overall the net decrease in funds for the year was USD 60,389 (2015: increase of USD 20,721).

Investment policy

The Trustees' policy is to maximise income and maintain capital values within a low risk environment. The Trustees' investment powers are governed by the Trust Deed, which provides that the Trustees shall invest the funds in such investments as the Committee shall from time to time direct.

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (2015) FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, Somerbys Limited, has indicated its willingness to continue in office.

On behalf of the Trustees



A. Exel
CHAIR

Date 27 April 2017

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of Adara Development (UK) for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies).

This report is made solely to the Charity's Trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 7 - 8, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

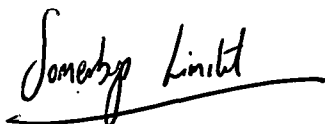
- give a true and fair view of the state of the Charity's affairs as at 31st December 2016, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



SOMERBYS LIMITED
Chartered Accountants
Statutory Auditor
30 Nelson Street
Leicester
LE1 7BA

Date 27 April 2017

Somerbys Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> <u>USD</u>	<u>Restricted</u> <u>Funds</u> <u>USD</u>	<u>Total</u> <u>2016</u> <u>USD</u>	<u>Total</u> <u>2015</u> <u>USD</u>
Income and endowments from:					
Donations & legacies:					
Donations, grants and legacies		4,876	466,489	471,365	445,371
Total		4,876	466,489	471,365	445,371
Expenditure on:					
Charitable activities	3	6,307	521,126	527,433	424,801
Total		6,307	521,126	527,433	424,801
Net Income / (expenditure)					
before other recognised gains and losses		(1,431)	(54,637)	(56,068)	20,570
Other recognised gains/(losses)					
Exchange difference		-	(4,321)	(4,321)	151
Net movement in funds		(1,431)	(58,958)	(60,389)	20,721
Reconciliation of funds					
Total funds brought forward at 1 January		(683)	103,154	102,471	81,751
Balances carried forward at 31 December		(2,114)	44,196	42,082	102,472
		=====	=====	=====	=====

BALANCE SHEET
AT 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u> USD	<u>2015</u> USD
Current assets			
Cash at bank and in hand		48,082	120,474
Total current assets		<u>48,082</u>	<u>120,475</u>
Creditors: amounts falling due within one year			
Accruals	4	6,000	18,003
Net assets		<u>42,082</u>	<u>102,471</u>
The funds of the Charity			
Restricted funds	6	44,196	103,154
Unrestricted funds		(2,114)	(683)
Total Charity funds	5	<u>42,082</u>	<u>102,471</u>

These accounts were approved on behalf of the Trustees on 27 April 2017

Signed on its behalf by:-



A.Exel
CHAIR

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016****1. Reporting Entity**

Adara Development (UK) was constituted by the Trustees on 20 May 2002, as amended by a Supplementary Deed dated 3 June 2003, a second Supplementary Deed dated 21 June 2010, a third Supplementary Deed dated 18 February 2011, and a fourth Supplementary Deed dated 10 November 2014. Adara Development (UK) was formerly known as The ISIS Foundation (UK). The change of name was formalised on 28 November 2014.

The entity's purpose is to:

- work side by side with women, children and their communities living in poverty to improve their lives; and
- change the way people think about the role of business in the world and the power of business/non-profit partnerships.

2. Accounting policies

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statement have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and with the Charities Act 2011.

The principal accounting policies adopted in the preparation of the financial statements are set out below:

- 2.1 The financial statements and associated notes for the year ended 31 December 2016 have been presented in United States Dollars (USD). This is a change from prior years where the presentation currency has been the Pound Sterling (£). The functional currency of Adara Development UK is USD and therefore the use of USD for presentation purposes is appropriate.
- 2.2 All incoming resources (except investment income) are accounted for on a receivable basis, except in so far as they are incapable of financial measurement. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation. Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the Statement of Financial Activities (SOFA).
- 2.3 Donations are only included in the SOFA when the Charity has unconditional entitlement to the resources.
- 2.4 Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognised the related costs for which the grant is intended to compensate.
- 2.5 Investment income is accounted for as received.
- 2.6 Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.
- 2.7 Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to pay out resources.
- 2.8 Governance costs include costs of the preparation and examination of statutory accounts, the costs of Trustee meetings and cost of any legal advice to Trustees on governance or constitutional matters.
- 2.9 Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the average rate for the year. All differences are taken to the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

2.10 The Fund is a registered Charity and thus is exempt from taxation on its income and capital gains.

2.11 Unrestricted funds are those that are available for use, at the discretion of the Trustees, in furtherance of the general objectives of the Charity.

Restricted funds are those that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

3. Charitable activities

	Note	<u>2016</u> USD	<u>2015</u> USD
Grants paid		370,455	261,251
Bank charges		1,154	762
Project related costs		150,889	155,839
Governance costs	4	4,935	6,949
		<u>527,433</u>	<u>424,801</u>
		=====	=====

Grants paid include the following significant items:

Name of Institution	Purpose	USD
Kiwoko Hospital, Luwero, Uganda	Community health care in the Nakaseke District, Uganda	370,455
		<u>370,455</u>
		=====

4. Creditors: amounts falling due within one year

	<u>2016</u> USD	<u>2015</u> USD
Accruals	6,000	18,003
	<u>6,000</u>	<u>18,003</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

5. Analysis of net assets between funds

	Unrestricted Funds USD	Restricted Funds USD	Total Funds USD
Fund balances at 31 December 2016 are represented by:-			
Current assets	3,886	44,196	48,082
Current liabilities	(6,000)	-	(6,000)
	<u>(2,114)</u>	<u>44,196</u>	<u>42,082</u>
	=====	=====	=====

6. Restricted funds

	1 January 2016 USD	Incoming Resources USD	Outgoing Resources USD	Transfers USD	Exchange Differences USD	31 December 2016 USD
Projects in Nepal	16,629	27,640	(27,758)	-	(656)	15,855
Projects in Uganda	86,525	438,849	(493,368)	-	(3,665)	28,341
	<u>103,154</u>	<u>466,489</u>	<u>(521,126)</u>	<u>-</u>	<u>(4,321)</u>	<u>44,196</u>
	=====	=====	=====	=====	=====	=====

7. Trustees remuneration and expenses

No remuneration or expenses have been paid to Trustees during the year.

8. Related party transactions

Adara Development (UK) is part of the international development organisation known as Adara Development along with Adara Development (Australia), Adara Development (Bermuda), Adara Development (USA), Adara Development (Nepal) and Adara Development (Uganda).

Adara Development (USA) paid for project expenses of Adara Development (UK) of \$4,908 (2015: \$8,025). Adara Development (UK) transferred funds to Adara Development (USA) and Adara Development (Uganda) \$150,889 (2015: \$155,839) for project related expenses.

Adara Development (UK) is managed and administered by Adara Development (Australia) – a registered not-for-profit entity in Australia. The company in its capacity as manager and administrator determines the projects in respect of which Adara Development (UK) is involved.

9. Subsequent events

Subsequent to year end, Adara Development (Australia) has recruited a new CEO, Deborah Lester, who will commence when the outgoing CEO, Susan Biggs, steps down in early June 2017.

10. Commitments

During the year, Adara Development entered into, or was obligated by, certain agreements with Non-Government Organisations ("NGOs") in Nepal and Uganda. Although partial funding for these commitments will be provided by Adara Development (UK), no individual entity within Adara Development is responsible for the committed payments and therefore the liabilities have not been recognised in these financial statements.

The amounts committed to by Adara Development are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

	Outstanding commitment at 31 December 2016	Funding committed for January - December 2017	Agreement period from	Agreement period ending
	\$	\$		
Adara Development (Nepal) - Humla	-	315,577	1 January 2014	Completion of project
Adara Development (Nepal) - Adara Kids	-	177,875	1 January 2014	Completion of project
Hands In Outreach	-	4,294	1 January 2017	31 December 2018
Himalayan Children Society	-	84,026	1 January 2017	31 December 2018
Himalayan Medical Foundation	-	40,557	1 January 2017	31 December 2018
The Himalayan Innovative Society	-	24,712	1 January 2016	31 December 2017
The Women's Foundation	-	5,486	1 January 2016	31 December 2018
Kiwoko Hospital	35,139	559,293	1 July 2016	31 December 2018

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

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

Pledges have been provided by various donors, or cash is currently available, to provide sufficient funding for the commitments, outlined above, extending to the end of the agreement periods.