Action on Poverty Limited

ABN: 42 002 568 005

Financial report

For the year ended 30 June 2025

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ACTION ON POVERTY LIMITED
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DIRECTORS' REPORT

The directors present their report together with the financial report of Action on Poverty Limited, the "Company", for the year ended 30 June 2025 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Mr John Kell	Chair, Programs and Partnership Committee Director (Appointed 18/02/2015) Board Chair (23/11/2016 – 04/12/2024)
Mr Tim Lovitt	Chair, Fundraising and Communications Committee Chair, Audit, Governance and Risk Committee Director (Appointed 04/01/2018) Board Chair (Appointed 04/12/2024)
Ms Alice Xu*	Audit, Governance and Risk Committee Director (Appointed 16/10/2019)
Dr Merrilyn Clancy	Director (Appointed 20/11/2019)
Mr Gile Dickenson-Jones	Program and Partnership Committee Director (Appointed 26/08/2021 – 04/12/2024)
Ms Claire Mallinson	Program and Partnership Committee Director (Appointed 21/10/2021)
Ms Rebekah Lam	Audit, Governance and Risk Committee Director (Appointed 17/08/2023)
Ms Layusa Isa-Odidi	Director (Appointed 17/08/2023)

* Ms Alice Xu is on extended leave for a period of 12 months from 17th April 2024 to 17th April 2025.

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

Review of operations

For the year ending 30 June 2025, the Company achieved exceptional progress toward its mission, reporting total income of $38.74 million (2024: $8.9 million). This substantial growth was largely driven by a transformative partnership with a major donor complemented by new sources of grant funding. These resources enabled significant investment in international development programs, including a highly impactful initiative in Malawi delivered with a new implementing partner, supporting thousands of individuals to break the cycle of poverty and reaffirming AOP's commitment to efficient resource allocation and maximising charitable impact.

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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DIRECTORS' REPORT

Significant changes in state of affairs

There were no significant changes in the Company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Principal activities

To carry out the Company's strategies and to achieve its short term and long-term objectives, the Company engaged in the following principal activities during the year.

The Company's work aims to alleviate poverty in developing countries. The Company is an independent, Australian-based international development organisation who has partnered with local changemakers across Asia, Africa, and the Pacific to advance locally led development for over 50 years.

Vision

All people thriving in a world without poverty.

Mission

The Company's mission is to identify high potential, locally led initiatives and work alongside partners to transform them into sustainable products, adopted and scaled by communities, governments and market actors that deliver measurable, lasting impact.

Strategic Directions

The Company's 2030 strategy sets a bold course for impact and organisational excellence. Five strategic pillars define how the company will transform lives, strengthen operations, and lead with integrity.

1. *Products & Partnerships* - the Company is working towards transforming up to 1 million lives by building relationships with high-impact partners. Efforts include developing innovative products, incorporating sustainable and resilience measures, and curating initiatives designed to deliver meaningful change at scale.

2. *One AOP* - the Company continues to progress towards operating as a unified organisation under the "One AOP" model. This involves embedding shared processes and exploring AI-driven efficiencies to enhance performance standards and strengthen operational benchmarks.

3. *People & Culture* - the Company aspires to be recognised as a leading workplace, fostering clarity, engagement, and empowerment.

4. *Brand & Reputation* - the Company is focused on strengthening its position as a trusted name among ultra-high-net-worth stakeholders. Through an enhanced brand and authentic storytelling, the company seeks to deepen relationships and reinforce its reputation for impactful partnerships.

5. *Income Streams* - the Company is targeting sustainable growth through diversified and steadfast funding streams. These efforts aim to build financial resilience and support the scaling of impact globally.

Together, these five pillars position the Company to deliver transformative impact, operational excellence, and enduring trust by 2030.

After balance date events

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

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

The Company's constitution does not permit dividends to be paid.

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Mr John Kell	2	2
Mr Tim Lovitt	5	5
Dr Merrilyn Clancy	5	3
Mr Gile Dickenson-Jones	2	1
Ms Claire Mallinson	5	5
Ms Rebekah Lam	5	4
Ms Layusa Isa-Odidi	5	3

Members guarantee

The Company is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $25 subject to the provisions of the Company's constitution.

Indemnification of officers

The Company has agreed to indemnify the current directors of the Company and the former director against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company has paid insurance premiums of $3,470 (excl GST) (2024: $3,254) in respect of directors' and officers' insurance contracts, for current and former directors and officers.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the Company.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the board of directors.

Director:	Director:
Timothy Lovitt	Rebekah Lam

Dated this 4th day of November 2025

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ACTION ON POVERTY LIMITED

In accordance with section 60-40 of the *Australian Charities* and *Not-for-profits Commission Act 2012*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Action on Poverty Limited for the year ended 30 June 2025, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities* and *Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MARIUS VAN DER MERWE
Executive Director
Perth, 04 November 2025

ACTION ON POVERTY LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Revenue			
Donations & Gifts			
- Monetary		**1,301,431**	1,220,367
- Non-Monetary		**264,069**	834,793
Grants			
- Department of Foreign Affairs and Trade		**3,096,918**	3,594,005
- Other Australian		**32,657,288**	1,913,242
- Other Overseas		**1,242,145**	1,160,522
Commercial Activities income		**114,317**	2,439
Investment Income		**48,804**	50,112
Other income		**15,271**	91,848
Total Revenue		**38,740,243**	8,867,328
Less: expenses			
International Aid and Development Programs Expenditure			
International Programs			
- Funds to International Programs		**(36,353,074)**	(5,469,002)
- Program Support Costs		**(923,511)**	(1,458,724)
Community Education		**(101,125)**	(143,534)
Fundraising Costs			
- Public		**(193,957)**	(201,821)
- Government, multilateral and private		**(102,668)**	(126,869)
Accountability and Administration		**(760,544)**	(772,703)
Non-Monetary Expenditure	4	**(264,069)**	(834,793)
Total International Aid and Development Programs Expenditure		**(38,698,948)**	(9,007,466)
Surplus/(deficit) for the year		**41,295**	(140,138)
Other comprehensive income			
Unrealised gain on investment		**33,196**	36,361
Other comprehensive income for the year		**33,196**	36,361
Total other comprehensive income/(loss) for the year		**74,491**	(103,777)

ACTION ON POVERTY LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 $	2024 $
Current assets			
Cash and cash equivalents	5	**2,434,993**	2,247,582
Trade and other receivables	6	**179,753**	251,235
Other financial assets	7	**315,247**	-
Other assets	8	**35,569**	135,529
Total current assets		**2,965,562**	2,634,346
Non-current assets			
Other financial assets	7	**367,819**	642,496
Property, plant and equipment		**11,495**	16,751
Total non-current assets		**379,314**	659,247
Total assets		**3,344,876**	3,293,593
Current liabilities			
Trade and other payables	9	**178,163**	166,456
Contract liabilities	10	**1,151,954**	1,227,060
Provisions		**132,810**	123,518
Total current liabilities		**1,462,927**	1,517,034
Non-current liabilities			
Provisions		**52,085**	21,186
		52,085	21,186
Total non-current liabilities		**52,085**	21,186
Total liabilities		**1,515,012**	1,538,220
Net assets		**1,829,864**	1,755,373
Equity			
Accumulated funds		**1,762,009**	1,720,714
Reserves		**67,855**	34,659
Total equity		**1,829,864**	1,755,373

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Accumulated funds $	Reserves $	Total equity $
Balance as at 1 July 2023	1,860,852	(1,702)	1,859,150
Deficit for the year	(140,138)	-	(140,138)
Unrealised gain on investment	-	36,361	36,361
Balance as at 30 June 2024	1,720,714	34,659	1,755,373
Balance as at 1 July 2024	1,720,714	34,659	1,755,373
Surplus for the year	**41,295**	**-**	**41,295**
Unrealised gain on investment	**-**	**33,196**	**33,196**
Balance as at 30 June 2025	**1,762,009**	**67,855**	**1,829,864**

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Cash flow from operating activities			
Commonwealth, State, Local Government and other grants		**36,996,351**	6,660,429
Receipts from donations, bequests and raffles		**1,301,431**	1,220,367
Payments to suppliers and employees		**(38,163,550)**	(7,712,292)
Interest received		**48,803**	50,112
Net cash provided by operating activities	12(a)	**183,035**	218,616
Cash flow from investing activities			
Payment for property, plant and equipment		**(4,111)**	(12,929)
Proceeds on disposal of property, plant and equipment		**14,939**	-
(Withdrawal)/proceeds from held-to-maturity investments		**(7,374)**	4,084
Net cash provided by/(used in) investing activities		**3,454**	(8,845)
Reconciliation of cash			
Cash at beginning of the financial year		**2,247,582**	2,037,811
Effect on exchange rate		**922**	-
Net increase in cash held		**186,489**	209,771
Cash at end of financial year		**2,434,993**	2,247,582

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: BASIS OF PREPARATION

General information

The financial statements are general purpose financial statements that have been prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012*, the Charitable Fundraising Act 1991 and the Australian Council for International Development Code of Conduct (ACFID) financial reporting format.

The financial report covers Action on Poverty Limited as an incorporated entity. Action on Poverty Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

Note 2: MATERIAL ACCOUNTING POLICY INFORMATION

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(b) Revenue and other income

Specific revenue streams

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

Grant revenue

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

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

Note 2: MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

(b) Revenue and other income (cont'd)

Grant revenue (cont'd)

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably. Voluntary donations, by their nature of being received prior to entry into the accounting records, may be subject to inherent limitations regarding the completeness of revenue from such sources.

Statement of financial position balances relating to revenue recognition

Contract liabilities

The Company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. Unspent project funds are recognised as liabilities to reflect the obligation to repay any unspent portion at the completion of the program.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to received a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amounts of goods and services tax.

(c) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

Note 2: MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

(c) Employee benefits (cont'd)

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(d) Financial instruments

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Note 2: MATERIAL ACCOUNTING POLICY INFORMATION(CONTINUED)

(d) Financial instruments (cont'd)

Impairment of financial assets

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

- financial assets measured at amortised cost

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

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

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

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

(e) Foreign currency transactions and balances

Functional and presentation currency

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

Transactions and Balances

Transactions undertaken in foreign currencies are recognised in the Company's functional currency, using the spot rate at the date of the transaction.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Foreign currency transactions and balances (cont'd)

Transactions and Balances (cont'd)

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

(f) Goods and services tax (GST)

Revenues, expenses and purchased 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 component of investing and financing activities, which are disclosed as operating cash flows.

(g) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) New or amended Accounting Standards and Interpretations adopted

The Company has considered the implications of new or amended Accounting Standards and Interpretations which have become applicable for the current annual financial reporting period beginning on or after 1 July 2024. It has been determined by the Company that there is no impact, material or otherwise, of the new or amended Accounting Standards and Interpretations and therefore no changes to Company accounting policies. No retrospective change in accounting policy of material reclassification has occurred during the financial year.

Accounting standards issued but not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of these new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) New or amended Accounting Standards and Interpretations adopted (cont'd)

AASB 18: Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 Presentation of Financial Statements to improve how entities communicate in their financial statements, with a focus on information about financial performance in the profit or loss.

AASB 18 has also introduced changes to other accounting standards including AASB 108 Basis of Preparation of Financial Statements (previously titled Accounting Policies, Changes in Accounting Estimates and Errors), AASB 7 Financial Instruments: Disclosures, AASB 107 Statement of Cash Flows, AASB 133 Earnings Per Share and AASB 134 Interim Financial Reporting.

The key presentation and disclosure requirement are:

(a) the presentation of two newly defined subtotals in the statement or profit or loss, and the classification of income and expenses into operating, investing and financing categories – plus income taxes and discontinuing operations;

(b) the disclosure of management-defined performance measures; and

(c) enhanced requirements for grouping (aggregation and disaggregation) of information.

AASB 18 mandatorily applies to annual reporting periods commencing on or after 1 January 2027 for for-profit entities excluding superannuation entities. It will be first applied by the Company in the financial year commencing 1 July 2027.

The likely impact of this accounting standard on the financial statements of the Company has not been determined.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

The significant estimates and judgements made have been described below.

Key judgments

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Company expects most employees will take their annual entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees leave entitlements.

	Note	2025	2024
		$	$
NOTE 4: NON-MONETARY EXPENDITURE			
- Volunteers - Program support		**155,859**	8,496
- Volunteers – Admin		**9,455**	-
- Volunteers - Fundraising		**-**	6,429
- Professional pro bono - Legal support		**98,755**	14,567
- Professional pro bono - Fundraising support		**-**	40,480
- Professional pro bono - Program support		**-**	764,821
		264,069	834,793
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash at bank - Main		**1,689,366**	1,695,917
Cash at bank - Vietnam		**745,627**	549,271
Cash in hand - Vietnam		-	2,394
		2,434,993	2,247,582
NOTE 6: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		**179,753**	251,235
NOTE 7: OTHER FINANCIAL ASSETS			
CURRENT			
Held at amortised cost			
Term deposits		**315,247**	-
NON CURRENT			
Held at amortised cost			
Term deposits		**-**	307,873
Financial assets at fair value through other comprehensive income			
Other financial asset		**367,819**	334,623
NOTE 8: OTHER ASSETS			
CURRENT			
Accrued income		**35,569**	135,529

	Note	2025	2024
		$	$
NOTE 9: TRADE AND OTHER PAYABLES			
CURRENT			
GST and PAYG payable		**5,922**	35,212
Other payables		**71,591**	68,673
Accrued expenses		**100,650**	62,571
		178,163	166,456
NOTE 10: CONTRACT LIABILITIES			
CURRENT			
Unspent project funds		**1,151,954**	1,227,060

A contract liability represents the Company's obligation to provide future services under contractual arrangements that contain enforceable and sufficiently specific performance obligations for which the Company has received consideration (or an amount of consideration is due) in advance of those services being provided. Amounts recorded as contract liabilities are subsequently recognised as revenue as performance obligations are satisfied. Unspent project funds are recognised as liabilities to reflect the obligation to repay any unspent portion at the completion of the program.

NOTE 11: FINANCIAL RISK MANAGEMENT

The Company is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

(a) Currency risk
(b) Interest rate risk
(c) Liquidity risk
(d) Financial assets designated at fair value through profit or loss
(e) Financial liabilities designated at fair value through profit or loss

The board of directors have overall responsibility for identifying and managing operational and financial risks.

The Company holds the following financial instruments:

	2025	**2024**
	$	**$**
Financial assets		
Amortised cost		
- Cash and cash equivalents	**2,434,993**	2,247,582
- Trade and other receivables	**179,753**	251,235
- Term deposits	**315,247**	307,873
Fair value through other comprehensive income		
- Other financial asset	**367,819**	334,623
Total financial assets	**3,297,812**	3,141,313
Financial liabilities		
Amortised cost		
- Trade and other payables	**178,163**	166,456
Total financial liabilities	**178,163**	166,456

NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Currency risk

The Company undertakes transactions denominated in foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company manages its currency risk in accordance with approved policies, utilising forward exchange contracts.

The Company has cash and cash equivalents predominantly held in VND, USD and EUR, Foreign currency is held to fund commitments in those currencies.

At the reporting date, the Company have the following financial assets denominated in foreign currencies based on the information provided to key management:

	2025	**2024**
	$	**$**
Cash and cash equivalents - USD	**712,003**	412,382

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Company, with all other variables held constant, of the Company's profit before tax and equity:

	2025	**2024**
	$	**$**
Change in profit		
Improvement in USD to AUD by 10%	**71,200**	41,238
Decline in USD to AUD by 10%	**(71,200)**	(41,238)
Change in equity		
Improvement in USD to AUD by 10%	**71,200**	41,238
Decline in USD to AUD by 10%	**(71,200)**	(41,238)

(b) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

At fiscal year end, the effect on profit and equity as a result of changes in the interest rate on cash and cash equivalents, with all other variables remaining constant would be as follows:

	2025	**2024**
	$	**$**
Change in profit		
Increase in interest rate by 1%	**23,413**	21,427
Decrease in interest rate by 1%	**(23,413)**	(21,427)
Change in equity		
Increase in interest rate by 1%	**23,413**	21,427
Decrease in interest rate by 1%	**(23,413)**	(21,427)

NOTE 11 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The table following reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amounts or timing are based on the conditions existing at 30 June 2025.

	< 6 months	**6-12 months**	**1-5 years**	**Total**
2025	**$**	**$**	**$**	**$**
Financial assets				
Cash and Cash equivalents	**2,434,993**	**-**	**-**	**2,434,993**
Trade and other receivables	**179,753**	**-**	**-**	**179,753**
Other financial asset	**256,889**	**71,197**	**-**	**328,086**
	2,871,635	**71,197**	**-**	**2,942,832**
Financial liabilities				
Trade and other payable	**178,163**	**-**	**-**	**178,163**
Net Maturity	**2,693,472**	**71,197**	**-**	**2,764,669**
2024	**$**	**$**	**$**	**$**
Financial assets				
Cash and Cash equivalents	2,247,582	-	-	2,247,582
Trade and other receivables	251,235	-	-	251,235
Other financial asset	642,496	-	-	642,496
	3,141,313	-	-	3,141,313
Financial liabilities				
Trade and other payable	166,456	-	-	166,456
Net Maturity	2,974,857	-	-	2,974,857

NOTE 12: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit after income tax

	2025	2024
	$	$
Profit / (loss) from ordinary activities after income tax	**41,295**	(140,138)
Adjustments and non-cash items		
- depreciation and amortisation expense	**8,776**	9,859
- net gain on disposal of PPE	**(15,271)**	-
- unrealised loss on financial assets	-	(3,190)
Changes in operating assets and liabilities		
Decrease / (Increase) in receivables	**71,482**	(101,627)
Decrease / (Increase) in other assets	**99,960**	(15,373)
(Decrease) / increase in payables	**(63,399)**	482,462
Increase / (decrease) in employee benefits	**40,192**	(13,377)
Cash flows from operating activities	**183,035**	218,616

NOTE 13: RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel of the entity or its parent and their personally related entities

The number of key management personnel was 6 (2024: 5) and the remuneration paid to key management personnel of the Company is $759,002 (2024: $639,835).

(b) Other related parties

The entity operates a project office in Vietnam to assist in the entity's principal activities. The project office is under the control of the entity and is consolidated into this financial report. In addition, the project office prepares separate audited financial statements.

NOTE 14: CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2025 (30 June 2024: None).

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2025 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2025, of the Company, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2025, of the Company.

NOTE 16: MEMBERS' GUARANTEE

The Company is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of $25 each towards meeting any outstandings and obligations of the Company. At 30 June 2025 the number of members was 19. The combined total amount that members of the Company are liable to contribute if the Company is wound up is $475.

NOTE 17: REMUNERATION OF AUDITORS

	2025	2024
	$	$
Remuneration of the auditor (Pitcher Partners BA&A Pty Ltd)		
-Audit or review of the financial report – Sydney & Vietnam	**13,000**	-
Remuneration of auditor for non-audit services		
- Preparation of financial report – Sydney & Vietnam	**6,000**	-
Remuneration of other auditors of the Company	**-**	16,860
	19,000	16,860

NOTE 18: INFORMATION – CHARITABLE FUNDRAISING ACT 1991

(a) Details of Aggregate Gross Income and Total Expenditure of Fundraising Appeals

The following information is a requirement of the Charitable Fundraising Act 1991.

	2025	2024
	$	$
Gross income		
Functions & special events		
Program donations - Australia	**1,291,986**	1,218,835
Program donations - Overseas	**9,445**	1,532
Gross proceeds from Fundraising Appeals	**1,301,431**	1,220,367
Expenditure		
Public	**(193,957)**	(201,821)
Direct costs of Fundraising Appeals	**(193,957)**	(201,821)
Net surplus from Fundraising Appeals	**1,107,474**	1,018,546

NOTE 18: INFORMATION – CHARITABLE FUNDRAISING ACT 1991 (CONTINUED)

(b) Statement showing how funds received are applied for Charitable purposes

	2025 $	2024 $
Net surplus obtained from Fundraising Appeals	**1,107,474**	1,018,546
Applied for Charitable purposes as follows:		
Funds to international programs	**(36,353,074)**	(5,469,002)
International program support costs	**(923,511)**	(1,458,724)
Government, multilateral and private fundraising costs	**(102,668)**	(126,889)
Administration	**(861,669)**	(916,237)
Total expenditure	**(38,240,922)**	(7,970,852)
Shortfall	**(37,133,448)**	(6,592,306)
The shortfall is made up from grants, investment income, commercial activities income and other income		
Gross income from fundraising appeals	**1,301,431**	1,220,367
Total direct cost of fundraising appeals	**(193,957)**	(201,821)
Total direct cost of fundraising as a percentage of gross income from fundraising appeals	**14.90%**	16.54%
Net surplus from fundraising appeals	**1,107,474**	1,018,546
Net surplus from fundraising as a percentage of gross income from fundraising appeals	**85.10%**	83.46%
Total cost of direct services	**(36,353,074)**	(5,469,002)
Total expenditure (excluding direct cost of fundraising appeals)	**(38,240,922)**	(7,970,852)
Total cost of direct services as a percentage of total expenditure	**95.06%**	68.61%
Total income received (including net profit from fundraising appeals)	**38,740,243**	8,867,328
Total cost of direct services as a percentage of total income received	**93.84%**	61.67%

NOTE 19: STATUTORY INFORMATION

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

Action on Poverty Limited, 383 George Street

Sydney, NSW 2000

NOTE 20: INFORMATION FURNISHED UNDER THE ACFID CODE OF CONDUCT

Revenue (expenditure) for international political or religious adherence promotion programs

No revenue was earned nor expenditure incurred for the year on international political or religious prosthelytisation programs.

ACTION ON POVERTY LIMITED
ABN: 42 002 568 005

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025

The Directors of the company declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 6-23, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) complying with Australian Accounting Standards- Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and

   (b) giving a true and fair view of the financial position as at 30 June 2025 and of its performance for the year ended on that date of the company.

2. In the directors' opinion, there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Director:	Director:
	Rebekah Lam
Timothy Lovitt	Rebekah Lam

Dated this 4th day of November 2025

ACTION ON POVERTY LIMITED
ABN: 42 002 568 005

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACTION ON POVERTY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Action on Poverty Limited ("the Company") which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Action on Poverty Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards- *Simplified Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act") and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025 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.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as directors of the Company determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Pitcher Partners BA&A Pty Ltd
An independent Western Australian Company ABN 76 601 361 095.
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACTION ON POVERTY LIMITED

Responsibilities of Directors for the Financial Report (cont'd)

In preparing the financial report, directors of the Company are responsible for assessing the Company'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 directors of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company'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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors of the Company, would be in the same terms if given to the directors of the Company as at the time of this auditor's report.

PITCHER PARTNERS

ACTION ON POVERTY LIMITED
ABN: 42 002 568 005

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ACTION ON POVERTY LIMITED

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Regulations Act 1991. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or noncompliance may occur and not be detected. An audit is not designed to detect all instances of noncompliance with the requirements described in the abovementioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion, the financial report of Action on Poverty Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2025, in all material respects, in accordance with:

a) sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
b) sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015

Report on the Australian Council of International Development (ACFID) Code of Conduct Summary Financial Report (the Report)

We have audited the Report of the Company, which comprises the statement of financial position as on 30 June 2025 and the income statement, statement of comprehensive income, statement of changes in equity for the year ended on the date and the directors declaration. The directors of the Company are responsible for the preparation and presentation of the Report in accordance with section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct. Our responsibility is to express an opinion on the Report based on our audit conducted in accordance with the Australian Auditing Standards.

Opinion

In our opinion, The Australian Council for International Development (ACFID) Code of Conduct Summary Financial Report of The Action on Poverty Limited for the year ended 30 June 2025 complies with Section C.2.2 of the Australian Council for International Development (ACFID) Code of Conduct.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MARIUS VAN DER MERWE
Executive Director
Perth, 04 November 2025