

Audited Financial Statements

Fairaction International Pty Ltd
ABN 47 615 498 381
For the year ended 30 June 2025

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Statement of Profit or Loss and Other Comprehensive Income

Fairaction International Pty Ltd
For the year ended 30 June 2025

	Notes	2025	2024
Continuing operations			
Revenue from continuing operations	02	1,133,997	967,209
Total revenue		1,133,997	967,209
Employee expenses		(106,067)	(49,950)
Contractor expenses		(3,138)	(396)
Program expenses	03	(615,587)	(956,629)
Other expenses		(63,661)	(77,245)
Doubtful Debts		(762,699)	(511,411)
		(1,551,152)	(1,595,631)
Net profit/(loss) before tax		(417,155)	(628,422)
Income tax (expense)/benefit		-	-
Net profit/(loss) after tax		(417,155)	(628,422)
Other comprehensive income/(loss), net of income tax		-	-
Total comprehensive Profit/(Loss)		(417,155)	(628,422)

The accompanying notes form part of these financial statements.

Statement of Financial Position

Fairaction International Pty Ltd
For the year ended 30 June 2025

	Notes	2025	2024
Assets			
Current Assets			
Cash and Cash Equivalents	04	43,668	30,910
Fixed Assets	05	4,530	5,875
Total Current Assets		48,198	36,785
Non-Current Assets			
Trade Debtors		3,385,522	2,622,823
Provision for Doubtful Debts		(3,385,522)	(2,622,823)
Total Non-Current Assets		-	-
Total Assets		48,198	36,785
Liabilities			
Current Liabilities			
Trade and Other Payables	06	4,904,322	4,475,754
Total Current Liabilities		4,904,322	4,475,754
Total Liabilities		4,904,322	4,475,754
Net Liabilities		(4,856,124)	(4,438,968)
Equity			
Current Year Earnings		(417,155)	(628,422)
Retained Earnings		(4,438,968)	(3,810,546)
Total Equity		(4,856,124)	(4,438,968)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

Fairaction International Pty Ltd
For the year ended 30 June 2025

Balance as at 1 July 2023	(3,810,546)
Loss for the Year	(628,422)
Total comprehensive Loss for The Year	(628,422)
Balance as at 30 June 2024	(4,438,968)
Balance as at 1 July 2024	(4,438,968)
Loss for the Year	(417,155)
Total comprehensive Loss for The Year	(417,155)
Balance as at 30 June 2025	(4,856,124)

The accompanying notes form part of these financial statements.

Statement of Cash Flows

Fairaction International Pty Ltd
For the year ended 30 June 2025

	Notes	2025	2024
Cash Flows from Operating Activities			
Cash receipts from other operating activities		371,297	455,799
Cash payments for other operating activities		(358,539)	(308,911)
Net Cash Flows from Operating Activities		12,758	146,888
Cash Flows From Investing Activities			
Purchase of Property, plant & equipment		-	(6,724)
Net Cash Flows from Investing Activities		-	(6,724)
Cash Flows From Financing Activities			
Loans to related parties		-	(133,964)
Other cash items from financing activities		-	-
Net Cash Flows from Financing Activities		-	(133,964)
Cash and cash equivalents at the beginning of the year		30,910	24,710
Net increase in cash held		12,758	6,200
Cash and cash equivalents at the end of the year	04	43,668	30,910

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Fairaction International Pty Ltd For the year ended 30 June 2025

1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a financial report prepared for the sole purpose of distributing a financial report to third parties for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Income Tax

The income tax expense for the year comprises current income tax expense. The entity is a Not-for-profit organisation is exempt for tax purposes.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2025. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Notes to the Financial Statements

Fairaction International Pty Ltd **For the year ended 30 June 2025**

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 30 June 2025. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from donations is recognised as revenue.

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

Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Leases

Finance leases are leases of fixed assets where substantially all of the risks and benefits incidental to the ownership of the asset are transferred to the entity, but the legal ownership is not transferred to the entity.

Finance leases are capitalised by recording an asset and a corresponding liability at the lower of the amounts equal to the fair value of the leased asset, or the minimum lease payments measured at present value including any residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Lease incentives are deferred and amortised over the period of the lease.

Profits and losses on sale and leaseback transactions are recognised in the reporting period in which they occur.

Notes to the Financial Statements

Fairaction International Pty Ltd For the year ended 30 June 2025

Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

Fairaction International receives non-reciprocal contributions of assets from the government and other parties for a nominal or zero value. These assets are recognised at their fair value on the date of acquisition in the balance sheet, with an equivalent amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

Going Concern

As of 30 June 2025, Fairaction International's liabilities include accrued and deferred salary owed to the CEO for the period 2017 to 2025.

The going concern basis has been adopted, supported by the following:

- 1. Cessation of further accruals:** From FY2025 onward, no additional CEO salary will be accrued.
- 2. Voluntary service:** The CEO has agreed to continue providing services without remuneration. As a result, no CEO salary expenses will be incurred in FY2026 or future years unless otherwise agreed. These services are treated as an in-kind gift, and their value may be recognised as non-monetary income, further strengthening the organisation's financial position by increasing income, reducing cash outflows, and preserving liquidity.
- 3. Flexible liability resolution:** The existing deferred balance will be progressively reduced through partial back-payments, made only when the organisation's financial position allows. This ensures that repayments remain aligned with available resources and do not place strain on operating cash flows.
- 4. Debt forgiveness:** The CEO has agreed to forgive the debt as necessary, and the appropriate accounting treatment will be applied once the forgiveness mechanism is determined.
- 5. No stakeholder risk:** The liability poses no financial risk to the Board, donors, or project funders. It is a non-demandable related-party obligation, repayable only from surplus cash and subject to forgiveness. It does not affect the organisation's ability to meet its obligations or operate sustainably.

Notes to the Financial Statements

Fairaction International Pty Ltd
For the year ended 30 June 2025

	2025	2024
02 Revenue		
Revenue from continuing operations		
Donations	35,679	40,500
Government Grants	-	46,110
Service Revenue	1,098,317	880,598
	1,133,997	967,209
03 Program expenses		
International Program Expenses		
Project/Program: Management, Design, Development, Implementation and Monitoring	103,622	29,391
R&D for Sustainable Water Solution - Project development & Implementation (International)	272,303	293,912
	375,924	323,304
Domestic Program Expenses		
R&D for Sustainable Water Solutions - Product Development (Australia)	175,150	538,839
Strategic Development	64,513	94,485
	239,662	633,325
	615,587	956,629

Notes to the Financial Statements

Fairaction International Pty Ltd For the year ended 30 June 2025

	Note	2025	2024
04 Cash and Cash Equivalents			
FA Banks Account		43,668	11,531
Fairaction International			19,379
		43,668	30,910

Reconciliation to the Statement of Cash Flows

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows

Balance as above	43,668	30,910
Changes	-	-
Balance as per statement of cash flows	43,668	30,910

05 Fixed Assets

Computer Equipment	6,724	6,724
Less: Accumulated Depreciation on Computer Equipment	(2,194)	(849)
	4,530	5,875

06 Trade and other payables

Current

Accrued Expenses	6,300	19,310
GST	48,351	40,325
PAYG Withholdings Payable	-	6,487
Superannuation Payable	1,725	-
Wages	440	-
Deferred CEO salary	4,847,506	4,409,633
	4,904,322	4,475,754

Notes to the Financial Statements

Fairaction International Pty Ltd For the year ended 30 June 2025

07. Additional ACFID transparency disclosures

The following additional financial information has been prepared in accordance with the requirements set out in the ACFID Code of Conduct. So They Can is an ACFID member and a signatory to the ACFID Code of Conduct and is committed to full adherence to its requirements. The Code aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of member organisations. For further information on the Code please refer to the ACFID Code of Conduct Guidance available at www.acfid.asn.au.

	2025	2024
<u>ACFID Format Income Statement</u>		
Revenue		
Donations and gifts		
- Monetary	35,679	1,408
- Non Monetary	-	39,092
Grants	-	46,110
Other income	1,098,318	880,598
Total Revenue	1,133,997	967,209
Expenditure		
International Aid and Development Programs Expenditure		
- Funds to International Programs	339,225	293,912
- Program Support Costs	38,490	29,391
	377,715	323,303
Fundraising Costs		
- Public	803	939
Accountability and Administration	40,330	80,542
Other	808,169	557,521
Community Education	-	-
	1,227,017	962,306
Domestic Programs Expenditure	324,135	633,325
Total Expenditure	1,551,152	1,595,631
Shortfall of Revenue over Expenditure	(417,155)	(628,422)