

# Financial Statements

**Fairaction International Pty Ltd**

**ABN 47 615 498 381**

**For the year ended 30 June 2025**

Prepared by Abhi Anand CPA

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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
<b>Continuing operations</b>			
Revenue from continuing operations	02	2,243,238	967,209
<b>Total revenue</b>		<b>2,243,238</b>	<b>967,209</b>
Employee expenses		(106,067)	(49,950)
Contractor expenses		(3,138)	(396)
Program expenses	03	(615,587)	(956,629)
Other expenses		(60,379)	(74,095)
		<b>(785,171)</b>	<b>(1,081,070)</b>
<b>Net profit before tax</b>		<b>1,458,067</b>	<b>(113,861)</b>
Income tax (expense)/benefit		-	-
<b>Net profit after tax</b>		<b>1,458,067</b>	<b>(113,861)</b>
<b>Other comprehensive income</b>		-	-
<b>Total Comprehensive Income/(Loss) For The Year</b>		-	-
<b>Other comprehensive income/(loss), net of income tax</b>		-	-
<b>Total comprehensive Profit</b>		<b>1,458,067</b>	<b>(113,861)</b>

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
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	04	43,668	30,910
Fixed Assets	05	4,530	5,875
<b>Total Current Assets</b>		<b>48,198</b>	<b>36,785</b>
<b>Non-Current Assets</b>			
Impact Investments (Sustainable Solutions)		1,274,110	511,411
<b>Total Non-Current Assets</b>		<b>1,274,110</b>	<b>511,411.00</b>
<b>Total Assets</b>		<b>1,322,308</b>	<b>548,196</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	06	3,788,649	4,472,604
<b>Total Current Liabilities</b>		<b>3,788,649</b>	<b>4,472,604</b>
<b>Non-Current Liabilities</b>			
Director Loan from Samuel Adeoti		-	103,118
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>103,118</b>
<b>Total Liabilities</b>		<b>3,788,649</b>	<b>4,575,722</b>
<b>Net Assets</b>		<b>(2,466,340)</b>	<b>(4,027,527)</b>
<b>Equity</b>			
Current Year Earnings		1,458,067	(113,861)
Retained Earnings		(3,924,407)	(3,810,546)
<b>Total Equity</b>		<b>(2,466,340)</b>	<b>(3,924,407)</b>

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

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Balance as at 1 July 2023	(3,810,546)
Profit (loss) for the Year	(113,861)
Total comprehensive Profit for The Year	(113,861)
Balance as at 30 June 2024	(3,924,407)
Balance as at 1 July 2024	(3,924,407)
Profit for the Year	1,458,067
Total comprehensive Profit for The Year	1,458,067
Balance as at 30 June 2025	(2,466,340)

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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
<b>Cash Flows from Operating Activities</b>			
Cash receipts from other operating activities		1,243,828	970,067
Cash payments for other operating activities		(447,889)	(314,414)
<b>Net Cash Flows from Operating Activities</b>		<b>795,939</b>	<b>655,653</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of Fixed Assets			(6,724)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(6,724)</b>
<b>Cash Flows From Financing Activities</b>			
Impact Investments (Sustainable Solutions)		(762,699)	(614,529)
Other cash items from financing activities		(20,482)	(28,200)
<b>Net Cash Flows from Financing Activities</b>		<b>(783,181)</b>	<b>(642,729)</b>
<b>Net Cash Flows</b>		<b>12,758</b>	<b>6,200</b>
Cash and cash equivalents at the beginning of the year		30,910	24,710
Net increase/(decrease) in cash held		12,758	6,200
<b>Cash and cash equivalents at the end of the year</b>	03	<b>43,668</b>	<b>30,910</b>

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.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

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 2024. 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**

The entity maintains a stable going concern outlook, strengthened by the formal forgiveness of the CEO's deferred salary, which previously represented a substantial contingent liability. On 25 July 2025, the CEO executed a Deed of Donation, irrevocably donating the total accrued salary from 2017 to 2025 to Fairaction International. This has resulted in the removal of \$4.85 million in liabilities from the balance sheet over a four-year recognition period, beginning with \$1.1 million recognised in FY2025.

This non-cash donation materially improves the organisation's equity position and contributes to a positive operating surplus, without increasing expenditure or affecting cash flow. Recognising the donation progressively over four financial years aligns with AASB 1058 and ensures income is reported transparently and appropriately as Fairaction becomes entitled to each tranche. This avoids overstating any single year's result and reinforces the integrity of Fairaction's financial reporting.

With no repayment obligation attached, the removal of this contingent liability significantly reduces financial risk and enhances the organisation's ability to meet its strategic and operational commitments. Based on current cash flow projections and the improved financial position, Fairaction International is well positioned to continue operating as a going concern over the next 12 months and into the foreseeable future.

## Notes to the Financial Statements

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

	Note	2025	2024
<b>02 Revenue</b>			
<b>Revenue from continuing operations</b>			
Donations		35,679	40,500
Government Grants		-	46,110
Service Revenue		1,098,317	880,598
Donation Income – Forgiveness of CEO Deferred Salary	6.01	1,109,241	-
		<b>2,243,238</b>	<b>967,209</b>
<b>03 Program expenses</b>			
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
		<b>375,924</b>	<b>323,304</b>
R&D for Sustainable Water Solutions - Product Development (Australia)		175,150	538,839
Strategic Development		64,513	94,485
		<b>239,662</b>	<b>633,325</b>
		<b>615,587</b>	<b>956,629</b>

# Notes to the Financial Statements

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

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

### 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	<b>43,668</b>	<b>30,910</b>

### 05 Fixed Assets

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

### 06 Trade and other payables

#### Current

Accrued Expenses	-	16,160
GST	48,219	40,325
PAYG Withholdings Payable		6,487
Superannuation Payable	1,725	-
Wages	440	-
Deferred CEO salary (to be recognised as donated income)	<b>6.01</b>	<b>3,738,265</b>
		<b>3,788,649</b>
		<b>4,472,604</b>

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

**06.01 Deferred CEO salary**

**A. Contingent remuneration – Deferred CEO Salary**

(Relevant standard: AASB 137 – Provisions, Contingent Liabilities and Contingent Assets)

Financial year to which remuneration relates	Amount (AUD)	Status at 30 June 2025
2025 tranche	1,109,241.21	Donated and recognised on 1 July 2025 (see Section B)
2026 tranche	1,082,648.11	Donated; scheduled for recognition on 1 July 2026
2027 tranche	1,305,567.19	Donated; scheduled for recognition on 1 July 2027
2028 tranche	1,350,049.74	Donated; scheduled for recognition on 1 July 2028
Total voluntarily donated remuneration	<b>4,847,506.25</b>	

Under the CEO's employment agreement, deferred salary becomes payable **only if** the Board determines that Fairaction International has the financial capacity to meet the obligation. At its meeting on 25 July 2025, the Board reviewed current and projected cash flows and resolved that this condition is unlikely to be satisfied in the foreseeable future. Accordingly, on that same date, the CEO executed a formal Deed of Donation that irrevocably donates and forgives the entire accumulated balance of deferred remuneration.

For accounting presentation purposes, the donation will be recognised in four annual tranches as non-cash donation income from debt forgiveness, consistent with AASB 1058. As the condition for payment was not met at balance date, no liability has been recognised.

**B. Recognition of donation from debt forgiveness**

(Relevant standard: AASB 1058 – Income of Not-for-Profit Entities, Paragraphs 9–10 and 18–19 )

The CEO's services, to which the accrued salary relates, were rendered between **January 2017 and 30 June 2025**. The donated amount represents the formal forgiveness of an accrued financial obligation under the employment agreement.

Each tranche will be recognised as donation income in the financial year it is recognised, as follows:

**For the 2025 financial year:**

**Donation Income – Forgiveness of CEO Deferred Salary: \$1,109,241.21**

This results in a direct increase to the reported surplus for the year. The remaining tranches will be recognised in the 2026, 2027, and 2028 financial years on the same basis.

**C. Voluntary donation schedule**

On 25 July 2025, the CEO executed a Deed of Donation formally contributing the entire outstanding balance of \$ 4,847,506.25 in deferred remuneration to Fairaction International. Recognition of this donation will be staged over four financial years, as shown below:

Financial year	Amount (AUD)
2025	1,109,241.21
2026	1,082,648.11
2027	1,305,567.19
2028	1,350,049.74

**Closing Balance as at 30  
June 2025**                      **3,738,265**

Until the recognition date for each respective tranche, the remaining donated amounts will be disclosed as **contingent remuneration** not yet brought to account.

# Notes to the Financial Statements

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

### 7. 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](http://www.acfid.asn.au).

	2025	2024
<b><u>ACFID Format Income Statement</u></b>		
<b>Revenue</b>		
Donations and gifts		
- Monetary	35,679	1,408
- Non Monetary	1,109,241	39,092
Grants	-	46,110
Other income	1,098,318	880,598
<b>Total Revenue</b>	<b>2,243,238</b>	<b>967,209</b>
<b>Expenditure</b>		
<b>International Aid and Development Programs Expenditure</b>		
- Funds to International Programs	339,225	293,912
- Program Support Costs	38,490	29,391
	<b>377,715</b>	<b>323,303</b>
Fundraising Costs		
- Public	803	939
Accountability and Administration	40,330	77,392
Other	42,187	46,110
Community Education	-	-
	<b>461,035</b>	<b>447,745</b>
<b>Domestic Programs Expenditure</b>	<b>324,135</b>	<b>633,325</b>
<b>Total Expenditure</b>	<b>785,171</b>	<b>1,081,070</b>
<b>Shortfall of Revenue over Expenditure</b>	<b>1,458,067</b>	<b>(113,861)</b>