Special Purpose Financial Statements

Fairaction International
ABN 47 615 498 381
For the year ended 30 June 2022

Prepared by Abhi Anand CPA

Contents

Compilation Report

Fairaction International
For the year ended 30 June 2022

Compilation report to Fairaction International

We have compiled the accompanying special purpose financial statements of Fairaction International, which comprise the balance sheet as at 30 June 2023, the income statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors of Fairaction International are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Independence (if required)

We are independent of Fairaction International.

Abhinav Anand CPA

Dated: 11 May 2024

Directors Declaration

Fairaction International
For the year ended 30 June 2022

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Oluwagbemi Samuel Adeoti

Sign date: **12/ 05/2024**

Trading Statement

Fairaction International
For the year ended 30 June 2022

	NOTES	2022	2021
Trading Income			
Sales			
In-kind Gift & Cash Donation		57,203	58,401
Service Revenue		835,167	2
Total Sales		**892,370**	**58,403**
Gross Profit		892,370	58,403
Gross Profit (%)		100	100

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income Statement

Fairaction International
For the year ended 30 June 2022

	NOTES	2022	2021
Income			
Trading Profit		892,370	58,403
Total Income		**892,370**	**58,403**
Total Income		**892,370**	**58,403**
Expenses			
Accountability & Administrative Expenses		1,754	31,275
Fundraising Expenses		324	1,500
Management, Policy, Governance & Compliance		33,463	29,463
Project/Program: Management, Design, Development, Implementation and Monitoring		8,991	182,243
R&D for Sustainable Water Solution - Project development & Implementation (International)		108,232	122,851
R&D for Sustainable Water Solutions - Product Development (Australia)		461,785	-
Strategic Development		96,433	236,809
Total Expenses		**710,982**	**604,141**
Profit/(Loss) before Taxation		**181,387**	**(545,738)**
Net Profit After Tax		**181,387**	**(545,738)**
Net Profit After Dividends Paid		**181,387**	**(545,738)**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Balance Sheet

Fairaction International
As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Bank Accounts			
FBT FI Account		100	-
Fairaction International		408	54
Total Bank Accounts		**508**	**54**
Non-Current Assets			
Shareholder Loan to CWFA		918,000	-
Total Non-Current Assets		**918,000**	**-**
Total Assets		**918,508**	**54**
Liabilities			
Current Liabilities			
GST		83,405	-
Superannuation Payable		2,519	719
Wages Payable - Payroll		18,000	-
CEO Salary/R&D for Sustainable Solutions Unpaid		3,023,173	2,413,719
Total Current Liabilities		**3,127,098**	**2,414,438**
Non-Current Liabilities			
Director Loan from Samuel Adeoti		51,562	27,155
Total Non-Current Liabilities		**51,562**	**27,155**
Total Liabilities		**3,178,660**	**2,441,594**
Net Assets		**(2,260,152)**	**(2,441,539)**
Equity			
Retained Earnings		(2,260,152)	(2,441,539)
Total Equity		**(2,260,152)**	**(2,441,539)**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows - Direct Method

Fairaction International
For the year ended 30 June 2022

	2022	2021
Operating Activities		
Cash receipts from other operating activities	975,886	58,403
Cash payments for other operating activities	(690,970)	(602,641)
Net Cash Flows from Operating Activities	**284,916**	**(544,238)**
Financing Activities		
Loans to related parties	(918,000)	-
Loans from related parties	24,083	(13,534)
Other cash items from financing activities	609,454	549,254
Net Cash Flows from Financing Activities	**(284,463)**	**535,721**
Net Cash Flows	**453**	**(8,517)**
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	54	8,571
Net change in cash for period	453	(8,517)
Cash and cash equivalents at end of period	508	54

Movements in Equity

Fairaction International
For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	(2,441,539)	(1,895,802)
Increases		
Profit for the Period		
Current Year Earnings	181,387	(545,738)
Total Profit for the Period	**181,387**	**(545,738)**
Total Increases	**181,387**	**(545,738)**
Total Equity	**(2,260,152)**	**(2,441,539)**

Related Party Transactions

Fairaction International
For the period 1 July 2021 to 30 June 2022

ACCOUNT	DATE	DEBIT	CREDIT	RUNNING BALANCE	GROSS	TAX
Director Loan from Samuel Adeoti						
Opening Balance		**-**	**27,155**	**27,155**	**-**	**-**
Movement		6,100	30,507	51,562	24,407	-
Closing Balance		**-**	**51,562**	**51,562**	**-**	**-**
Shareholder Loan to CWFA						
Opening Balance		-	-	-	-	-
Movement		918,000	-	918,000	918,000	-
Closing Balance		**918,000**	**-**	**918,000**	**-**	**-**
Total		**924,100**	**30,507**	**893,593**	**942,407**	**-**

Notes to the Financial Statements

Fairaction International
For the year ended 30 June 2022

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 special purpose report prepared for the sole purpose of distributing a financial report to members, ACNC and must not be used 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 2022. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

These notes should be read in conjunction with the attached compilation report.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 30 June 2022. 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.

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.