

Audited Financial Statements

Fairaction International Pty Ltd
ABN 47 615 498 381
For the year ended 30 June 2024

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 2024

	Notes	2024	2023
Continuing operations			
Revenue from continuing operations	02	967,209	1,418,170
Total revenue		967,209	1,418,170
Employee expenses		(49,950)	(66,300)
Contractor expenses		(396)	(396)
Program expenses	03	(956,629)	(763,920)
Other expenses		(77,245)	(26,536)
Doubtful Debts		(511,411)	(2,111,412)
		(1,595,631)	(2,968,564)
Net deficit before tax		(628,422)	(1,550,394)
Income tax (expense)/benefit		-	-
Net deficit after tax		(628,422)	(1,550,394)
Other comprehensive income		-	-
Total Comprehensive Income/(Loss) For The Year		-	-
Other comprehensive income/(loss), net of income tax		-	-
Total comprehensive Loss		(628,422)	(1,550,394)

The accompanying notes form part of these financial statements.

Statement of Financial Position

Fairaction International Pty Ltd
For the year ended 30 June 2024

	Notes	2024	2023
Assets			
Current Assets			
Cash and Cash Equivalents	04	30,910	24,710
Fixed Assets	05	5,875	-
Total Current Assets		36,785	24,710
Non-Current Assets			
Trade Debtors		2,622,823	2,111,412
Provision for Doubtful Debts		(2,622,823)	(2,111,412)
Total Non-Current Assets		-	-
Total Assets		36,785	24,710
Liabilities			
Current Liabilities			
Trade and Other Payables	06	4,475,754	3,732,139
Total Current Liabilities		4,475,754	3,732,139
Non-Current Liabilities			
Director Loan from Samuel Adeoti		-	103,118
Total Non-Current Liabilities		-	103,118
Total Liabilities		4,475,754	3,835,257
Net Liabilities		(4,438,968)	(3,810,546)
Equity			
Current Year Earnings		(628,422)	(1,550,394)
Retained Earnings		(3,810,546)	(2,260,152)
Total Equity		(4,438,968)	(3,810,546)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

Fairaction International Pty Ltd
For the year ended 30 June 2024

Balance as at 1 July 2022	(2,260,152)
Loss for the Year	(1,550,394)
Total comprehensive Loss for The Year	(1,550,394)
Balance as at 30 June 2023	(3,810,546)
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)

The accompanying notes form part of these financial statements.

Statement of Cash Flows

Fairaction International Pty Ltd
For the year ended 30 June 2024

	Notes	2024	2023
Cash Flows from Operating Activities			
Cash receipts from other operating activities		455,799	1,531,777
Cash payments for other operating activities		(308,911)	(2,476,806)
Net Cash Flows from Operating Activities		146,888	(945,029)
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)	(1,193,412)
Loans from related parties		-	51,232
Other cash items from financing activities		-	2,111,412
Net Cash Flows from Financing Activities		(133,964)	969,232
Cash and cash equivalents at the beginning of the year		24,710	507
Net increase in cash held		6,200	24,203
Cash and cash equivalents at the end of the year	04	30,910	24,710

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Fairaction International Pty Ltd For the year ended 30 June 2024

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 2024. 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 2024**

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 2024**

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, supported by the unique terms of its major liabilities. The substantial debt owed to the CEO is structured with highly flexible repayment terms, including the potential for forgiveness or conversion into a donation to the charity, should the organisation not have the financial capacity to meet these obligations. Furthermore, the repayment terms can be extended indefinitely, ensuring that the entity can manage its financial obligations without immediate liquidity pressure. This arrangement significantly mitigates financial risk and supports the entity's ability to continue operating as a going concern over the next 12 months and beyond.

The flexibility in the terms of the liabilities, especially with options for forgiveness or indefinite deferment of repayment, is a substantial reason to consider the organisation a going concern. This flexibility directly impacts the organisation's liquidity and cash flow pressures, enhancing its ability to continue operations into the foreseeable future without the immediate threat of insolvency. Such arrangements effectively reduce the financial risk and provide a buffer that allows the organisation to manage its finances more effectively while pursuing its strategic goals.

Notes to the Financial Statements

Fairaction International Pty Ltd
For the year ended 30 June 2024

	2024	2023
02 Revenue		
Revenue from continuing operations		
Donations	40,500	44,007
Government Grants	46,110	46,110
Service Revenue	880,598	1,328,053
	967,209	1,418,170
03 Program expenses		
International Program Expenses		
Project/Program: Management, Design, Development, Implementation and Monitoring	29,391	3,122
R&D for Sustainable Water Solution - Project development & Implementation (International)	293,912	153,065
	323,304	156,187
Domestic Program Expenses		
R&D for Sustainable Water Solutions - Product Development (Australia)	538,839	504,061
Strategic Development	94,485	103,672
	633,325	607,733
	956,629	763,920

Notes to the Financial Statements

Fairaction International Pty Ltd
For the year ended 30 June 2024

	2024	2023
04 Cash and Cash Equivalents		
FBT FI Account	11,531	15,743
Fairaction International	19,379	8,967
	30,910	24,710

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	30,910	24,710
Changes	-	-
Balance as per statement of cash flows	30,910	24,710

05 Fixed Assets

Computer Equipment	6,724	-
Less: Accumulated Depreciation on Computer Equipment	(849)	-
	5,875	-

06 Trade and other payables

Current

Accrued Expenses	19,310	-
GST	40,325	45,288
PAYG Withholdings Payable	6,487	11,184
Superannuation Payable	-	8,819
Deferred CEO salary	4,409,633	3,666,848
	4,475,754	3,732,139

Notes to the Financial Statements

Faction International Pty Ltd For the year ended 30 June 2024

Additional ACFID transparency disclosures

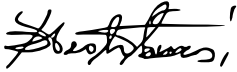
The following additional financial information has been prepared in accordance with the requirements set out in the ACFID Code of Conduct. Fairaction is an ACFID member and a signatory to the ACFID Code of Conduct and is committed to full adherence to its requirements. The Code aims to improve international 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.

	2024	2023
<u>ACFID Format Income Statement</u>		
Revenue		
Donations and gifts		
- Monetary	1,408	7
- Non Monetary	39,092	44,000
Grants	46,110	46,110
Other income	880,598	1,328,053
Total Revenue	967,209	1,418,169
Expenditure		
International Aid and Development Programs Expenditure		
- Funds to International Programs	293,912	153,065
- Program Support Costs	29,391	3,122
	323,303	156,187
Fundraising Costs		
- Public	939	324
Accountability and Administration	80,542	46,798
Other	557,521	2,157,522
Community Education	-	-
	962,306	2,360,830
Domestic Programs Expenditure	633,325	607,733
Total Expenditure	1,595,631	2,968,563
Shortfall of Revenue over Expenditure	(628,422)	(1,550,394)

Directors Declaration

In the opinion of the director of Fairaction International Pty Ltd ("the 'Company'):

- a. the accompanying financial statements and notes thereto, are in accordance with the Corporations Act 2001, including:
 - i. complying with Australian Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
 - ii. give a true and fair view of the financial position of the Company as at 30 June 2024 and of its performance for the year ended on that date.
- b. there are reasonable grounds to believe that Fairaction International Pty Ltd will be able to pay its debts as and when they become due and payable subject to the disclosures in note 1.



Oluwagbemi Samuel Adeoti
Director

Date: 16 September 2025



AUDITOR'S INDEPENDENCE DECLARATION UNDER THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF FAIRACTION INTERNATIONAL PTY LTD

As auditor for the audit of the Fairaction International Pty Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there has been:

1. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 16th day of September 2025

A handwritten signature in black ink that reads 'AMW Audit'.

AMW AUDIT
Chartered Accountants

A handwritten signature in black ink, appearing to be 'M Shone'.

MARTIN SHONE
Principal & Registered Company Auditor



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF FAIRACTION INTERNATIONAL PTY LTD

Qualified opinion

We have audited the financial report of Fairaction International Pty Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2024, 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 notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the accompanying financial report of Fairaction International Pty Ltd is in accordance with *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Act 2001*.

Basis for Qualified Opinion

The financial report for the year ended 30 June 2022 was not audited. Since the opening balances as at 1 July 2022 enter into the determination of the financial performance and position for subsequent periods, we were unable to determine whether adjustments might have been for the year ended 30 June 2024. Consequently, we were also unable to determine whether comparative information presented in the financial report is free from material misstatement.

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 Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company still maintains a stable going concern outlook, supported by the unique terms of its major liabilities. The flexibility in the terms of the liabilities, especially with the options for forgiveness or indefinite deferment of repayment, is a substantial reason to consider the Company a going concern. As a result, such arrangements effectively reduce the financial risk and provide a buffer that allows the Company to manage its finances more effectively while pursuing its strategic goals. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The Directors' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 the 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 this 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 Association'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 Association 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 committee 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.

AMW Audit

AMW AUDIT

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia



MARTIN SHONE

Principal & Registered Company Auditor

Dated at Perth, Western Australia this 16th day of September 2025