

# **Earthwatch Institute**

**ACN 001 967 979**

**Financial report  
for the financial year ended 30 September 2021**

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# Earthwatch Institute

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## Directors' Report

The Directors present their report together with the financial report of Earthwatch Institute for the year ended 30 September 2021 and the auditors' report thereon.

### Directors

The Directors of the company at any time during or since the financial year and their attendance at the Board meetings during the 2021 financial year are:

<b>Name</b>	<b>Particulars</b>	<b>FY2021 Board Meetings Attended</b>
Mathew Nelson (Chair) (Non-executive)	BEng Mechanical, University of Melbourne MA Environment, University of Melbourne Global Climate Change and Sustainability Services Leader, EY  <i>Appointed: 15 July 2016</i>	3/4
Nuvan Aranwela (Non-executive)	PhD Science Monash University Co-CEO, Six Park Senior Adviser, Pollination Group Former Head of Client Services, Red Planet Former Head of Innovation, Qantas Loyalty Former COO, Shopitize Former Chief Technology and Strategy Officer, Wishlist  <i>Appointed: 23 February 2018</i>	4/4
Peter Cochrane (Non-executive)	BSc ANU MPublic Policy ANU Australian Institute of Company Director's course Former Director, Ecotourism Australia Chair and Director, Blue Mountains World Heritage Institute Chair, Australian Tropical Herbarium Councillor, International Union for Conservation of Nature Chair, NESP Marine Biodiversity Hub Chair and Director, Sydney Institute of Marine Science Director, Sydney Institute of Marine Science Foundation  <i>Appointed: 30 May 2017</i>	4/4
Shamal Dass (Non-executive)	GrDip Financial Planning, Superannuation, Investment Planning, Taxation Securities Institute of Australia BSc Hons Economics University of Sydney Head of Philanthropic Service & Executive Director, JBWere Director & Treasurer, Arts Health Institute  <i>Appointed: 4 June 2018</i>	4/4

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<b>Name</b>	<b>Particulars</b>	<b>FY2021 Board Meetings Attended</b>
Aaron Organ (Non-executive)	BAppSci, Natural Resource Management (Deakin University) Associate Diploma, Natural Resource Management, Chisholm TAFE MASocSci, Enviro, Planning, RMIT University EnviroDevelopment Advisory Board Member, Urban Development Institute of Australia (Victoria) Director, Ecology and Heritage Partners Pty Ltd  <i>Appointed: 01 March 2016</i>	3/4
Andrew Thomson (Non-executive)	MBA, The University of Western Australia BSc, The University of Western Australia Principal and CEO, Kilara Energy  <i>Appointed: 14 February 2020</i>	4/4
Professor Ian Woodrow (Non-executive)	BSc Hons. (University of Melbourne) PhD (University of Sheffield, UK) Professor, School of Biosciences (The University of Melbourne) Member, Maud Gibson Trust Board Member, Royal Botanic Gardens, Australian Research Centre for Urban Ecology Board of Management  <i>Appointed: 12 December 2013</i>	3/4
Emily Gerrard (Non-executive)	L.L.B Law, Sci (Honours) Admitted to Supreme Court of Victoria and High Court of Australia Member, Melbourne Sustainable Institute Advisory Board Member Carbon Market Institute Board Member Australian Sustainability Finance Initiative Member Law Institute of Victoria's Environmental Issues Committee Director and Principal Lawyer at Comhar Group Pty Limited  <i>Appointed: 2 September 2019</i>	4/4
Belinda Kischkel (Non-executive)	Bachelor of Business in Marketing/Management Member of marketing body ADMA  Appointment in process (at next AGM)	2/2

## **Earthwatch Institute ACN 001 967 979**

### **Directors' and key management personnel remuneration**

The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all Directors and key management personnel of the company, directly or indirectly, by the company or by any related party was \$237,569. Remuneration of Directors is included as part of Note 11 'Program Expenses'. Non-executive directors receive no remuneration.

### **Domicile, legal form and registered address**

The company is limited by guarantee and is domiciled in Australia.

The address of the registered office of the company is: Suite G-06, 60L Green Building  
60 Leicester Street  
Carlton VIC 3053

### **Principal activity**

The company's principal activity during the course of the financial year was to support scientific field research and education, and the promotion of understanding and action needed for sustainable development and behaviour change. During the financial year there was continued change to the nature of those activities, due to the ongoing impacts of Covid.

### **Review and results of operations**

The Board is pleased to present a financial outcome aligned with the forecast budget. The company's Statement of Profit or Loss and Other Comprehensive Income shows a net loss attributable to members of \$15,386 compared with a net profit of \$150,521 in 2020. The ongoing impacts of the COVID-19 pandemic and the measures adopted by The Australian Government to mitigate the pandemic's spread have significantly impacted the company's bottom line, however Government assistance such as JobKeeper has not been offered during 2021. Due to the ongoing closure of international borders, the company has been unable to restart the sale of international expeditions during 2021. However, national expeditions were able to field during 2021, with an emphasis on place-based recruitment. In addition, a number of contract variations were negotiated and some key events were held virtually to ensure that deliverables be achieved.

### **Changes in state of affairs**

During the financial year there was no significant change in the company's state of affairs other than that referred to in the financial statements or notes thereto.

### **Events subsequent to reporting date**

There have been no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the company, the results of these operations, or the state of affairs of the company, in future financial years.

### **Environmental regulation**

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. Nonetheless, Earthwatch Australia strives to demonstrate environmental sustainability through all its activities.

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**Indemnification of officers and auditors**

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related party:

- (i) indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Directors and officers are covered by the Directors & Officers Liability Insurance taken out by Earthwatch Institute Inc. and by Management Liability Insurance taken out by Earthwatch Institute.

We do not disclose Insurance premiums paid under the terms of our Director policies.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



**MATHEW NELSON**  
Chair



**FIONA SUTTON WILSON**  
Chief Executive Officer

Melbourne, Victoria  
4 March 2022

**Earthwatch Institute**  
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**Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 30 September 2021**

	Note	2021 \$	2020 \$
Revenue from ordinary activities	2	2,113,055	1,944,632
Interest income		4,525	6,622
		<u>2,117,580</u>	<u>1,951,254</u>
Depreciation and amortisation		(36,546)	(9,271)
Field grants		(72,962)	(171,699)
Field operations expenses		(5,569)	(4,584)
Program expenses	11	(1,791,019)	(1,270,535)
Other expenses from ordinary activities		(226,870)	(344,644)
<b>Total expenses</b>		<u>(2,132,966)</u>	<u>(1,800,733)</u>
(Loss)/ profit for the year		(15,386)	150,521
Other comprehensive income		-	-
<b>Total (loss)/ profit and other comprehensive income</b>		<u><u>(15,386)</u></u>	<u><u>150,521</u></u>

This statement is to be read in conjunction with the notes to the financial statements.

**Earthwatch Institute**  
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**Statement of Financial Position**  
**as at 30 September 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,032,877	1,414,931
Investments	5	20,000	1,220,000
Trade and other receivables	6	19,050	40,033
Other current assets		16,352	18,970
<b>TOTAL CURRENT ASSETS</b>		<u>3,088,279</u>	<u>2,693,934</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	46,129	35,967
Right-of-use asset	8	129,351	-
Security deposit		16,000	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>191,480</u>	<u>35,967</u>
<b>TOTAL ASSETS</b>		<u>3,279,759</u>	<u>2,729,901</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	52,979	111,611
Provisions	10	96,227	112,361
Deferred income	12	2,466,027	1,957,419
Lease liability	13	29,030	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,644,263</u>	<u>2,181,391</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	8,395	8,848
Lease liability	13	102,825	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>111,220</u>	<u>8,848</u>
<b>TOTAL LIABILITIES</b>		<u>2,755,483</u>	<u>2,190,239</u>
<b>NET ASSETS</b>		<u>524,276</u>	<u>539,662</u>
<b>MEMBERS' FUNDS</b>			
Reserves & development funds	17	539,662	389,141
Current year earnings		(15,386)	150,521
<b>TOTAL MEMBERS' FUNDS</b>		<u>524,276</u>	<u>539,662</u>

This statement is to be read in conjunction with the notes to the financial statements.



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**Statement of Changes in Equity  
for the year ended 30 September 2021**

	<b>Funds in Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 30 September 2019	<b>389,141</b>	<b>389,141</b>
Profit for the year	150,521	150,521
Balance at 30 September 2020	<u><b>539,662</b></u>	<u><b>539,662</b></u>
Profit for the year	(15,386)	(15,386)
<b>Balance at 30 September 2021</b>	<u><u><b>524,276</b></u></u>	<u><u><b>524,276</b></u></u>

This statement is to be read in conjunction with the notes to the financial statements.

**Earthwatch Institute**  
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**Statement of Financial Position**  
**as at 30 September 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		2,646,293	2,821,562
Cash payments in the course of operations		(2,185,047)	(1,781,467)
Interest received		4,525	6,622
Net cash provided by operating activities	15(b)	<u>465,771</u>	<u>1,046,717</u>
<b>Cash flows from investing activities</b>			
Receipts from/(Investment) in term deposits		1,200,000	(320,823)
Payments for plant & equipment		(23,882)	-
Net cash provided by/ (used in) investing activities		<u>1,176,118</u>	<u>(320,823)</u>
<b>Cash flows from financing activities</b>			
Payments for lease liabilities		(23,943)	-
Net cash used in operating activities		<u>(23,943)</u>	<u>-</u>
<b>Net increase in cash held</b>		1,617,946	725,894
Cash at beginning of financial year		1,414,931	689,037
Cash at end of the financial year	15(a)	<u><u>3,032,877</u></u>	<u><u>1,414,931</u></u>

This statement is to be read in conjunction with the notes to the financial statements.

**Earthwatch Institute**  
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**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

**1 Significant Accounting Policies**

Earthwatch Institute is a company domiciled in Australia. The address of the company's registered office is Suite G-06, 60L Green Building, 60 Leicester Street, Carlton VIC 3053. The company is a not-for-profit organisation and is primarily involved in scientific field research and education.

The significant accounting policies which have been adopted in the preparation of this financial report are:

**(a) Basis of Preparation**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC). The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 4 March 2022.

**Historical cost convention**

The financial statements have been prepared on historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

**Functional and presentation currency**

These financial statements are presented in Australian dollars, which is the Company's functional currency.

**Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included, where applicable, in the relevant notes to the financial statements.

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**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

**(b) Recognition of Revenue**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

***Fielded Volunteer Contributions***

The company derives income by undertaking and supporting scientific research expeditions and field projects relevant to conservation and sustainable environments.

Revenue from these activities is recognised either over time as the work is performed or recognised at the point in time that the expedition is completed, which has resulted in deferral of income.

***Supporter Donations and subscriptions***

Supporter donations are recognised when the right to receive the cash is established and subscriptions are recognised as it accrues.

***Interest***

Interest revenue is recognised as it accrues.

***Program Support Income***

A number of Earthwatch's programs are supported by grants received from various levels of trusts and foundations.

If an agreement is enforceable and contains sufficiently specific performance obligation, recognition of the grant as revenue is either at point in time upon receipt or over time which is deferred until those performance obligations are satisfied. The grant is recognised as a liability and then recognised as revenue when the performance obligation is fulfilled.

***Government Grant Income***

The company receives grants from various government departments by undertaking governmental projects and receives business relief grants as a result of COVID-19.

In relation to governmental projects, if an agreement is enforceable and contains sufficiently specific performance obligation, recognition of the grant as revenue is either at point in time upon receipt or over time which is deferred until the performance obligation is satisfied.

COVID-19 relief grants such as JobKeeper, Federal Government Cash Stimulus are recognised in the statement of profit or loss and other comprehensive income upon receipt.

***'In kind' Income***

Income received on an 'in-kind' basis (i.e. receipt of non-cash goods or services) is recognised in accordance with the above policies. A corresponding expense for the goods or services provided is recognised in the statement of profit or loss and other comprehensive income.

**(c) Income Tax**

For taxation purposes the company is classified as an approved research institute, therefore it is exempt from paying income tax pursuant to section 23(e) of the Income Tax Assessment Act.

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**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

**(d) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of the expenses.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

The GST components of cash flows arising from investing activity which is recoverable from, or payable to, the ATO are classified as operating cash flows.

**(e) Plant & Equipment**

**Acquisition**

Items of plant and equipment are recorded at cost and depreciated as outlined below.

**Depreciation**

Depreciation is provided on all fixed assets. Depreciation is primarily calculated on a reducing balance basis as considered appropriate so as to write off the net cost of each asset over its expected useful life.

The depreciation rates and methods used for each class of asset, for previous years are as follows:

	<b>Depreciation Rate</b>	<b>Depreciation Method</b>
• Furniture & Equipment	10% - 33%	Diminishing value
• Computer Equipment	20% - 50%	Diminishing value
• Leasehold Improvement	20%	Diminishing value

**(f) Employee Entitlements**

**Annual Leave**

The liability for annual leave represents the present obligation resulting from employees' services provided to reporting date, calculated at undiscounted amounts on remuneration wage and salary rates which are expected to be paid as at reporting date, including related on-costs, such as workers compensation insurance and superannuation. All annual leave liability is expected to be realised within the next 12 months.

**Long Service Leave**

The provision for long service leave represents the present value of estimated future cash outflows resulting from employees' services provided to reporting date. The provision is calculated using expected increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

**Superannuation**

Contributions to employee superannuation funds are expensed when incurred.

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**Notes to the Financial Statements**  
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**(g) Receivables**

Trade receivables are recorded at amounts due less any expected credit loss.

**(h) Payables**

Trade payables and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank, cash on hand, funds in trust and deposits. These deposits are short-term and highly liquid cash deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(j) Investments**

Held to maturity (HTM) investments are non-derivative financial assets, with fixed or determinable payments and fixed maturity (other than loans and receivables). Investments are classified as HTM if Earthwatch has the intention and ability to hold them until maturity. Earthwatch currently holds term deposits which are designated into this category.

**(k) Related Party Transactions**

Earthwatch has charitable affiliates internationally to extend its scientific and education programs abroad. The Earthwatch Institute operates under a Trademark License Agreement with Earthwatch Institute Inc. (Earthwatch US), as from December 2002.

In the 2021 financial year, the Earthwatch Institute has transacted with Earthwatch US, and the Conservation Education and Research Trust (Earthwatch UK).

Earthwatch does not control these affiliates, and therefore their operating results are not included within these financial statements. These affiliates share contributions from volunteers and derive staff support and subsidies from Earthwatch. All outstanding balances from these related parties are priced on an arm's-length basis.

The following are amounts owed by affiliates/(payable to) affiliates as of 30 September:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Earthwatch UK	(23,284)	(23,148)
Earthwatch US	(4,866)	(75,875)
	<u>(28,150)</u>	<u>(99,023)</u>

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**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

**(k) Related Party Transactions (continued)**

The following revenue is derived from affiliates and is reflected as contributions from overseas volunteers in the accompanying statements of activities for the years ended 30 September:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Earthwatch US	-	3,589
	-	3,589
	-	3,589

The following expenses are derived from affiliates and are reflected as costs incurred from Australian volunteers fielding overseas in the accompanying statements of activities for the years ended 30 September:

Earthwatch US	4,866	72,906
	4,866	72,906
	4,866	72,906

**(l) Lease**

At inception of a contract, the Company assesses if the contract contains a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line bases over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Institute uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

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**Notes to the Financial Statements**  
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**(l) Lease (continued)**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(m) Comparative Figures**

Certain comparative figures have been restated to correct the balance of FBT payable as at 30 September 2020.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue from ordinary activities</b>		
Fielded volunteer contributions	81,466	306,274
Supporter donations and subscriptions	89,831	80,381
Program support income	1,412,748	922,920
'In-kind' income	58,111	55,907
Government Grants	384,755	486,137
Other income	86,144	93,013
	<b>2,113,055</b>	<b>1,944,632</b>

**3 Auditor's remuneration**

Audit and review of the financial report	7,000	47,800
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In 2020, KPMG offered audit services to Earthwatch as a part of their Honorary Work policy. These audit services amounting to \$47,800 are recognised as 'In-Kind' income.

**4 Cash and cash equivalents**

Cash at bank and on hand	2,988,831	1,257,725
Research Fund-Cash at Bank	12,853	126,020
Volunteers Funds in trust	31,193	31,186
	<b>3,032,877</b>	<b>1,414,931</b>

All gifts of money that are made for scientific research are received into the Research bank account. Volunteer funds in trust are cash received in advance from participants of Earthwatch public programmes.



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	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>5 Investments</b>		
Bank Term Deposits	20,000	1,220,000
	<u>20,000</u>	<u>1,220,000</u>
	<u><u>20,000</u></u>	<u><u>1,220,000</u></u>
<p>These cash investments are held within Australian Banks. The term deposits as at 30 September 2021 were earning interest rates of 0.27% per annum. At 30 September 2021 the average time to maturity was 90 days. These term deposits are classified as investments as the deposits cannot be immediately accessed and quickly converted to cash by Earthwatch at any point without foregoing accrued interest.</p>		
<b>6 Trade and other receivables</b>		
Trade debtors	19,050	36,699
Related party receivables	-	3,589
Other Debtors	-	(255)
	<u>19,050</u>	<u>40,033</u>
	<u><u>19,050</u></u>	<u><u>40,033</u></u>
<b>7 Plant and equipment</b>		
Furniture & Equipment	99,893	99,893
Accumulated depreciation	(82,869)	(80,037)
	<u>17,024</u>	<u>19,856</u>
Computer Equipment	173,693	173,693
Accumulated depreciation	(164,888)	(157,582)
	<u>8,805</u>	<u>16,111</u>
Leasehold Improvement	23,882	-
Accumulated depreciation	(3,582)	-
	<u>20,300</u>	<u>-</u>
	<u><u>46,129</u></u>	<u><u>35,967</u></u>
Movements of plant and equipment during the year:		
Carrying amount at beginning of year	35,967	24,415
Additions	23,882	20,823
Depreciation	(13,720)	(9,271)
Carrying amount at end of year	<u><u>46,129</u></u>	<u><u>35,967</u></u>

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	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>8 Right-of-use Asset</b>		
Right-of-use asset	152,178	-
Accumulated Amortisation	(22,827)	-
	<u>129,351</u>	<u>-</u>
<b>9 Trade and other payables</b>		
Trade payables	9,481	8,853
Related party payables	28,692	99,023
Other payables and accruals	14,806	3,735
	<u>52,979</u>	<u>111,611</u>
<b>10 Provisions</b>		
<b>Current</b>		
Annual leave	62,235	70,149
Long service leave	33,992	42,212
	<u>96,227</u>	<u>112,361</u>
<b>Non-Current</b>		
Long service leave	8,395	8,848
	<u>8,395</u>	<u>8,848</u>
<b>11 Program expenses</b>		
The remuneration of employees, included in 'Program expenses' is made up of the following:		
Salaries and wages	988,878	930,201
Superannuation	94,169	96,932
	<u>1,083,047</u>	<u>1,027,133</u>
All other program expenses	707,972	243,402
	<u>1,791,019</u>	<u>1,270,535</u>
<b>12 Deferred income</b>		
Expedition deposits received in advance	30,829	35,434
Grants received under obligation	2,435,198	1,921,985
	<u>2,466,027</u>	<u>1,957,419</u>

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**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>13 Lease liability</b>		
<b>Current</b>		
Lease liability	29,030	-
	29,030	-
	29,030	-
<b>Non-Current</b>		
Lease liability	102,825	-
	102,825	-
	102,825	-

**14 Members guarantee**

If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. Each member holds one voting right. At 30 September 2021 the number of members was 64 (2020: 63).

**15 Notes to the cash flow statement**

**(a) Reconciliation of cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and short-term deposits at call, net of outstanding bank overdrafts.

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	3,032,877	1,414,931
	3,032,877	1,414,931

**(b) Reconciliation of net cash provided by operating activities to operating surplus**

Operating (deficit) / surplus	(15,386)	150,521
Add non-cash item:		
Depreciation and amortisation	36,546	9,271
Interest on lease liability	3,620	-
Changes in net assets and liabilities:		
Decrease / (increase) in trade receivables	20,984	204,739
Decrease / (increase) in other assets	(13,557)	336
(Decrease) / increase in trade and other payables	(58,456)	(34,557)
(Decrease) / increase in deferred income	508,608	684,001
(Decrease) / increase in provisions	(16,588)	32,406
Net cash provided by operating activities	465,771	1,046,717
	465,771	1,046,717

**Earthwatch Institute**  
**ACN 001 967 979**

**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

**16 Financial instruments**

**(a) Interest Rate Risk**

The following details the company's exposure to interest rate risk as at 30 September:

	Note	Effective interest rate %	Floating interest rate \$	1 year or less \$	1 to 5 years \$	More than 5 years \$	Non- interest bearing \$	Total \$
<b>2021</b>								
<b>Financial assets</b>								
Cash and cash equivalents	4	0.01%	2,988,831	-	-	-	44,046	3,032,877
Investments	5	0.27%	-	20,000	-	-	-	20,000
Trade Receivable	6	-	-	-	-	-	19,050	19,050
			2,988,831	20,000	-	-	63,096	3,071,927
<b>Financial liabilities</b>								
Trade and other Payables	9	-	-	-	-	-	52,979	52,979
			-	-	-	-	52,979	52,979
<b>2020</b>								
<b>Financial assets</b>								
Cash and cash equivalents	4	0.07%	1,257,725	-	-	-	157,206	1,414,931
Investments	5	0.47%	-	1,220,000	-	-	-	1,220,000
Trade Receivable	6	-	-	-	-	-	40,033	40,033
			1,257,725	1,220,000	-	-	197,239	2,674,964
<b>Financial liabilities</b>								
Trade and other Payables	9	-	-	-	-	-	111,611	111,611
			-	-	-	-	111,611	111,611

**(b) Net Fair Value**

The net fair value as at the reporting date of each class of financial asset and financial liability is represented by the amounts recorded in the statement of financial position determined in accordance with the accounting policies disclosed in Note 1 of the financial statements.

**(c) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The financial risk policy of the Earthwatch Institute states that investments are limited to bank deposits and board approved fund management trusts.

**(d) Foreign currency risk**

Earthwatch is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the respective functional currencies of its business partners. The functional currencies of its trading partners are primarily the United States of America Dollars (USD) and the British Pound.

**Earthwatch Institute**  
**ACN 001 967 979**

**Notes to the Financial Statements**  
**for the year ended 30 September 2021**

	2021	2020
	\$	\$
<b>17 Members' Funds</b>		
Retained surplus at the beginning of the year	539,662	389,141
Net (loss)/ profit	<u>(15,386)</u>	<u>150,521</u>
Retained surplus at the end of the year	<u><u>524,276</u></u>	<u><u>539,662</u></u>

**18 Subsequent events**

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Company is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Company. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

**Earthwatch Institute**  
**ACN 001 967 979**  
**Directors' Declaration**

In the opinion of Earthwatch Institute:

- a) The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving true and fair view of the financial position of the Company as at 30 September 2021 and of its performance, as represented by the results of its operations and its cashflows, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards and with Australian Charities and Not-for-profits Commission Regulation 2013; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- c) The provisions of, and the regulations under the; Charitable Fundraising Act 1991 (NSW), and Charitable Fundraising Regulation 2015 (NSW), and the conditions attached to the authority have been complied with by the company,
- d) The company's internal controls are appropriate and effective in accounting for all income received and applied by the company from fundraising appeals.

Signed in accordance with a resolution of the Directors.



**MATHEW NELSON**  
Chair



**FIONA SUTTON WILSON**  
Chief Executive Officer

Melbourne, Victoria  
4 March 2022

**AUDITORS' INDEPENDENCE DECLARATION**

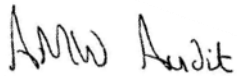
To: the Members of Earthwatch Institute

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Board of Directors of Earthwatch Institute. As the lead audit principal for the audit of the financial report of Earthwatch Institute for the year ended 30 September 2021, I declare that, to the best of my knowledge and belief, during the year ended 30 September 2021 there have been no contraventions of:

- the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Dated this 21<sup>st</sup> day of March 2022

**AMW (AUDIT) PTY LTD**



**AMW AUDIT**  
Chartered Accountants



**MARTIN SHONE**  
Director

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EARTHWATCH INSTITUTE**

### **Opinion**

We have audited the accompanying financial report of Earthwatch Institute (“the Company”) which comprises the statement of financial position as at 30 September 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors’ declaration.

In our opinion, the accompanying financial report of Earthwatch Institute has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company’s financial position as at 30 September 2021 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **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 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors, would be in the same terms if given as at the time of this auditors’ report.

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

### **Directors’ Responsibilities 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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and is appropriate to meet the needs of the members. The Directors’ responsibility also include such internal control as the Directors determine 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.

In preparing the financial report, the Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters relating 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 to do so.



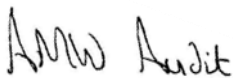
## **Auditors' Responsibilities for the Audit of the Financial Report**

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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, amongst 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**  
Chartered Accountants



**MARTIN SHONE**  
Principal & Registered Company Auditor

Dated at Perth, Western Australia this 21<sup>st</sup> day of March 2022