

Earthwatch Institute

ACN 001 967 979

**Financial report
for the financial year ended 30 September 2024**

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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 2024 and the auditors' report thereon.

Directors

The Directors of the entity at any time during or since the financial year and their attendance at the Board meetings during the 2024 financial year are:

Name	Particulars	FY2024 Board Meetings Attended
Mathew Nelson (Chair) (Non-executive)	BEng Mechanical, University of Melbourne MA Environment, University of Melbourne Oceania Chief Sustainability Officer, EY <i>Appointed: 15 July 2016</i>	4/4
Nuvan Aranwela (Non-executive)	PhD Science Monash University Head of Growth, Pollination Group <i>Appointed: 23 February 2018</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>	3/4
Aaron Organ (Non-executive)	BAppSci, Natural Resource Management (Deakin University) Associate Diploma, Natural Resource Management, Chisholm TAFE MASocSci, Enviro, Planning, RMIT University Enviro Development Advisory Board Member, Urban Development Institute of Australia (Victoria) Director/Principal Ecologist, Ecology and Heritage Partners Pty Ltd <i>Appointed: 01 March 2016</i>	4/4
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>	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>	3/4

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Name	Particulars	FY2024 Board Meetings Attended
Belinda Kischkel (Non-executive)	Bachelor of Business in Marketing/Management Member of marketing body ADMA Senior Marketing Manager, LGT Crestone <i>Appointed: 22 October 2021</i>	3/4
Simon Cramp (Non-executive)	Bachelor of Science Hons 1st (1997 – QUT) Bachelor of Science / Ecology (1994) – UQ Bachelor of Commerce / Economics (1993 – UQ) Masters International Affairs (2006) – ANU Director - Private Finance & Partnerships, D FAT <i>Appointed: 16 June 2022</i>	4/4
Jim Walker (Non-executive)	Interim Chair of the First Nations Advisory Team for the Cooperative Research Centre on Transformation in Mining Economies Member of the Science Advisory Committee for Australia's Terrestrial Ecosystems Research Network Member of the Queensland Chief Scientist's Native Vegetation Scientific Expert Panel Member of the Board of Advice for the Queensland Aboriginal and Torres Strait Islander Foundation Lecturer within the School of Earth and Environmental Sciences within the Faculty of Science, UQ <i>Appointed: 12 August 2022</i>	3/4
Sarah Newport (Non-executive)	Batchelor of Arts, University of Adelaide Partner, KPMG <i>Appointed: 22 March 2024</i>	3/4

Directors' remuneration

Non-executive Board of Directors receive no remuneration.

Domicile, legal form and registered address

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

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

Principal activity

The entity'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.

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Review and results of operations

The Board presents a financial outcome aligned with the forecast budget. The entity's Statement of Profit or Loss and Other Comprehensive Income shows a net loss attributable to members of \$1,058 compared with a net loss of \$30,894 in 2023.

Changes in state of affairs

During the financial year there was no significant change in the entity'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 entity, to affect significantly the operations of the entity, the results of these operations, or the state of affairs of the entity, in future financial years.

Environmental regulation

The entity'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, and is currently undertaking an internal audit of greenhouse gas emissions, in order to prioritise action to reduce our footprint.

Indemnification of officers and auditors

The entity has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the entity 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.

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
Melbourne, Victoria
Date: 14.01.25



FIONA SUTTON WILSON
Chief Executive Officer

Melbourne, Victoria
Date: 13.01.2025

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Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 September 2024

	Note	2024 \$	2023 \$
Revenue from ordinary activities	2	2,256,347	2,501,217
Interest income		38,502	25,485
		<u>2,294,849</u>	<u>2,526,702</u>
Depreciation and amortisation		(36,433)	(38,457)
Field grants		(59,763)	(112,817)
Field operations expenses		(6,540)	(7,222)
Program expenses		(1,940,199)	(1,940,056)
Other expenses from ordinary activities		(252,972)	(459,044)
Total expenses		<u>(2,295,907)</u>	<u>(2,557,596)</u>
Loss for the year		(1,058)	(30,894)
Other comprehensive income		-	-
Total Comprehensive income for the year		<u><u>(1,058)</u></u>	<u><u>(30,894)</u></u>

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

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Statement of Financial Position
as at 30 September 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,015,416	1,680,405
Investments	5	1,189,500	689,500
Trade and other receivables	6	142,910	101,892
Other current assets		26,520	27,129
TOTAL CURRENT ASSETS		<u>2,374,346</u>	<u>2,498,926</u>
NON-CURRENT ASSETS			
Plant and equipment	7	21,205	27,201
Right-of-use asset	8	38,044	68,480
Security deposit		16,000	16,000
TOTAL NON-CURRENT ASSETS		<u>75,249</u>	<u>111,681</u>
TOTAL ASSETS		<u>2,449,595</u>	<u>2,610,607</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	153,646	135,887
Provisions	10	64,716	75,712
Deferred income	11	1,657,414	1,794,382
Lease liability	12	32,592	31,484
TOTAL CURRENT LIABILITIES		<u>1,908,368</u>	<u>2,037,465</u>
NON-CURRENT LIABILITIES			
Provisions	10	32,232	30,497
Lease liability	12	8,324	40,916
TOTAL NON-CURRENT LIABILITIES		<u>40,556</u>	<u>71,413</u>
TOTAL LIABILITIES		<u>1,948,924</u>	<u>2,108,878</u>
NET ASSETS		<u><u>500,671</u></u>	<u><u>501,729</u></u>
MEMBERS' FUNDS			
Reserves & development funds	18	501,729	532,623
Current year earnings		(1,058)	(30,894)
TOTAL MEMBERS' FUNDS		<u><u>500,671</u></u>	<u><u>501,729</u></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 2024

	Funds in Reserve	Total
	\$	\$
Balance at 30 September 2022	532,623	532,623
Loss for the year	(30,894)	(30,894)
Balance at 30 September 2023	<u>501,729</u>	<u>501,729</u>
Loss for the year	(1,058)	(1,058)
Balance at 30 September 2024	<u><u>500,671</u></u>	<u><u>500,671</u></u>

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

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Statement of Cash Flows
as at 30 September 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Cash receipts in the course of operations		2,077,258	2,125,877
Cash payments in the course of operations		(2,248,458)	(2,436,705)
Interest received		38,502	25,485
Net cash used in operating activities	16(b)	<u>(132,698)</u>	<u>(285,343)</u>
Cash flows from investing activities			
Investment in term deposits		(500,000)	(650,000)
Payments for plant & equipment		-	(9)
Net cash used in investing activities		<u>(500,000)</u>	<u>(650,009)</u>
Cash flows from financing activities			
Payments for lease liabilities		(32,291)	(30,223)
Net cash used in operating activities		<u>(32,291)</u>	<u>(30,223)</u>
Net decrease in cash held		(664,989)	(965,575)
Cash at beginning of financial year		1,680,405	2,645,980
Cash at end of the financial year	16(a)	<u><u>1,015,416</u></u>	<u><u>1,680,405</u></u>

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

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Notes to the Financial Statements
for the year ended 30 September 2024

Background

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

The financial statements were authorised for issue by the Board of Directors on 14 January 2025.

Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2022 (ACNC). The Institute is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

1 Material Accounting Policy Information

(a) Revenue and Other Income

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Entity is required to consider whether any other financial statement elements should be recognised (eg financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

The Institute is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Revenue and Other Income

Operating Grants, Donations and Bequests

When the entity receives operating grant funding, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

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Notes to the Financial Statements
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(a) Revenue and Other Income (continued)

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Institute:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Other Income

Fielded Volunteer Contributions

The Institute 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.

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.

(b) Income Tax

For taxation purposes the institute 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.

(c) Goods and Services Tax

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

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Notes to the Financial Statements
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(c) Goods and Services Tax (continued)

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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present. Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

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 are as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) 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.

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Notes to the Financial Statements
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(e) Employee Entitlements (continued)

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.

(f) Trade and Other receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(g) Trade and Other payables

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

(h) 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.

(i) 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. The Institute currently holds term deposits which are designated into this category.

(j) Leases

At inception of a contract, the entity 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 entity where the entity 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.

Notes to the Financial Statements
for the year ended 30 September 2024

(j) Leases (continued)

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.

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 entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(k) Functional and presentation currency

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

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates

Useful lives of property, plant and equipment

As described in Note 1(d), the entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

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Notes to the Financial Statements
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(m) Critical Accounting Estimates and Judgements (continued)

Key Judgements

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

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Notes to the Financial Statements
for the year ended 30 September 2024

	2024	2023
	\$	\$
2 Revenue from ordinary activities		
Fielded volunteer contributions	80,486	8,336
Supporter donations and subscriptions	78,205	150,687
Program support income	1,951,963	2,104,546
'In-kind' income	22,481	228,660
Other income	123,212	8,988
	<u>2,256,347</u>	<u>2,501,217</u>
3 Auditor's remuneration		
Audit of the financial report	7,350	7,250
4 Cash and cash equivalents		
Cash at bank and on hand	676,877	1,137,917
Research Fund-Cash at Bank	338,539	542,488
Volunteers Funds in trust	-	-
	<u>1,015,416</u>	<u>1,680,405</u>
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.		
5 Investments		
Bank Term Deposits	1,189,500	689,500
	<u>1,189,500</u>	<u>689,500</u>
These cash investments are held within Australian Banks. The term deposits as at 30 September 2024 were earning interest rates of 4.25 % - 4.80 % per annum. At balance sheet date the average time to maturity was 12 months. 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.		
6 Trade and other receivables		
Trade debtors	142,910	101,892
	<u>142,910</u>	<u>101,892</u>

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Notes to the Financial Statements
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	2024	2023
	\$	\$
7 Plant and equipment		
Furniture & Equipment	99,893	99,893
Accumulated depreciation	(90,939)	(88,811)
	<u>8,954</u>	<u>11,082</u>
Computer Equipment	173,702	173,702
Accumulated depreciation	(171,845)	(170,575)
	<u>1,857</u>	<u>3,127</u>
Leasehold Improvement	23,882	23,882
Accumulated depreciation	(13,488)	(10,890)
	<u>10,394</u>	<u>12,992</u>
	<u>21,205</u>	<u>27,201</u>
Movements of plant and equipment during the year:		
Carrying amount at beginning of year	27,201	35,214
Additions		8
Depreciation	(5,996)	(8,021)
Carrying amount at end of year	<u>21,205</u>	<u>27,201</u>
8 Right-of-use Asset		
Right-of-use asset	152,178	152,178
Accumulated Amortisation	(114,134)	(83,698)
	<u>38,044</u>	<u>68,480</u>
9 Trade and other payables		
Trade payables	13,547	38,347
Related party payables	92,788	31,740
Other payables and accruals	47,311	65,800
	<u>153,646</u>	<u>135,887</u>
10 Provisions		
Current		
Annual leave	60,889	75,712
Long service leave	3,827	-
	<u>64,716</u>	<u>75,712</u>

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Notes to the Financial Statements
for the year ended 30 September 2024

	2024	2023
	\$	\$
10 Provisions (continued)		
Non-Current		
Long service leave	32,232	30,497
	<u>32,232</u>	<u>30,497</u>
11 Deferred income		
Expedition deposits received in advance	38,201	26,214
Grants received under obligation	1,619,213	1,768,168
	<u>1,657,414</u>	<u>1,794,382</u>
12 Lease liability		
Current		
Lease liability	32,592	31,484
	<u>32,592</u>	<u>31,484</u>
Non-Current		
Lease liability	8,324	40,916
	<u>8,324</u>	<u>40,916</u>
13 Members guarantee		

If the entity 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 entity. Each member holds one voting right. At 30 September 2024 the number of members was 73 (2023: 73).

14 Key Management Personnel Compensation

Any persons(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Directors (executive or otherwise) of that Entity, is considered a Key Management Personnel (KMP).

During the 2023 year, the Chief Executive Officer (CEO) was the only remunerated key personnel. The disclosure of the CEO's remuneration breaches confidentiality on this basis and therefore no compensation value was disclosed.

Key Management Personnel Compensation	340,175	-
	<u>340,175</u>	<u>-</u>

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Notes to the Financial Statements
for the year ended 30 September 2024

15 Other 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).

In the 2024 financial year, the Earthwatch Institute has transacted with Earthwatch US and Earthwatch Europe.

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/(payable to) affiliates as of 30 September:

	2024	2023
	\$	\$
Earthwatch Europe	(29,025)	(28,477)
Earthwatch US	(63,763)	(3,263)
	<u>(92,788)</u>	<u>(31,740)</u>

16 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:

	2024	2023
	\$	\$
Cash and cash equivalents	<u>1,015,416</u>	<u>1,680,405</u>

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

Operating (deficit)/surplus	(1,058)	(30,893)
Add non-cash item:		
Depreciation and amortisation	36,433	38,457
Interest on lease liability	1,910	2,969
Other income	(1,103)	(3,170)
Changes in net assets and liabilities:		
Decrease / (increase) in trade receivables	(41,018)	(82,595)
Decrease / (increase) in other assets	610	(4,768)
(Decrease) / increase in trade and other payables	17,757	75,640
(Decrease) / increase in deferred income	(136,968)	(289,575)
(Decrease) / increase in provisions	(9,261)	8,592
Net cash provided by operating activities	<u>(132,698)</u>	<u>(285,343)</u>

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Notes to the Financial Statements
for the year ended 30 September 2024

17 Financial instruments

(a) Interest Rate Risk

The following details the entity'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
2024		%	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	4	0.01%	676,877	-	-	-	338,539	1,015,416
Investments	5	4.25%-4.80%	-	1,189,500	-	-	-	1,189,500
Trade Receivable	6	-					142,910	142,910
			676,877	1,189,500	-	-	481,449	2,347,826
Financial liabilities								
Trade and other Payables	9	-					153,646	153,646
			-	-	-	-	153,646	153,646
2023								
		%	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	4	0.01%	1,137,917	-	-	-	542,488	1,680,405
Investments	5	4.25%-4.35%	-	689,500	-	-	-	689,500
Trade Receivable	6	-					101,892	101,892
			1,137,917	689,500	-	-	644,380	2,471,797
Financial liabilities								
Trade and other Payables	9	-					135,887	135,887
			-	-	-	-	135,887	135,887

(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.

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Notes to the Financial Statements
for the year ended 30 September 2024

	2024	2023
	\$	\$
18 Members' Funds		
Retained surplus at the beginning of the year	501,729	532,623
Net loss	(1,058)	(30,894)
Retained surplus at the end of the year	<u>500,671</u>	<u>501,729</u>

19 Events after the reporting date

The Directors are not aware of any significant events since the end of the reporting period.

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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 2024 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 2022; 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.



Name: Fiona Sutton Wilson
Position: Chief Executive Officer



Name: Mathew Nelson
Position: Chair of the Board

Melbourne,
Victoria Date
14.01.2025