



# ANNUAL REPORT 2022



A Liquid Future is a member of the Australian Council for International Development, the ACFID, and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management.

The financial statements included in this report have been prepared in accordance with the Code of Conduct standards for financial reporting.

Complaints relating to alleged breaches of the Code of Conduct by any signatory agency can be made by a member of the public to the ACFID Code of Conduct Committee.

For more information about the ACFID Code of Conduct and the compliance commitments that A Liquid Future adheres to or to lodge a comment, complaint or to leave a compliment about A Liquid Future please go to:

[www.acfid.asn.au](http://www.acfid.asn.au) / Email: [code@acfid.asn.au](mailto:code@acfid.asn.au) / Tel: (+612) 6285 1816

Further information on A Liquid Future:

[www.aliquidfuture.org](http://www.aliquidfuture.org) / Email: [info@aliquidfuture.org](mailto:info@aliquidfuture.org) / Tel: (+61) 450496735



ACFID  
MEMBER



## **What are we trying to do?**

We use surfing, surf tourism and creative education programmes to build resilient communities, protect marine ecosystems and address climate change and inequity. We apply this in a relatable and effective way in some of the remotest corners of our planet.

**Our Mission:** Enable the sustainable development of remote surfing communities with equitable community benefits and the protection of marine ecosystems.

**Our Vision:** Eradication of poverty and protection of marine ecosystems across remote surfing communities worldwide.

**Our Values:** relatable, accessible, emotive, self-confident, inclusive, curious.

## **How do we achieve our goal?**

Surf breaks are a renewable resource that hold great potential for communities to improve their socio-economic reality and regenerate the marine ecosystem they rely heavily upon, if managed properly.

With over 1000 surf breaks in Indonesia, significant opportunity exists for local communities to develop them as a nature-based solution of scale to provide sustainable livelihoods and address climate change.

Using the passion local communities have for surfing and the chance of a better life they associate with surf tourism, gives us a real opportunity to tap into and support primary stakeholders' enthusiasm and willing engagement for the long term.

Specifically:

- With a clear focus on women and youth.
- Through access to relatable and creative education programmes co-designed with local communities.
- By providing the right resources where there is a scarcity.
- By working with local schools, universities, and governments.
- Through establishing local teams, led by women.
- By setting up home bases that communities identify as theirs.
- Through the inclusion of our programmes into school curriculums.
- By training local educators to lead programmes.



- By former students becoming project leaders and co-designers, ensuring local ownership, sustainability and ever-evolving projects that meet needs.
- By engaging with and developing a cross-sector network, both in Indonesia and Australia to support our programmes.
- By having strong local partners such as the Asian Surfing Cooperative.
- By collaborating with local and international NGOs to scale impact.

## **Our Projects**

### Surf Club Hubs

We set up Surf Club Hubs with local communities. These are home bases. They are a focal point for youth and girls, providing an invaluable sense of belonging and identity. We run collaborative projects and initiatives from them, and they facilitate strong primary stakeholder support.

They enable us to:

- Protect surf breaks
- Set up conservation initiatives
- Run education programmes
- Engage primary stakeholders across sectors
- Run collaborative projects
- Set up entrepreneurial initiatives

### Our Future Waves - Surf Resource Education

It brings programmes in Reef and Coastline Health and Surveys; Water Safety; English; and The Girls Group to surf clubs across Indonesia. The purpose of the program is to align the development of surfing and surf tourism with the values of sustainability, marine protection, gender equity, preservation of cultural identity and socio- economic benefit for local communities.



### Surfer Scientists

This initiative provides technical training and science education to local communities. This is undertaken simultaneously with data collection required to assess the health of the marine environment which is shared on a central data base. It upskills communities, bringing modernisation through use of digital resources, and broadens the use of science.

### **Why are we doing this?**

Many remote Indonesian islands are being opened for rapid marine tourism development by the Indonesian national government.

Many of these remote islands are in some of the most marine biodiverse zones of our planet, alongside highest priority protection areas for carbon sequestration, with local communities some of the most impoverished in Indonesia.

Education standards in Indonesia are amongst the lowest in the world according to the latest OECD report of 2019. Seventy percent of Indonesia's population will be of working age by 2030, with its economy projected to be the fourth largest in the world by 2050. (Pre COVID figures).

Local regency governments are young and inexperienced, ill-equipped to meet needs.

Ending inequity, educating girls, protecting areas of high biodiversity on land and in the sea, and carbon sequestration are some of the most cost-effective solutions to combating climate change according to the latest global research.

Surfing is a culturally relevant, inclusive and accessible sport that communities are passionate about and they see surf tourism as a way out of the poverty cycle. It is a combination of these two factors that makes our approach impactful. What you are passionate about you commit to and if it stands to provide a better life for you and your family as well it is a double win situation.



## **Key Achievements**

Opening of the two government-funded surf centres in Morotai at Livao and on Pulau Rao providing a home for the two respective surf clubs, surf equipment, training sessions and meetings with other surf clubs. The result: increased number of youths, especially girls engaged with surfing and the ocean, progression of skills and ability in surfing, greater interaction with surfers from neighbouring villages. Regency Morotai government supporting the development of surfing and local surfers.

Follow-up Surf Training Camp run by Dede Suryana and sponsored by the Morotai government for youth and young adults of Bido and Buho Buho in Morotai with 5 of the adults attaining their Surf Guide qualification enabling them to work as surf guides.

Surf and girls' empowerment workshop with Salini Rengganis, one of Indonesia's top girl surfers for local boy and girl surfers at Bido in Morotai, also featured on Indonesia's TV One Travel Programme Persona Nusantara. The result: more girls engaged in surfing in Bido and the surrounding villages, increased visibility of surfers in Morotai, broadening of horizons and increasing gender equity of local surfers by meeting an Indonesian professional female surfer.

Pilot trial of benthic reef sampling protocol to collect data on Morotai's coral reef surf breaks. Locals gained skills in how to carry out this scientific process and the understood reasons and benefits environmentally, health and safety wise, and economically for preserving their reefs. Decrease in damaging actions to coral reefs.

Launch of Our Future Waves – Surf Resource Education Project with partner the Asian Surfing Cooperative sponsored by the U.S. Embassy, Jakarta.

Implementation of Our Future Waves – Surf Resource Education Project in Mentawai and Java locations reaching 250 youth and adults with Reef and Coastline Health and Surveys; Water Safety; English; and The Girls Group. Trained 4 local educators to be able to teach these skills.

Volunteer project with partner the Asian Surfing Cooperative and two female sustainable tourism students from the Excelia Group University La Rochelle in France. The two students presented their findings from an eight-week internship following local surfing competitions across three locations in Indonesia at their university. This was the first case study by any students on the course on sustainable tourism in a developing country. This increased the knowledge base of students at the university and made course instructors aware of the need to include developing countries within their curriculum. It was also the only case study focussing on the impact of surfing on tourism development in a developing country.



Endorsement by the Australian Council For International Development.

Endorsement by the Australian Government as an international NGO with tax-free status (OAGDS).

Partnered with 1% For the Planet.

Launched ALF surf clothing line with locally run Balinese company.

Welcomed 3 new directors to the board.

### **Evaluating our activities and impact**

A Liquid Future's programmes are designed in partnership with the local communities we work with from a lived, shared experience and with local partners. This means our teams, partners and the communities are constantly monitoring, evaluating, adapting and learning from the activities we engage in together, with monthly and quarterly reports on activities and finances that are available to all stakeholders. We ensure that different perspectives are represented and that evaluations are shared across on-site teams and communities, to our sponsors and the general public via reports, our website, social media and events. Indonesian and Australian directors work together to improve and create new programmes that build on learning from past activities and enable us to draw up a long-term strategic plan with milestones.

At the end of our engagement with the Surf Conservation Partnership we evaluated the outcomes of our four years of activities in Morotai. We set up 12 surf clubs, one surfing association, held the first ever surf competition, lead on provincial and regency government in engagement to establish eight locally managed marine areas, collected data on the number of surfers across Morotai and created a data base, organised four government workshops and engaged 12 communities, helped set up 6 local homestays. These actions translated to cleaner beaches, villages and surf breaks at locations where a surf club is active with a direct correlation between the number of surf club members and the cleanliness of the coastal area and village, saw a 100% increase in the number of girls surfing, the regency government built two surf centres and organised professional training for local surfers, Village governments and elders across the communities where surf clubs were established noted a change in behaviour amongst the increasing number of local surfers including an increase in the number of girl surfers, characterised by increasing responsibility to the cleanliness of the village and coastal area, pride in their village's identity as a surf / tourism village, independent, pro-active actions to ensure the surf break was not threatened, increasing confidence to engage with any foreign tourists as they could speak English and an increase in ideas to establish tourism-related initiatives and activities. These evaluations illustrate the value of our approach and methodology.



We look forward to learning from these evaluations to improve and design future programmes.

### **Governing body report – do this.**

2022 was a year of growth and paths new for A Liquid Future.

In Australia the back-end work carried out by ALF's dedicated Australia team during 2020 and 2021 came to fruition with ALF Australia being endorsed by the Australian Council for International Development and receiving our much anticipated Overseas Aid Gift Deduction Scheme (tax-free endorsement) status from the Australian Government. We are thrilled to be a part of Australia's International NGO community contributing to a just, fair and peaceful world.

We welcomed new members and directors to the Board of A Liquid Future Australia. Their input and diverse range of expertises have enabled us to draw up a three year strategic plan and engage with new partners. We are very grateful for their support and guidance, which has been vital during this period of expansion.

The support we have received from volunteers in Australia to help us with our growth has been heartwarming, the highlight being a fundraising event in Exmouth, Western Australia with our friends at Froth Brewery. The community effort of Exmouth and of volunteers for ALF made it a very successful event that provided critical funding for us in the first half of the year. We would like to thank all those involved again. The contribution of local communities, volunteers and donations enabled ALF to navigate the financial challenges that COVID presented to us as a young NGO. Our ALF community is a solid, diverse group of passionate people ever expanding which fills us with confidence and determination.

With COVID-19 cases decreasing, the first half of 2022 saw Indonesia reduce restrictions, funding bodies able to allocate grants for projects and generally a step by government and public institutions to be able to engage on non-COVID related humanitarian projects. These factors enabled us to launch an exciting new project – Our Future Waves Surf Resource Education – with partner the Asian Surfing Cooperative sponsored by the U.S Embassy, Jakarta and including two new locations for A Liquid Future, Java and Sumatra, in the second half of the year. ALF Australia and Indonesia teams meeting with the Asian Surfing Cooperative team in Bali at the Indonesian Surfing League Finals was a wonderful launch to the project enabling us to meet many surf club leaders and members and discuss all together future plans for the project. We were able to employ past students as teachers in Mentawai and engaged a new Indonesian partner in Java to help run the project there, carrying out train the trainers workshops. We are excited to





further expand this project with the Asian Surfing Cooperative over the coming years as the newly launched Indonesian Surfing League evolves and surfing receives more support from the Indonesian government. We have engaged four member surf clubs this year and engaged 250 students through the start of this project.

In Morotai the increasing support from the Regency government enabled A Liquid Future's teams to build on the solid foundation

### Partnerships

2022 marked the end of our four year collaboration with the Surf Conservation Partnership as their work in Morotai was completed and they withdrew their teams. It also marked the beginning of several new partnerships. These include: the Asian Surfing Cooperative, OceanWise Australia, Bung Hatta University Padang and the Swedish Surfing Association. We hope that these partnerships will enable us to bring more impact to the communities we serve, reach new communities and increase the science content of our education programmes.

### **Governing Board**

Elizabeth Grace Murray (Director)

Janiece Walker (Director)

Katiuce Nedel-Martin (Treasurer)

Keri Algar Cocks (Director)

Callum Vincent (Director)

Rory Gollow (Director)

Blaise Hodgson (Director)



**A Liquid Future LTD**

**ABN: 98635385714**

**Directors' Declaration**

The directors of the entity declare that:

1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and:
  - (a) Comply with Australian Accounting Standards; and
  - (b) Give a true and fair view of the financial position as of 31<sup>st</sup> December 2022 and of the performance of the organisation for the year ended on that date.

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

Director *Keri Algar* .....

Director *Shirley* .....

Date 27 July 2023

Date 27 July 2023



**A Liquid Future LTD**

**ABN 98635385714**

**FINANCIAL REPORT – 2022**

A Liquid Future achieved a surplus of \$776 for its 2022 financial year (2021- \$5,889).

**Income**

A Liquid Future's 2022 revenue of \$72,071 is very slightly lower than last year's revenue of \$86,637. This is a result of the end of our collaboration with the Surf Conservation Partnership and the delay of 2 years of the endorsement of our tax-free status from DFAT due to COVID.

**Expenses**

During 2022, A Liquid Future spent \$68,341 (vs FY2021- \$78,591) on its programs in Morotai and Mentawai in Indonesia. Administration and marketing costs of \$3,039 for 2022 were significantly lower than 2021 (\$13,935) due to the termination of our collaboration with the Surf Conservation Partnership.

**Reserves**

A Liquid Future's total reserves increased to \$1,489 at 31/3/22 (31/3/21 \$713).

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# A LIQUID FUTURE LIMITED

ABN 98 635 385 714

Financial Statements  
For the Year Ended 31 December 2022

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**Statement of Profit or Loss and Other  
Comprehensive Income For the Financial Year  
Ended 31 December 2022**

	Notes	2021 \$	2022 \$
Revenue	4	<u>86,637</u>	<u>72,071</u>
<b>Total revenue</b>		<b><u>86,637</u></b>	<b><u>72,071</u></b>
<b>Expenses</b>			
Administration		8,732	1142
Bank fees		160	21
Marketing/Website		3,102	1,100
Overseas projects			
- Morotai		52,394	14,553
- Mentawai		26,197	53,788
Subscriptions		1,941	691
<b>Total expenses</b>		<b><u>92,526</u></b>	<b><u>71,295</u></b>
<b>(Loss)/Surplus before income tax</b>		<b><u>(5,889)</u></b>	<b><u>776</u></b>
Income tax expense		-	-
<b>(Loss)/Surplus after income tax</b>		<b><u>(5,889)</u></b>	<b><u>776</u></b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income</b>		<b><u>\$(5,889)</u></b>	<b><u>\$776</u></b>

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
**As at 31 December 2022**

	NOTES	2021 \$	2022 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		713	1,489
<b>Current assets</b>		<b><u>713</u></b>	<b><u>1,489</u></b>
<b>Non-current assets</b>		-	-
<b>Total assets</b>		<b><u>713</u></b>	<b><u>1,489</u></b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		-	-
<b>Current liabilities</b>		-	-
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		-	-
<b>Net assets</b>		<b><u>\$713</u></b>	<b><u>\$1,489</u></b>
<b>Equity</b>			
Accumulated funds		<b><u>\$713</u></b>	<b><u>\$1,489</u></b>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity  
For the Financial Year Ended 31 December 2022**

	Notes	Accumulated Funds \$	Total Equity \$
<b>Balance at 1 January 2021</b>		<b>6,602</b>	<b>6,602</b>
(Loss) for the year		<u>(5,889)</u>	<u>(5,889)</u>
<b>Balance at 31 December 2021</b>		<u><b>713</b></u>	<u><b>713</b></u>
<b>Balance at 1 January 2022</b>		713	713
Surplus <sup>6</sup> for the year		<u>776</u>	776
<b>Balance at 1 December 2022</b>		<u><b>\$1,489</b></u>	<u><b>\$1,489</b></u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2022**

	Notes	2020 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		80,973	11,636
Payments to suppliers		(13,935)	(2,954)
Project payments		(78,591)	(68,341)
Grants received		5,664	60,434
		<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(5,889)</b>	<b>776</b>
Cash – 1 January 2022		6,602	713
		<hr/>	<hr/>
<b>Cash – 31 December 2022</b>		<b>\$713</b>	<b>\$1,489</b>
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.



## **Notes to the Financial Statements For the Year Ended 31 December 2022**

### **1. General information**

The financial statements cover A Liquid Future Limited, an entity incorporated in Australia. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

Principal place of business is.

The financial report was authorised for issue by the Directors on 30 June 2023.

### **2. Changes in accounting policies**

#### **New and revised standards that are effective for these financial statements**

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2021, the key ones of which are summarised below:

##### *AASB 16 Leases*

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. An entity shall consider the terms and conditions of contracts and all relevant facts and circumstances when applying this standard. An entity shall apply this standard consistently to contracts with similar characteristics and in similar circumstances. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

##### *AASB 15 Revenue from Contracts with Customers*

The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

##### *AASB 1058 Income of Not-for-Profit Entities*

This standard provides a more comprehensive model for accounting for income of not-for-profit entities for the recognition of income. Under this standard, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. The adoption of this new accounting standard has not had a material impact on the entity's financial statements.

#### **Accounting Standards issued but not yet effective and not been adopted early by the entity**

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The Directors are currently assessing the impact such standards will have on the entity.

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3. Summary of significant accounting policies

#### Financial reporting framework

The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

#### Statement of compliance

The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

#### Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

#### Revenue

Revenue comprises revenue from grants, donations, member income and interest income. Revenue from major sources and services is shown in Note 4.

Revenue is measured by reference to the fair value of consideration received or receivable by the entity for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the entity's different activities have been met. Details of the activity-specific recognition criteria are described below.

#### Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the entity gains control, economic benefits are probable and the amount of the donation can be measured reliably.

#### Interest income

Interest income is recognised on an accrual basis using the effective interest method.

#### Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

#### Income tax

No provision for income tax has been raised as the entity is exempt from income tax as a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

#### Cash and cash equivalents

Cash on hand equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3. (continued)

#### Impairment of assets

At the end of each reporting period the entity determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The entity's trade and other receivables fall into this category of financial instruments.

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3. (continued)

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the entity renegotiates repayment terms with customers which may lead to changes in the timing of the payments. The entity does not necessarily consider the balance to be impaired, however, assessment is made on a case-by-case basis.

#### Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as:

- (a) loans and receivables
- (b) held-to-maturity investments or
- (c) financial assets at fair value through profit or loss.

Listed shares held by the entity that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the entity's right to receive the dividends is established.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

#### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if the intention of the entity's Directors is to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3. (continued)

#### Impairment of financial assets

At the end of the reporting period the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Impairment on financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### Impairment of available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

#### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The entity's financial liabilities include borrowings and trade and other payables, which are measured at amortised cost using the effective interest rate method.

#### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to the short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Goods and services tax (GST)**

Revenue, 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3. (continued)

#### **Employee benefits**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### **Comparative figures**

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

#### **Significant management judgement in applying accounting policies**

When preparing the financial statements, the Directors undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

#### Useful lives of depreciable assets

The Directors review their estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

#### Impairment

In assessing impairment, Directors estimate the recoverable amount of each asset or cash-generating unit, based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2022**

	<b>2021</b>	<b>2022</b>
	\$	\$
<b>4. Revenue</b>		
Donations	80,666	10,000
Grants	5,664	60,434
Fundraising	<u>307</u>	<u>1,637</u>
	<u>86,637</u>	<u>72,071</u>

**5. Commitments**

The entity had no material capital commitments as at 31 December 2022 (2021: None).

**6. Related parties**

The entity's related parties include its key management personnel and related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

**7. Contingent liabilities**

There are no other contingent liabilities as at 31 December 2022 (2021: None).

**8. Subsequent events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

**Directors Declaration**  
**For the Year Ended 31 December 2022**

The Directors' declare that in the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - i) giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



E. Murray  
President  
30 June 2023  
Sydney, New South Wales

*Katince Nedel*

K. Nedel  
Treasurer  
30 June 2023  
Sydney, New South Wales



Principal:  
Douglas Wood, FCA, RCA  
Associate  
George Vourantonis, RCA  
Consultants  
Simon Joyce, RCA

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North Sydney NSW 2059  
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North Sydney NSW 2060  
Tel: (02) 8350 5850  
www.fosterraffan.com.au

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**Auditor's Independence Declaration to the Directors of A Liquid Future Limited For the Financial Year Ended 31 December 2022**

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In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of A Liquid Future Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.



**FOSTER RAFFAN**  
Chartered Accountants



**G D Wood, FCA**  
Principal  
RCA #4479

North Sydney, 30 June, 2023

Principal:  
Douglas Wood, FCA, RCA  
Associate:  
George Vourantonis, RCA  
Consultants:  
Simon Joyce, RCA

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## **Independent Auditor's Report to the Members of A Liquid Future Limited For the Financial Year Ended 31 December 2022**

### **Opinion**

We have audited the financial report of A Liquid Future Limited which comprises the balance sheet as at 31 December 2022, the profit or loss and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration set out on pages 2 to 13.

In our opinion, the financial report of A Liquid Future Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of 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 registered entity in accordance with the ethical 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.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The Board are responsible for any other information.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Committee for the Financial Report**

The Board of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability 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 intends to liquidate the registered entity or to cease operations or has no realistic alternative but to do so. The directors are responsible for overseeing the registered entity's financial reporting process.

**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 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 the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



**FOSTER RAFFAN**  
Chartered Accountants



**G D Wood, FCA**  
Principal  
RCA #4479

North Sydney, 30 June, 2023