Fairtrade Australia & New Zealand Ltd

ACN 114 571 881

Annual Report - 31 December 2025

Fairtrade Australia & New Zealand Ltd
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General information

The financial statements cover Fairtrade Australia & New Zealand Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Fairtrade Australia & New Zealand Ltd's functional and presentation currency.

Fairtrade Australia & New Zealand Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

160 Johnston Street,
FITZROY VIC 3065

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 June 2026. The Directors have the power to amend and reissue the financial statements.

The Directors present their report, together with the financial statements, on the Company for the year ended 31 December 2025.

Information on Directors
The directors present their report together with the financial report of Fairtrade Australia and New Zealand Ltd ("Fairtrade ANZ" or "the Company") for the financial year ended 31 December 2025 and the auditor's report thereon.

Name:	John Thwaites
Title:	Director
Appointed date:	1 February 2019
Qualifications:	BSc LLB (Hons), FAICD
Experience and expertise:	Extensive experience in climate change, water, sustainability and corporate social responsibility, including advising Australian, State and Local governments. Also, former Deputy Premier Victoria.
Special responsibilities:	Chair of Nominations and Remuneration Committee

Name:	Joanne Butterworth-Gray
Title:	Director, Board Chair from March 2024
Appointed date:	29 August 2023
Experience and expertise:	A professional chair and non-executive director with extensive experience across capital projects, land management and precinct planning, utilities and logistics, agribusiness, tourism and market development and legal. Chair of Southern Rural Water, Campaspe Port Enterprise and Northern Territory Seafood Council, a Trustee of Caulfield Racecourse Reserve Trust. During her executive career in Victorian public service, she led reform with emergency management, delivering culture improvement in HM Prison Barwon, and facilitating economic partnerships across the three tiers of government. Prior to government, she was the first female CEO of Victoria's wine industry. Has a transformational style of leadership focussed on supporting Boards to be future fit across strategy, risk, financial performance, ESG, culture and social licence. Joanne's extended areas of knowledge and thought leadership include digital transformation, AI and sustainability. Member of Finance, Audit and Risk Committee

Name:	Ian McInnes
Title:	Director
Appointed date:	4 December 2023
Qualifications:	MBA, Master of Science
Experience and expertise:	Ian McInnes is the CEO at Tearfund New Zealand, which is the third largest international NGO in New Zealand. He has spent the last two decades in international aid and development work, much of it in disaster response work and follow on recovery operations. He has pioneered and championed some of the aid sectors most innovative approaches to tackling exploitation and poverty, including prosecuting human trafficking in SE Asia, and developing market based agricultural livelihoods – including a dairy company in post war Sri Lanka.
Special responsibilities:	Deputy Chair of FANZ Board. Member of Finance, Audit and Risk Committee

Name:	Alastair Brown
Title:	Director
Appointed date:	16 October 2023
Qualifications:	Bachelor of Arts (Hons)- Economics, Accounting and Finance. Chartered Accountant
Experience and expertise:	Over a two-decade career, Alastair has spent the last 10 years in senior finance roles within major Australian FMCG and Retail businesses. The provision of sustainable food to consumers aligns closely to his values. Alastair is currently Vice President Finance for Simplot Global Food which operates a complex and extensive supply chain globally throughout North America, Latin America, Australia & New Zealand and Europe. Simplot operates in many food categories but is the number 2 frozen potato supplier in the world.
Special responsibilities:	Chair of Finance, Audit, and Risk Committee

Principal activities
The principal activity of Fairtrade ANZ during the financial period was to connect consumers and producers through Fairtrade Mark which signifies fairer trade conditions, thus providing more capacity for disadvantaged producers in developing countries to combat poverty, strengthen their position and take more control over their future. These activities included:

- Fairtrade fortnight campaign
- Campaigns, including International Women's Day, International Day against Child Labour and International Day for the Abolition of Slavery.
- Promoting the ideals of Fairtrade through businesses that are keen to build fair and equitable trading relationships.
- Trade Shows, for example MICE (Melbourne International Coffee Expo)
- Participation in Industry Forums / Presentations
- Work supporting farmers and workers in the Global South, particularly in the Pacific Region.

Short term objectives

The Company's short-term objectives are to:
- Expand market access in Australia and New Zealand for Fairtrade certified producers with a particular focus on Indo-Pacific supply chains;
- Build awareness of the Fairtrade Mark and convert awareness of the Fairtrade Mark into regular product purchase;
- Provide assurance to consumers of the Fairtrade Mark via a credible and independent certification program; and
- Improve economic and community development of Pacific rural communities through Fairtrade certification and market access.

Long term objectives

The Company's long-term objectives are to:
- Improve the livelihoods for small scale farmers and workers in developing countries;
- Increase the sales of products sold under Fairtrade terms and drive development through trade; and
- Facilitate community development, driven by use of the Fairtrade Premium

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:
- Maintain regular engagement with existing licensees to improve the value of the Fairtrade brand and increase awareness of the Fairtrade brand. Build relationships with new and potential licensees. Create commodity plans to establish market access for Fairtrade certified products and to develop new Fairtrade certified products, particularly from the Indo-Pacific region, and participate in trade shows;
- Consumer and community marketing and engagement – by carrying out consumer campaigns, advocacy and campaigning against anti-modern-day slavery, child labour and for women's rights and legislation to stop slavery in supply chains. A focus on developing networks and alliances/partnerships and media relations and monitoring; and
- Conducting scheduled audits of licensees in accordance with the Fairtrade International Assurance Code.

How principal activities assisted in achieving the objectives
The principal activities assisted the Company in achieving its objectives by raising public awareness regarding the Fairtrade Mark, expanding market access in Australia and New Zealand of Fairtrade certified products and building the capacity of producers in the Pacific region to obtain Fairtrade certification.

Performance measures
Fairtrade ANZ measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of Fairtrade ANZ and whether Fairtrade's objectives are being achieved.

Members' guarantee
Fairtrade ANZ is incorporated under the Corporations Act 2001 and is a company limited by guarantee. Currently, the Company have two members - Friends of the Earth and The Ethics Centre. If Fairtrade ANZ is wound up, the constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the entity. As at 31 December 2025, the total amount that members of Fairtrade ANZ are liable to contribute if Fairtrade ANZ is wound up is $200 (2024: $200).

Fairtrade Australia & New Zealand Ltd
Directors' report
31 December 2025

Meetings of the Directors

During the period, five meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Director's meeting	Director's meeting	Finance, audit, and risk Committe	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Joanne Butterworth-Gray	4	4	2	2
Josie Pagani	4	3	n/a	n/a
John Thwaites	4	4	n/a	n/a
Alastair Brown	4	3	2	1
Ian McInnes	4	3	2	2

The Company has separate committees established, finance, audit and risk committee.

Operating and financial review

The total revenue for the year was $1,871,189 (2024: $1,950,455).

The income for the year amounted to $113,744 (2024: $186,114). The Company is exempt from income tax.

	2025 FY	2024 FY	2023 FY	2022 FY	2021 FY
Grant income	-	-	887,043	2,192,524	2,060,951
License fees and other income	1,871,189	1,950,455	1,872,552	1,344,896	2,890,427
Total revenue	**1,871,189**	**1,950,455**	**2,759,595**	**3,537,420**	**4,951,378**
Expenses	(1,757,445)	(1,764,341)	(2,669,357)	(4,682,906)	(3,268,251)
Result from operating activities	**(a) 113,744**	**(b)186,114**	**(c) 90,238**	**(d) (1,145,486)**	**(e) 1,683,127**

Explanation of movements

(a) Total revenue decreased in FY2025 compared to FY2024 primarily due to lower license fee income. Other income increased during the year mainly as a result of the reversal of the provision for doubtful debts. Total expenses decreased due to lower employment, licensing, technology and non-monetary costs, reflecting continued cost management measures, resulting in a positive result from operating activities for the year.

(b) No revenue from the grant program was earned during the year and Company focused on generating income from license fees for the use of the logo.

(c) The grant income has significantly decreased during the financial year due to the grant programs in the Pacific ended on 31 December 2023, according to the grant agreement with the donor organisations.

(d) License fees have increased over the years due to increase in licensees' sales which depict the Fairtrade logo.

(e) Involves an 18-month period (July 20 to Dec 21), includes the loss of major licensees and COVID 19 impacts.

Dividends

The Company being a public company limited by guarantee is precluded under its Constitution from payment of dividends to its members.

Significant changes in the state of affairs
In the opinion of the directors the renegotiation of the historic debt with Fairtrade International which resulted in extended repayment window is significant. There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Events subsequent to reporting date
Since the end of the financial year, the financial situation has entered a phase of stability, and the sustained focus on costs along with the growth initiatives implemented have enabled the Company to address the market challenges faced.

To date, the Directors believe the Company's capacity to remain a going concern for the foreseeable future is on track with these changes in place but stand ready to act if there are signs that this is not the case.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Fairtrade Australia and New Zealand Ltd, the results of the operations or the state of affairs of the Fairtrade Australia and New Zealand Ltd in the future financial years.

Likely developments
Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Indemnification and insurance of officers and auditors
Indemnification
Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the Company.

Insurance premiums
During the financial period the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the period ended 31 December 2025 and since the financial year. Such insurance contracts insure against certain liabilities (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Lead auditor's independence declaration
The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the year ended 31 December 2025.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

JBG
JBG (Jun 23, 2026 12:57:00 GMT+10)

19 June 2026, Melbourne

walker wayland

Walker Wayland NSW
Chartered Accountants

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19 June 2026

The Directors
Fairtrade Australia and New Zealand Ltd
Level 3 33 Lincoln Square South
Carlton VIC 3053

AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-C SECTION 60-40 OF AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

To the directors of Fairtrade Australia and New Zealand Ltd

I declare that the best of my knowledge and belief, in relation to the audit of the year ended 31 December 2025 there have been:

(i) 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

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Wali Aziz
Partner

Dated this 19 June 2026, Sydney

Fairtrade Australia & New Zealand Ltd
Statement of surplus and other comprehensive income
For the year ended 31 December 2025

	Note	2025 $	2024 $
Income			
License fee		1,836,171	1,940,894
Other income		35,018	9,561
Total income	4	1,871,189	1,950,455
Expenses			
Australian grants	5	-	(5,194)
New Zealand grants	5	-	(3,104)
Other grants	5	-	(195)
Employee benefits expense		(574,111)	(586,414)
Loss on disposal of assets		-	(38,213)
Licensing costs		(705,628)	(752,065)
Domestic program costs		(77,179)	(56,865)
Organisation costs		(86,801)	(57,054)
Technology costs		(13,760)	(25,654)
Non-monetary costs		(25,934)	(46,540)
Occupancy costs		(9,607)	(9,282)
Other costs	5	(264,425)	(183,761)
Total expenditure		**(1,757,445)**	**(1,764,341)**
Surplus before income tax expense		113,744	186,114
Income tax expense	2	-	-
Surplus after income tax expense for the year attributable to the members of Fairtrade Australia & New Zealand Ltd		113,744	186,114
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Fairtrade Australia & New Zealand Ltd		**113,744**	**186,114**

The above statement of surplus and other comprehensive income should be read in conjunction with the accompanying notes

Fairtrade Australia & New Zealand Ltd
Statement of financial position
As at 31 December 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	6	795,467	488,054
Trade and other receivables	7	507,734	735,051
Other assets		24,296	12,270
Total current assets		1,327,497	1,235,375
Non-current assets			
Property, plant and equipment	8	383	1,599
Total non-current assets		383	1,599
Total assets		1,327,880	1,236,974
Liabilities			
Current liabilities			
Trade and other payables	9	758,979	752,320
Employee benefits	10	55,124	35,705
Total current liabilities		814,103	788,025
Non-current liability			
Trade and other payables	13	318,627	368,102
Employee benefits	10	559	-
Total non-current liabilities		319,186	368,102
Total liabilities		1,133,289	1,156,127
Net assets		194,591	80,847
Equity			
Reserves		-	735,679
Accumulated deficit		194,591	(654,832)
Total equity		194,591	80,847

The above statement of financial position should be read in conjunction with the accompanying notes

Fairtrade Australia & New Zealand Ltd
Statement of changes in equity
For the year ended 31 December 2025

	General reserves $	Accumulated deficit $	Total $
Balance at 1 January 2024	735,679	(840,946)	(105,267)
Surplus after income tax expense for the year	-	186,114	186,114
Total comprehensive income for the year	-	186,114	186,114
Balance at 31 December 2024	735,679	(654,832)	80,847

	General reserves $	Accumulated deficit $	Total $
Balance at 1 January 2025	735,679	(654,832)	80,847
Surplus after income tax expense for the year	-	113,744	113,744
Total comprehensive income for the year	-	113,744	113,744
Reversal of reserves	(735,679)	735,679	-
Balance at 31 December 2025	-	194,591	194,591

The above statement of changes in equity should be read in conjunction with the accompanying notes

Fairtrade Australia & New Zealand Ltd
Statement of cash flows
For the year ended 31 December 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from grants and licenses		2,073,153	1,847,802
Payments to suppliers and employees		(1,766,375)	(1,897,687)
Interest received		635	-
Interest paid		-	(8,609)
Net cash from/(used in) operating activities	11	307,413	(58,494)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	8	-	1,526
Net cash from investing activities		-	1,526
Net increase/(decrease) in cash and cash equivalents		307,413	(56,968)
Cash and cash equivalents at the beginning of the financial year		488,054	545,022
Cash and cash equivalents at the end of the financial year	6	795,467	488,054

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Reporting entity

Fairtrade Australia and New Zealand Ltd is a not-for-profit company limited by guarantee, incorporated, and domiciled in Australia. The financial report covers Fairtrade Australia and New Zealand Ltd as an individual entity. The Company is primarily involved in the economic improvement and community development of rural communities in developing countries through Fairtrade certification and market access.

Note 2. Material accounting policy information

The accounting policies that are material to the Company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 December 2025. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 ' Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation). including whether to present this information in the primary statements or in the notes.

The company will adopt this standard from 1 July 2028 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the AASB, the Australian Charities and Not-for-profits Commission Act 2012 and applicable Australian Capital Territory legislation and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

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

Income tax
No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Note 2. Material accounting policy information (continued)

Going concern
The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal trading operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2025, the Company had a net current asset position of $513,394 (2024: $447,350) and net asset /(liability) position of $194,591 (2024: 80,847). The total comprehensive income for the year 31 December 2025 amounted to $113,744 (2024: $186,114). Net cash (outflow) / inflow for the year then ended was $307,413 (2024: outflow $56,968).

The liabilities of the entity as of 31 December 2025 include an amount payable to Fairtrade International of $959,721 (2024: $738,400) as disclosed in Note 9 and 13 “Trade and Other Payables”, which has been deferred under a signed payment plan arrangement with notes quarterly payments over the next 24 months. The classification of the total amounts payable to Fairtrade International between current and non-current liabilities have been made in accordance with the signed payment plan arrangement.

The above matter relating to the Fairtrade International payment plan arrangement give rise to a material uncertainty that may cast significant doubt on the ability of the entity to continue as a going concern in the event that this amount payable is recalled upon demand.

- Management has prepared cash flow forecasts up until 31 May 2027 which indicate that the Company will generate sufficient cashflows to enable the Company to pay its debts as and when they fall due;
- The company is in a net asset position as at year end and derived a surplus for the 2025 and 2024 financial years
- Management has carried out a detailed cost reduction restructuring exercise in order to reduce the monthly cash outflows over the past 12 months and over the next 12 months;
- Management has an agreement with Fairtrade International for a favourable signed payment plan arrangement for the amounts owing to 31 December 2025;
- At 19 June 2026, the Company has $442,692 in cash assets ($795,467 as at 31 December 2025).

The company’s ability to operate as a going concern is dependent on continuing adequate license fee revenue and meeting the Fairtrade International signed payment plan arrangement or any agreed amendment to it. At the date of approval of these annual financial statements there are ongoing discussions between the Company and Fairtrade International about the terms of repayment of the debt to Fairtrade International which have not reached resolution and been contractually confirmed.

Should the Company be unable to continue as a going concern it may be required to realise assets at an amount different to that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise. If the company cannot continue as going concern, the stated assets and liability carrying values are subject to change if the financial statements are to be prepared on a non-going concern basis.

Leases

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Revenue

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts, and rebates.

Note 2. Material accounting policy information (continued)

All revenue is stated net of the amount of goods and services tax (GST).

(i) *Grant revenue*
Grant revenue is recognised under AASB 15 Revenue from Contracts with Customers. Generally, grant revenue is recognition based on either cost or time incurred which best reflects the transfer of control. Where specifically designated grant revenue and the designated expenditure for such grants during the year has not occurred or is incomplete and there is likely to be an obligation to repay, the resulting amount is carried forward and recognised in contract liability and will be brought to account in future years as the funds are expended. Income from grants is recognised where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, and when the performance obligations are satisfied.

(ii) *License fee and licensing fee expense*
Revenue for license fees is recognised under AASB 15 Revenue from Contracts with Customers. Under the licence agreement with customers, the licence provides a right to use the Company's intellectual property as it exists throughout the licence period. Revenue for related performance obligation is recognised over time, as the customers are using intellectual property during licence period. Revenue is recognised to the extend it can be reliably measured. The licence fee is calculated based on a pre-defined percentage of licensee sales on a quarterly and monthly basis. License fee expense paid or payable to Fairtrade International is calculated at 36.2% of the license fee revenue received and accrued relating to the financial year.

(iii) *Other income*
Other income is recognised on an accrual basis when the Company is entitled to it.

GST

Revenue, expenses, and assets are recognised net of the amount of 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 the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

Note 2. Material accounting policy information (continued)

Property, plant and equipment

(i) *Recognition and measurement*
Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gains and losses on disposal of an item of property, plant, and equipment (calculated as the difference between the proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

(ii) *Subsequent costs*
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed.

(iii) *Depreciation*
Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

Depreciation is calculated to write off the cost of property, plant, and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised surplus or deficit.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	**2025**	**2024**
Office furniture and equipment	20.0%	20.0%
Computer equipment	33.3%	33.3%
Leasehold improvements	20.0%	20.0%

Intangibles

(i) *Software*
Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between three and four years.

(ii) *Amortisation*
Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 2. Material accounting policy information (continued)

Financial instruments

Financial assets
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTSD (Fair Value through Surplus or Deficit), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Employee benefits

(i) *Short-term employee benefits*
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) *Defined contribution plans*
Obligations for contributions to defined contribution plans are recognised as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) *Other long-term employee benefits*
The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Expected future benefits are discounted using market yields at reporting date on Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

(iv) *Termination benefits*
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are payable more than 12 months of the end of the reporting period, then they are discounted.

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

Contract liabilities

Contract liabilities consists of deferred grant revenue received for projects that are in progress and have not yet been completed as of year end.

Note 2. Material accounting policy information (continued)

Foreign currency transactions and balances

(i) *Foreign currency transactions*
Transactions in foreign currencies are translated to the respective functional currencies of Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in surplus or deficit. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(ii) *Foreign operations*
The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in statement of surplus or deficit and other comprehensive income and presented in the foreign currency translation reserve (Foreign Currency Translation Reserve) in equity.

Note 3. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Going concern
The preparation of the financial statements on a going concern basis requires management to exercise judgement in assessing the Company's ability to continue as a going concern.

As disclosed in Note 2, the Company has entered into a payment plan arrangement with Fairtrade International in relation to outstanding payables existing at year end. Management has considered the Company's cash flow forecasts, expected future licensing revenue, available cash reserves and ongoing cost reduction measures in assessing the appropriateness of the going concern assumption.

The Directors believe that the going concern basis of preparation remains appropriate

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue and other income

	2025 $	2024 $
Licensing fees	1,836,171	1,940,894
Other income (i)	35,018	9,561
Total revenue and other income	1,871,189	1,950,455

(i) Other income for FY25 primarily comprised the reversal of unacquitted income of $30,131 relating to the FTI Producer Support invoice issued to Fairtrade International which was previously written off in FY24. The composition of other Income is detailed in the table below.

	2025 $	2024 $
FTI producer support - unacquitted income	30,131	-
Donations received	1,783	3,518
Recoupments	1,253	1,177
Application fee	200	1,201
Interest income	155	173
Gain on sale of non-current assets	-	966
Other income	1,496	2,526
	35,018	9,561

	2025 $	2024 $
Disaggregation of revenue		
Revenue over time	-	-
Revenue at a point in time	1,871,189	1,950,455
	1,871,189	1,950,455

Note 5. Expenses

	2025 $	2024 $
Australian grants	-	5,194
New Zealand grants	-	3,104
Other grants	-	195
	-	8,493

	2025 $	2024 $
Accounting and audit fees	125,631	126,562
Realised currency loss	87,636	29,044
Bank fees and revaluation	29,562	13,164
Other expenses	7,029	7,558
Unrealised currency loss	14,567	7,433
Total other costs	264,425	183,761

Note 5. Expenses (continued)

Non-monetary costs include bad debt provision amounting to $24,718 an amount receivable from Fairtrade International.

Note 6. Cash and cash equivalents

	2025 $	2024 $
Cash at bank	795,467	488,054

Note 7. Trade and other receivables

	2025 $	2024 $
Trade receivables	105,010	217,246
Accrued debtors	424,761	547,936
Provision for bad debts	(22,037)	(30,131)
	507,734	735,051

As at 31 December 2025 trade receivables are shown net of an impairment allowance for doubtful debts of $22,037 (2024: $30,131) arising from the inability of debtors to pay.

Note 8. Property, plant and equipment

	2025 $	2024 $
Office furniture and equipment - at cost	34,697	34,697
Less: Accumulated depreciation	(34,314)	(33,600)
	383	1,097
Computer equipment - at cost	121,928	121,928
Less: Accumulated depreciation	(121,928)	(121,426)
	-	502
Leasehold improvements - at cost	20,626	20,626
Less: Accumulated depreciation	(20,626)	(20,626)
	-	-
Total	383	1,599

Note 9. Trade and other payables

	2025 $	2024 $
Trade payables – third parties	5,251	5,748
Trade payables – related parties:		
Fairtrade International (i)	641,094	404,461
FLO-Cert Gmbh	38,902	36,465
Accrued expenses	27,000	204,206
Other payables	46,732	101,440
Total trade and other payables	758,979	752,320

Note 9. Trade and other payables (continued)

(i) During the 2023 financial year management negotiated a signed payment plan arrangement with Fairtrade International for quarterly instalments in relation to outstanding membership fees. Based on the repayment plan, EUR109,402 ($192,225) is payable within the next 12 months from 31 December 2025. In addition, EUR200,815 ($352,842), which is not subject to the payment plan arrangement, is considered payable within the next 12 months. The current year membership fee provision of $96,027 is also payable by 31 December 2025. In total, these amounts equal $641,094 as noted above.

Note 10. Employee benefits

	2025 $	2024 $
Current		
Annual leave	55,124	35,705
Non-current		
Long service leave	559	-
Total employee benefits	55,683	35,705

Provision for employee benefits represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave to be vested.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been discussed in Note 2.

Note 11. Cash flow information

	2025 $	2024 $
a) Reconciliation of cash Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	795,467	488,054

Note 11. Cash flow information (continued)

	2025 $	2024 $
b) Reconciliation of result for the year to cash flows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Surplus for the year	113,744	186,114
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- Depreciation and amortisation	1,216	11,561
- Loss on disposal of assets	-	38,213
- Gain on loss of disposal of assets	-	(966)
Changes in assets and liabilities:		
- Decrease/(increase) in trade and other receivables	227,317	(144,067)
- Increase/decrease in other current assets	(12,026)	38,586
- Decrease in trade and other payables	(42,816)	(178,415)
- Increase/(decrease) in employee benefits	19,978	(9,520)
Cash flows from operations	307,413	(58,494)

Note 12. Member's guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. Currently, the Company have two members - Friends of the Earth and The Ethics Centre. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstanding and obligations of the Company. As at 31 December 2025, the number of members was 2 (2024: 2).

Note 13. Trade and other payables

	2025 $	2024 $
Trade payables – related parties:		
Fairtrade International (i)	318,627	333,939
FLO-Cert Gmbh	-	34,163
	318,627	368,102

(i) During the 2023 financial year management negotiated a signed payment plan arrangement with Fairtrade International in relation to outstanding membership fees. The non-current portion of the balance payable under the payment plan comprises EUR77,118 payable during the 2027 financial year and EUR104,224 payable during the 2028 financial year. The total balance of EUR181,342 equates to $318,627, which has accordingly been classified as a non-current trade and other payable.

Note 14. Related parties

(i) Key management personnel:
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Note 14. Related parties (continued)

The totals of remuneration paid to the key management personnel of Fairtrade Australia and New Zealand Ltd during the year are as follows:

	2025 $	2024 $
Short-term employee benefits	362,241	285,094

(ii) Trade payables:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2025 $	2024 $
Trade payables:		
Fairtrade International e.V.	863,694	738,400
Flo-Cert Gmbh	38,902	70,628
	902,596	809,028
Accrued expenses:		
Fairtrade International e.V.	96,027	179,206

The above payables are unsecured, non-interest bearing, and repayable on demand.

The following transactions occurred with related parties:

	2025 $	2024 $
Licensing costs:		
Fairtrade International e.V.	664,694	702,605
Travel and accommodation expenses:		
Director expense reimbursements	24,890	12,784

The above transactions are carried out on arms-length terms and conditions.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 15. Financial risk management

The entity's financial instruments consist mainly of deposits with banks, trade and other receivables and payables, and contract liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments, are as follows:

Note 15. Financial risk management (continued)

	Note	2025 $	2024 $
Financial assets at amortised costs:			
Cash and cash equivalents	6	795,467	488,054
Trade and other receivables	7	507,734	735,051
Total financial assets		1,303,201	1,223,105

	Note	2024 $	2023 $
Financial liability at amortised costs:			
Trade and other payables - current	9	758,979	752,320
Trade and other payables - non-current	13	318,627	368,102
Total financial liability		1,077,606	1,120,422

Note 16. Auditor's remuneration

During the financial year, the following fees were paid or payable for services provided by the auditor of the Company:

	2025 $	2024 $
Remuneration of the auditor:		
- Auditing of the financial statements	25,000	25,000

Note 17. Contingencies

Contingent asset: There may be license fee income for the period up to 31 December 2025 which has not been recorded as revenue due to the balance of this revenue not being able to be reliably measured as at 31 December 2025.

Contingent liabilities: In the opinion of the Directors, the Company did not have any contingencies as at 31 December 2025 (31 December 2024: Nil).

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 19. Company details

The registered office and principal place of business of the company is:

Fairtrade Australia and New Zealand Ltd
160 Johnston Street
Fitzroy VIC 3065

Fairtrade Australia & New Zealand Ltd
Directors' declaration
31 December 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Australian Capital Territory legislation the Charitable Collections Act 2003 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

JBG

JBG (Jun 23, 2026 12:57:00 GMT+10)

19 June 2026, Melbourne

Walker Wayland NSW
Chartered Accountants

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INDEPENDENT AUDIT REPORT TO THE DIRECTORS OF FAIRTRADE AUSTRALIA AND NEW ZEALAND LTD

Opinion

We have audited the financial report of Fairtrade Australia and New Zealand Ltd, which comprises the statement of financial position as at 31 December 2025, the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Fairtrade Australia and New Zealand Ltd is in accordance with Division 60 of the Australian Charities and Not- for-Profits Commission Act 2012 ("ACNC Act"), including:

- giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 "Going Concern" in the financial report which describes the events and/or conditions which give rise to the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and therefore whether the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

As disclosed in note 2, the Company's ability to continue as a going concern is dependent on its ability to generate positive cash flows from operations from maintaining and increasing license fee revenues, continually honouring the license fee payments to Fairtrade International, satisfying the payment plan arrangement with Fairtrade International, accessing additional funding from donors and government bodies.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) (Including Independence Standards) 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.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. 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.

**INDEPENDENT AUDIT REPORT TO THE DIRECTORS OF
FAIRTRADE AUSTRALIA AND NEW ZEALAND LTD**

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the 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 but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the 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

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Wali Aziz
Partner

Dated this 23rd day of June 2026, Sydney

Fairtrade Australia New Zealand Ltd-Annual Report-31122025-FINAL Draft 3 (22 June 2026) (1)

Final Audit Report 2026-06-23

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