



FINANCIAL YEAR TO
SEPTEMBER 2020

DIRECTORS REPORT

AND FINANCIAL STATEMENTS

PREPARED FOR:
Carbon Neutral Charitable Fund

ON BEHALF OF:
The Directors

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GLOSSARY

AASB

The Australian Accounting Standards Board

ACNC

The Australian Charities and Not-for-Profits Commission

The "Act"

The Australian Charities and Not-for-Profits Commission Act 2012

ASIC

The Australian Securities and Investment Commission

ATO

The Australian Tax Office

CFI

Carbon Farming Initiative

The "Company"

Carbon Neutral Charitable Fund Ltd

CNCF

Carbon Neutral Charitable Fund Ltd

REO

Register of Environmental Organisations

GST

Goods and Services Tax

HIGHLIGHTS

99% Increase

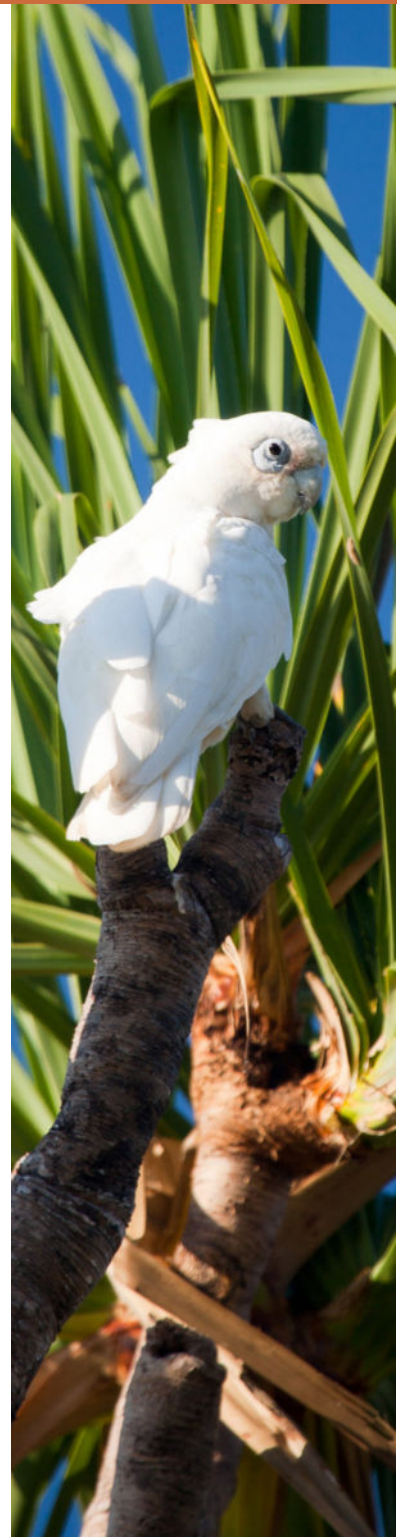
Income increased by 99% compared to 2018/19. The impacts of climate change are now being felt in Australia. The East Coast fires during the Summer of 2019/20 saw an increase in donors wanting to fund restoration programmes.

531 Hectares

Our planting projects restored 531 hectares of degraded land during the 2020 planting season. We planted in the North West, The Wheatbelt and The Great Southern Regions of Western Australia.

69,030 Tonnes CO₂-e

Thanks to your donations and offsets our planting this year will sequester 69,030 tonnes of CO₂-e. This year we were pleased to receive support to create a brand new Household Carbon Calculator from Lotterywest.



CORPORATE DIRECTORY

Name: Carbon Neutral Charitable Fund Ltd

Trading as: CNCF and Carbon Positive Australia

ABN: 99 124 696 966

Incorporation Date: 30 March 2007

Current Directors: Mr Ian Rawlings (Chairman)
Dr Jeff Bremer,
Mr Adam Marr
Ms Denise True
Mr Grahame Reader
Ms Jennifer West
Mr Richard West (Retired)
Mr Brian Wickins (Retired)
Ms Catherine Patterson

Chief Executive Officer: Mrs Louise Marlena Tarrier

Registered Address: Unit 11, City West Lotteries House, 2 Delhi St,
West Perth Western Australia, 6005.

Telephone: 1300 857 970

Email: admin@carbonpositiveaustralia.org.au

Auditor: Ray Woolley, Ray Woolley Pty Ltd
Registered Company Auditor No. 16396



DIRECTORS REPORT

Your directors present this report on the company, Carbon Neutral Charitable Fund Ltd ("CNCF" & Carbon Positive Australia) for the year ended 30 September 2020.

We acknowledge and deeply respect the Whadjuk Noongar as the sovereign people and traditional custodians of the land on which we live and work, and pay our respects to elders past, present, and emerging.

GOVERNANCE

Directors

The name of every person who has been a director during the year to the date of this report is listed.

Name	Date Appointed	Resignation
Ian Rawlings (Chair)	Apr 08	
Jeff Bremer	May 11	
Katherine Clayton	Sept 18	
Adam Marr	Nov 17	
Grahame Reader	Feb 19	
Denise True	Feb 16	
Jennifer West	Feb 19	
Brian Wickins	Apr 08	Feb 20
Richard West	Feb 19	Apr 20
Catherine Patterson	Apr 20	

Company Secretary

Mr Richard West held the position of company secretary until his retirement .
Ms Catherine Patterson was appointed as Company Secretary.

Responsible Persons

All directors and the secretary are listed with the Australian Charities and Not for Profits Commission as “Responsible Persons” for the company.

INFORMATION ON DIRECTORS



Ian Rawlings DipMgt

Chairman since July 2011

Ian studied and worked in architecture and building before pursuing an interest in community development and administration in the WA desert working with Aboriginal communities across Western Australia for the last 30 years. He has recently retired as the CEO of both Central Desert Native Title Services and Desert Support Services. Ian has had a lifelong interest in the environment and in living sustainably and has served on management committees and the boards of Trillion Trees (when it was known as Men of the Trees) and Perth City Farm. Ian is committed to doing all he can to ensure that his grandchildren can have a safe and flourishing world to grow up in.



Jeff Bremer BEng (Hons) PhD, FIE (Aust)

Jeff is a Principal Engineer based in Perth Western Australia with 30 years' experience in pipelines, mining and minerals processing industries. He has expertise in strategic analysis of greenhouse gas emissions and energy policy. He has also worked in sustainability and led remote area energy studies in the Indian Ocean. He has served on the Mechanical Committee of Engineers Australia WA, is a Fellow of the Institute of Engineers Australia and is keen to contribute to the re-vegetation of coastal waters, degraded landscapes, woodlands and forests.



Katherine Clayton BBus (Marketing)

Katherine is an experienced Human Resources Leader with demonstrated success in leading transformation projects. She is skilled in HR Strategy, Culture Transformation, Workforce Engagement Strategy, Diversity & Inclusion, Resourcing, Talent Management and Leadership Development. Katherine joined CNCF Board in late 2018 keen to provide provides a positive impact to communities and the physical environment, believing that every gesture counts and that we must all focus on the little things which have a cumulative impact on the world around us.



Adam Marr BBus, MSc

Adam has worked in London and across Australia, in both start-ups and \$1bn+ organisations. Most recently Adam jointly owns and delivers business advisory services through StepBeyond - a strategy consultancy and a certified B Corporation (revenue/profit generated from sustainable impact). He has studied in Perth, Melbourne and Vietnam and holds a Bachelor of Business from RMIT University and Master of Science (Sustainability) from Curtin University. Adam is also Chair of the Community Arts Network (CAN) Board. Adam is driven toward helping create a shared future we can all be proud of - one project at a time.

INFORMATION ON DIRECTORS



Grahame Reader (GAICD, EMPA, BSc, Grad. Dip Met.)

Grahame is an experienced senior executive with the Bureau of Meteorology. He has significant specialist expertise in assessing and communicating natural hazard and climate risks, advising on decision-making under uncertainty, and in appropriately responding to those threats through risk and incident management frameworks. Grahame has a Bachelor of Applied Science, a Masters in Public Administration and is a graduate of AICD.



Denise True BSc, MIPL

Denise has a comprehensive knowledge of the legislation and policy for biodiversity conservation, natural resource management, restoration and environmental protection in Western Australia. She is a longstanding member of the Threatened Ecological Communities Advisory Committee. Denise provides strategic advice for conservation and environmental projects and has worked for commercial, government and non-government organisations at local, state and international levels. Denise has a Bachelor of Science and a Masters of Intellectual Property Law with a focus on Traditional Knowledge.



Jennifer West AICD directorship program and a journalism law unit at Curtin University.

Jennifer has a diverse range of work experience which includes journalism, publishing, business management and broadacre farming. While farming near Boyup Brook over the past decade, Jennifer has developed her passion for soil health and regenerative agriculture. Since returning to Perth with her family, she has been exploring the potential of sequestering carbon in the soil in the hope of creating an additional source of income for farmers, while also improving the health, productivity and environmental sustainability of farms and rural communities.



Catherine Patterson BA (Hons)

Graduate Conversion course in accounting ECU. Catherine has worked in London and Australia across a number of industries in accounting and business management and recruitment. Her love of nature comes from conservation volunteering whilst travelling. Since starting a family she has been committed to developing a sustainable lifestyle and encouraging businesses to invest in sustainable practices.

MEETINGS OF DIRECTORS

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

Director	Eligible to attend	Attended
Ian Rawlings (Chair)	10	10
Jeff Bremer	10	7
Katherine Clayton	10	3
Adam Marr	10	5
Grahame Reader	10	8
Denise True	10	9
Jennifer West	10	10
Brian Wickins	4	3
Richard West	4	4
Catherine Patterson	6	4

NOTE: Katherine Clayton was on sabbatical during the year.

ACNC GOVERNANCE STANDARDS

The company adopted and continues to meet, the 5 ACNC Governance Standards in its framework for governance.

The standards are:

1. Not-for-profit and working towards purpose;
2. Accountability to members;
3. Compliance with Australian Laws;
4. Suitability of Responsible Persons; and
5. Duties of Responsible Persons.

LETTER FROM THE CHAIR

I begin this report by acknowledging the traditional owners across this wide and beautiful land. For countless generations Aboriginal peoples have cared for this country; it nurtured them and they nurtured it, in a continuous process of ritual care and respect, handed from generation to generation. This always was and always will be Aboriginal land.

I want to say how deeply grateful I am to all of our supporters, to my fellow directors, to our hard-working team, and to all of the individuals and organisations who partner with us to assist in delivering our mission. This year has been unprecedented on many fronts, most especially through nature's unleashing of the devastating fires on the east coast and of a virus that brought the human population to a virtual standstill. Both of these events can be linked to humanity's impact on the environment. The fires killed countless stock and wildlife, damaged huge areas of natural habitat, devastated communities, and impacted the lives of so many.

While we acknowledge the pain and suffering wrought by these events we are extremely grateful that none of our projects were impacted by fire, and that despite COVID19 we were able to mobilise our teams to undertake successful plantings for the 2020 season. This year we planted across four sites; at Eurardy, Brookton, Cranbrook & Tenterden. In total restoring 531 hectares and planting over 472 stems, providing carbon offsetting and biodiverse planting outcomes for our donors.

I would like to thank Threshold Environmental, Farm Woods, E-Scapes Environmental, and Dr. Geoff Woodall for their assistance in ensuring that our planting is of the highest quality and that it is endemic to the local environment. Thanks to the support of the NRM and the Small Farms Agricultural grants, total grant support of \$45,280 in the year, we have also been able to further our research of saltland planting, with two of our sites, one at Brookton and the other at Cranbrook, being planted this winter. 2020 also saw us receive substantial support from Lotterywest with a grant of \$360,500 over five years to support operational capacity and our CarbonCare™ project.

The CarbonCare™ project supports and promotes new ways of solving long term environmental challenges. The first phase of this funding has now been released and work has begun on a research project to understand attitudes to carbon planting from across stakeholder groups. Our thanks go to Carbon West and Clear South for their assistance with this project. Work has also begun on developing an upgraded community and business carbon calculator which will be released in the first quarter of 2021. As the organisation that developed the first Australian carbon calculator for individuals, we are delighted to bring our supporters, old and new, an updated calculator that has the same accuracy and that also provides an enhanced user experience, including tips and hints for reducing your footprint.

As an organisation we have always been a leader in our sector. In 2021 and the year ahead you will see big changes for the organisation as we rebrand and become Carbon Positive Australia and as we implement our revitalised strategic intentions. There is growing recognition that the climate emergency is now well and truly upon us. We know that there is huge work to be done to return carbon levels to a point where we can stabilise warming and balance our climate. This means setting targets not just to become carbon neutral but to support the use of fully renewable energy and to offset more than our current emissions; thereby making our world Carbon Positive. We commit to continuing to assist you in understanding and managing your carbon footprint as well as continuing to plant trees across Australia; we are leading the way to ensure that we have a diverse environment, a stable climate, a healthy and caring society, and a green and sustainable economy for future generations.



Ian Rawlings

OPERATIONS REVIEW

This is Carbon Neutral Charitable Fund's twelfth annual report. The company recorded a loss of (\$9,657) (2019: Surplus of \$29,984). The loss for the year was a result of an increase in operating costs to fulfill planting obligations with 531 hectares planted compared to the planned 300 hectares.

Carbon Neutral's Charitable Fund's principal activities are:

- i) Management of revegetation projects as a viable carbon abatement action to achieve co-benefits of carbon sequestration, biodiversity conservation and natural resource management
- ii) Production and sale of biodiverse reforestation offset products
- iii) Education - Raising community awareness and providing web-based resources to enable businesses and households to reduce and offset greenhouse gas emissions

Carbon Neutral Charitable Fund is registered with ACNC; the Register of Environmental Organisations; and holds a Collections Licence with the Western Australian Department of Mines, Industry Regulation and Safety - Consumer Protection.



OPERATIONS REVIEW

OUR RESTORATION CARBON PLANTING PROJECTS

Our major revegetation project for 2020 was a continuation of the planting begun in 2019 where 371 hectares of ecosystem restoration planting took place at Eurardy Reserve, in partnership with land holder Bush Heritage Australia. This is part of a 750-hectare acacia and york gum woodland ecosystem restoration program. A further 277 hectares of restoration is planned for 2021. The site at Eurardy was used as a pastoral lease of which over 2,300 hectares had been cleared for agriculture and grazed extensively for decades. This changed the landscape and entire ecosystems were modified and degraded. With the loss of vegetation, other land degradation occurred including fragmentation of habitat, dryland salinity, erosion, low soil seed bank levels, and chemical residue from fertilisers remaining in the soil.

Eurardy protects more than 500 plant species, including five nationally endangered or vulnerable species. The reserve also forms a crucial ecological linkage between the Kalbarri National Park to the west, and the Toolong Nature Reserve to the northeast. By planting what used to grow here, we hope that these plants will then set their seeds to the wind and eventually start to develop naturally self-sustaining habitats and ecosystems.



We also planted near Brookton a Western Australian Wheatbelt town. This site had two projects, a Biodiverse saltland carbon project of 19 hectares, and a biodiverse native sandalwood planting. The project was supported by an NRM grant to gain further knowledge of planting for carbon in salt impacted areas. The site will be monitored to see how the mixture of species tolerate the salt and to review the expected sequestration. A further 33 hectares of biodiverse sandalwood was also planted at the site.

OPERATIONS REVIEW

In the Great Southern we planted at two sites, one near Borden and one near Cranbrook. The site at Borden was 10 hectares of saltland planting, as was one of the projects at Cranbrook. These plantings were supported by the Small Farms Agricultural grant, and will provide two further project sites for research into saltland carbon planting. The remaining two projects at Cranbrook were for biodiverse carbon planting (25 hectares) and mixed native sandalwood planting (30 hectares). Infill planting was also undertaken at Bencubbin a total of 7 hectares.



National
Landcare
Program



natural resource
management program



Income increased by 100% from the previous year to \$1,012,186 (2019: \$504,083). The increase was primarily related to general donations increasing and also receiving \$100,000 (2019:\$0) of grant funding from Lottery West. Funding was up across all income categories. \$73,594 (2019:\$0) of other income was a refund from the ATO in relation to their support of the charitable sector through COVID.



OPERATIONS REVIEW

OUR EDUCATION AND CLIMATE POSITIVE ACTION

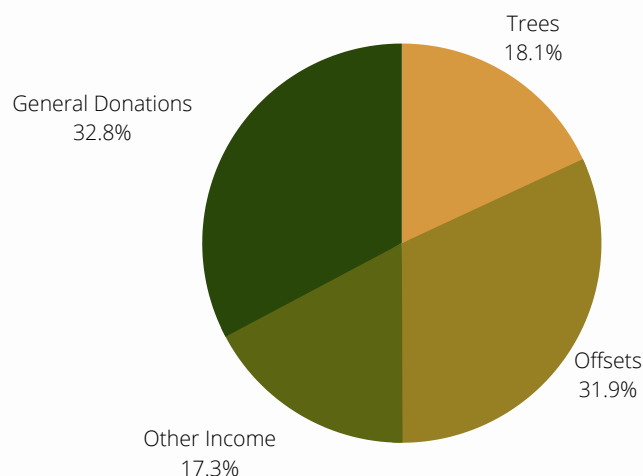
Carbon Neutral Charitable Fund was awarded grant funding by Lotterywest for a five year project of \$360,500 (2019:\$0). During the year a total of \$100,000 was claimed from Lotterywest, and a total of \$164,701 was spent against grant outcomes. This grant funding has supported research for the CarbonCare™ project (\$70,000) (2019:\$0). The initial findings of this research will be released in February 2021. There are two separate reports one into co-benefits of planting in the Yarra Yarra Biodiversity Corridor, the other a stakeholder analysis of views of the carbon market and carbon planting. Three more stakeholder case studies will also be released in the late Autumn/Winter of 2021.

Income increased by 100% from the previous year to \$1,012,186 (2019: \$504,083). The increase was primarily related to general donations increasing and also receiving \$100,000 (2019:\$0) of grant funding from Lottery West. Funding was up across all income categories. \$75,007 (2019:\$0) of income was a refund from the ATO in relation to their support of the charitable sector through COVID. The funding also supported the development of the new brand to Carbon Positive Australia (\$10,000) and updating and upgrading of the organisation's carbon calculator (\$20,000) planned for release in February 2021. The organisation has increased its capacity during the year and now has a team of 6 (5 FTE) (2019: 3 2.5 FTE) including a new full time CEO. The newly increased team will support the organisation development and growth including the delivery of projects and grant funding outcomes.

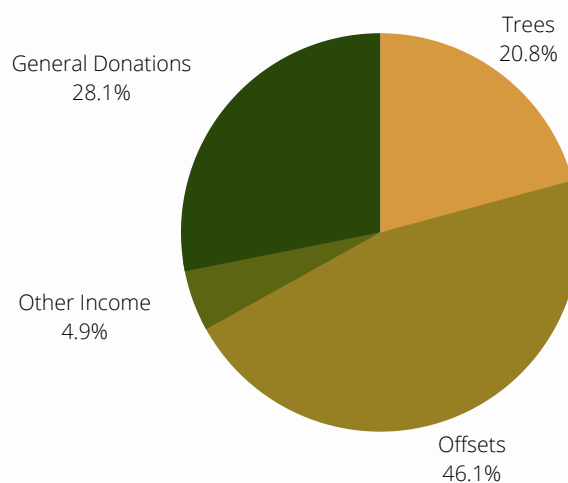


OPERATIONS REVIEW

INCOME BY CATEGORY

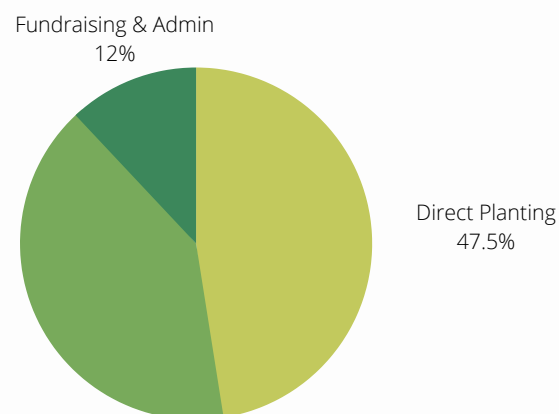
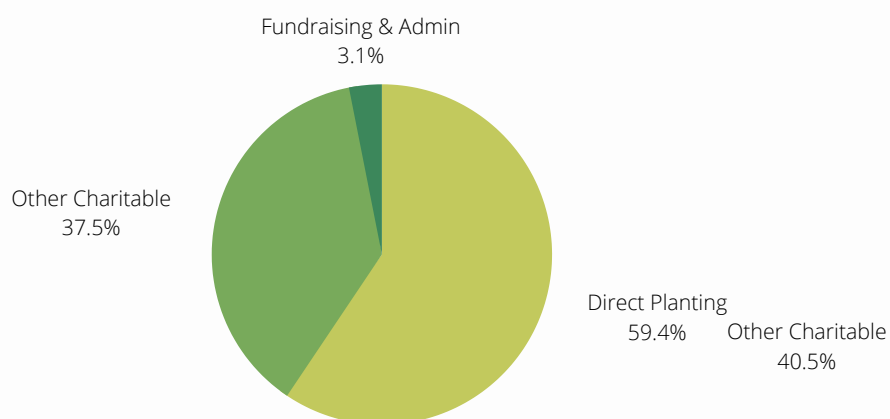


2019/20



2018/19

EXPENDITURE



Looking forward, we will be implementing our strategic plan which includes increasing our planting capacity. Encouraging everyone to be aware of their carbon footprint, and where they are unable to further reduce, offsetting via nature based solutions. We will also be engaging and working with organisations to help them on their journey beyond Carbon Neutral to becoming Carbon Positive. A Carbon Positive organisation, means offsetting more than is emitted, moving fully to renewable energy sources and recognising the benefits beyond carbon sequestration of planting trees and restoring degraded land.

OPERATIONS REVIEW

After Balance Date Events

No matters have arisen since the end of the year that will or may significantly affect:

- i) the company's operations in future financial years or
- ii) the results of those operations in future financial years, or
- iii) the company's state of affairs in future financial years

Environmental Performance

The Company is not subject to any particular and significant environmental regulations under Commonwealth, State, or Territory law. The company is listed on the Register of Environmental Organisations as a Deductible Gift Recipient.

Distributions to members during the year

No dividends or distributions were recommended, declared or paid to members during the year. The company is a non-profit company and its Constitution does not allow payments including dividends, bonuses or distributions of profit, directly or indirectly, to members, officers, servants, agents or employees other than as reasonable remuneration for services rendered.

Indemnifying officers or auditor

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the company. The company holds an Association liability insurance policy with Allianz Australia Insurance Ltd which includes Director's and Officer's as well as Professional Indemnity insurance.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditors independence declaration

The company's auditor is Ray Woolley Pty Ltd. A copy of the auditor's independence declaration as required under section 60.40 of the Australian Charities and Not-for-Profits Commission Act 2012 ("the Act") is set out in page 16 of this report

Signed on behalf of the Directors

FROM THE AUDITOR

AUDITORS INDEPENDENCE DECLARATION

Carbon Neutral Charitable Fund Ltd
City West Lotteries House,
2 Delhi Street
West Perth WA 6005

Dear Directors,

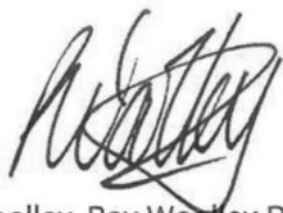
AUDITOR'S INDEPENDENCE DECLARATION

Under S 307c of the Corporations Act 2001 In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012

I am pleased to provide the following declaration of independence to the Directors of Carbon Neutral Charitable Fund Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2020 there have been no contraventions of:

- i) 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) any applicable code of professional conduct in relation to the audit.



Ray Woolley, Ray Woolley Pty Ltd
Registered Company Auditor No. 16396

21/1/21

17 Russley Grove Yanchep WA 6035



FINANCIAL REPORT

for the year ended 30 September 2020

FINANCIAL REPORT

DIRECTORS DECLARATION

The directors, being the Responsible Persons' of Carbon Neutral Charitable Fund Ltd, declare that in the director's opinion:

1. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. The financial statements and notes:
 - satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012;
 - give a true and fair view of the financial position of the company as at 30 September 2020 and of its performance for its operations as a whole for the year then ended; and,
 - comply with Australian Accounting Standards – Reduced Disclosure Requirements.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013 on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'Ian Rawlings', with a stylized, flowing script.

Ian Rawlings, Director - Chairman

INDEPENDENT AUDITORS REPORT

OPINION

We have audited the accompanying financial report, being a special purpose financial report, of Carbon Neutral Charitable Ltd (the company), which comprises the statement of financial position as at 30 September 2020, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

In our opinion, the financial report of Carbon Neutral Charitable Ltd is in accordance with the Div 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- a. giving a true and fair view of the company's financial position as at 30 September 2020 and of its performance ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Div 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

BASIS OF 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 ACNC Act, 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 audit opinion.

EMPHASIS OF MATTERS

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS REPORT

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 Australian Charities and Not-for-profits Commission Act 2012 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.



Ray Woolley, Ray Woolley Pty Ltd
Registered Company Auditor No. 16396

21/1/21

INDEPENDENT AUDITORS REPORT

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Note	Sept 20	Sept 19
Current Assets		\$	\$
Cash and cash equivalents	6	503,752	663,720
Trade and other receivables	9	76,835	8,038
Inventory	8	278,691	0
Other current assets	10	5,838	1,371
Total current assets		865,116	673,129
Non-current assets			
Property, plant & equipment	11	3,838	209,332
Total non-current assets		3,838	209,332
Total Assets		868,954	882,461
Current liabilities			
Trade and other payables	12	30,654	81,436
Provisions and accruals	13	53,433	6,500
Total current liabilities		84,087	87,936
Total liabilities		84,087	87,936
Net Assets		784,866	794,525
Equity			
Members funds - Reserves		794,523	764,541
Retained earnings/(losses)		(9,657)	29,984
Total Equity		784,866	794,525

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Sept 20	Sept 19
		\$	\$
Revenue from continuing operations	3	1,012,086	504,083
Other income	4	3,443	6,835
		1,015,529	510,918
Less:			
Planting costs	5	459,994	187,724
Cost of other charitable activities excl. Employment expenses		147,130	40,532
Rent, rates and services		25,111	9,603
Office expenses		19,043	3,018
Operating expenses		29,534	11,807
Employment expenses		332,137	162,337
Professional services		10,625	26,425
Depreciation		1,612	39,488
		1,025,186	480,934
Net (loss)/surplus before income tax		(9,657)	29,984
Income tax expense		0	0
Net (loss)/surplus after income tax		(9,657)	29,984
Other comprehensive income		0	0
Total comprehensive (loss)/income		(9,657)	29,984

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Retained Earnings	General reserve	Total
	\$	\$	\$
Balance as at 30 September 2018	764,541	0	764,541
Profit for the year	29,984	0	29,984
Other comprehensive income	0	0	0
Balance as at 30 September 2019	794,525	0	794,525
Profit for the year	(9,657)	0	(9,657)
Other comprehensive income	0	0	0
Balance as at 30 September 2020	784,868	0	784,868

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	Sept 20	Sept 19
		\$	\$
Cash flows from operating activities			
Receipts from clients and donors		943,289	576,535
Interest received	4	3,443	4,972
Payments to employees and suppliers		(1,106,699)	(417,047)
Net cash inflow(outflow) from operating activities		(159,967)	164,460
Cash flows from investing activities			
Sale of land			130,000
Payments for property, plant & equipment			(296)
Sale of property, plant & equipment			0
Net cash inflow/(outflow) from investing activities			129,704
Cash flows from financing activities			
Proceeds from financing activities		0	0
Net cash inflow/(outflow) from financing activities		0	0
Net increase/(decrease) in cash		(159,967)	294,164
Cash at the beginning of the financial year		663,720	369,556
Cash at the end of the financial year	6	503,752	663,720
Net increase/(decrease) in cash		(159,967)	294,164

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of Accounting

Date of Issue

The directors issued these accounts on 25th February 2021. The directors have the authority to amend the financial reports after that date.

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Act 2001, and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise. The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at the fair value of selected non-current assets, financial assets, and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. The financial statements have been prepared on a “going concern” basis.

2. Summary of Significant Accounting Policies

a. Revenue

Income is treated in accordance with AASB 1058, as income is not ariseable from enforceable contracts with donors. Increases in liabilities, and decreases in assets and revenue are immediately recognised in the profit and loss account.

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction, and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt. Carbon Neutral Charitable Fund Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss. Donations and bequests are recognised as revenue when received.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

a. Revenue (con't)

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. Property, Plant and Equipment

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

Trees

Trees were carried as property in the accounts, these have been transferred to inventory at the lower of cost and net realisable value to reflect the planting costs involved and the number of stems planted and allocated in the financial year.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

c. Property, Plant and Equipment (con't)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted)

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

e. Financial Instruments (con't)

Amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method. The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs, and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments, and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short-term profit-taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

e. Financial Instruments (con't)

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss. Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s). In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default, or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

e. Financial Instruments (con't)

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered. Derecognition Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired.

The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss. Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

g. Employee Benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of accounts payable and other payables in the statement of financial position. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

i. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grants receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

j. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

k. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

l. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within the short term.

NOTES TO THE FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (con't)

m. Liabilities

Liabilities are recognised for the excess of the carrying amount of a financial asset received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity, over any related amounts recognised in accordance with the applicable Standards. Liabilities are amortised to profit or loss as income only when the entity satisfies its obligations under the transfer.

o. Critical Accounting Estimates and Judgments

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

Key estimates

(a) Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

NOTES TO THE FINANCIAL STATEMENTS

3. Revenue	2020	2019
	\$	\$
Donations received for trees	54,919	18,642
Donations received	292,228	129,715
Major business offsets	183,565	147,978
Donations to offsetting	138,923	84,563
Ecards	39,374	12,028
Business plant a tree	128,070	86,209
Net grant funding	100,000	24,950
Other Revenue	75,007	0
	1,012,086	504,085
4. Other Income	2020	2019
Interest received	3,443	6,835
5. Major Planting Expenses	2020	2019
Planting establishment	385,618	148,702
Monitoring costs	30,106	6,240
Caveats and covenants	9,270	0
Landholder expense payments	0	0
Landholder costs	35,000	32,782
	459,994	187,724
6. Cash and Cash Equivalents	2020	2019
Cash on hand	24	34
Cash at bank - Operating account	132,333	350,786
Cash at bank - Term deposit	305,798	300,000
Cash at bank - Cash reserve	65,596	12,900
	503,752	663,720

NOTES TO THE FINANCIAL STATEMENTS

7. Reconciliation of profit after tax to net cash inflow from operating activities

	2020	2019
	\$	\$
Net(loss)/surplus before income tax	(9,657)	29,984
Changes in operating assets & liabilities	205,494	39,488
(Increase)/decrease in trade and other receivables	(73,264)	70,589
(Increase)/decrease in inventory	(278,691)	0
Increase/(decrease) in provisions	46,933	200
Increase/(decrease) in current trade and other payables	(50,782)	24,199
Prior year adjustments	0	0
Net cash(outflow)/inflow from operating activities	(159,967)	164,460

8. Inventory

Opening Inventory

Brought forward as at 1st October 2019	0
Stock b/fwd from prior years	15,505
Planting establishment costs	459,994
Cost of planting b/fwd	196,808
Carried forward as at 30 September 2020	278,691

\$203,882 was transferred to inventory from assets and then revalued at cost.

9. Trade and other receivables

	2020	2019
Trade debtors	431	0
ATO	11,271	0
GST receivable	432	0
Other receivable	64,701	8,038
	76,835	8,038

Terms: Receivables are usually settled within 30 days and are generally non-interest bearing. Impairment: An allowance for doubtful debts is made where there is objective evidence that trade receivables are impaired.

NOTES TO THE FINANCIAL STATEMENTS

10. Other current assets

	2020	2019
	\$	\$
Prepayments	3,360	1,371
Rental Bond on premises	2,478	0
	5,838	1,371

11. Property, plant and equipment

	2020	2019	
Trees at cost	0	378,760	
Accumulated depreciation	0	(174,878)	
Transferred to inventory	(203,882)	0	
	0	203,882	
Equipment at cost	9,070	9,070	
Accumulated depreciation	(5,232)	(3,620)	
	3,838	5,450	
Movement in carrying amounts			
	Equipment	Trees	Total
Balance as at 30 September 2019	5,450	203,882	209,332
Additions	0	0	0
Disposals	0	(203,882)	(203,882)
Depreciation	(1,612)	0	(1,612)
Carrying amount as at 30 September 2020	3,838	0	3,838

NOTES TO THE FINANCIAL STATEMENTS

12. Trade and other payables

	2020	2019
	\$	\$
Trade creditors	169	20,527
Grant received in advance	0	45,280
Accrued annual leave	24,102	8,536
Superannuation	5,470	1,957
PAYG	343	1,590
GST	257	0
Other	314	3,456
	30,654	81,346

The accruals for annual leave are presented as current obligations, since the Company does not have an unconditional right to defer settlement. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave within the next 12 months. The expected cash outflow timing is anticipated to be within one year. The Company has no policy whereby employees are required to take their accrued leave within 12 months.

13. Provisions and accruals

	2020	2019
Audit fee provision	4,500	4,500
Accrued expenses	13,933	2,000
Landowner incentives	35,000	0
	53,433	6,500

14.. Remuneration of auditors

The Company's auditor is Ray Woolley Pty Ltd. During the year an amount of \$4,500 was paid to the auditor for audit services provided in the 2019 financial year.

NOTES TO THE FINANCIAL STATEMENTS

15. Key management personnel

The key management personnel comprise the Directors identified in the Directors's report and the following management staff:

Executive Director (Chief Executive Officer)	Ray Wilson	
Chief Executive Officer	Louise Marlana Tarrier	
	2020	2019
	\$	\$
Total Remuneration paid (salary)	72,909	0
Contract Management through Insight	29,338	62,834
	102,247	62,834

16. Related party transactions

	2020	2019
Carbon West	66,000	0
Jennifer West a Director is also a Director of Carbon West		

17. Commitments

Operating lease Commitments: There were no operating lease commitments at year end.

Planting Commitments: There were no planting commitments outstanding at year end.

18. Contingent assets and liabilities

Contingent assets: There were no contingent assets at year end.

Contingent liabilities: There were no contingent liabilities at year end.

NOTES TO THE FINANCIAL STATEMENTS

19. Financial Instruments

Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The company does not have any derivative instruments at 30 September.

- i. Treasury Risk Management All funds are held in at-call deposits or in short term investments with major banks.
- ii. Financial Risks The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

There is no significant interest rate risk.

Cash held in banks is subject to floating interest rates. There is no interest risk on Accounts payable or receivable.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not usually have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Price risk

The company is not exposed to any material commodity price risk.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Carbon Neutral Charitable Fund

ABN: 99 124 696 966



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