



Greenfleet Australia Ltd (as trustee for Greenfleet Trust) and controlled entity

ABN: 86 693 237 685

Trustee: Greenfleet Australia Ltd

ACN: 095 044 465

Consolidated Financial report

For the year ended 31 December 2019

Pitcher Partners

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TABLE OF CONTENTS

Directors' report	1 - 4
Financial report	
Trustees Fundraising Declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in trust funds	8
Consolidated statement of cash flows	9
Notes to financial statements	10 - 26
Directors' declaration of the trustee company	27
Independent auditor's report	28 - 30

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

DIRECTORS' REPORT

The directors of the trustee present their report together with the financial report of the group, being the trust and its controlled entity, for the year ended 31 December 2019 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

The names of the directors of the trustee in office at any time during or since the end of the year are:

Hon. Thomas Roper

Mr Gunther Jurkschat

Mr Philip Thomas

Ms Angela McClowry

Mr David Lamb

Mr Jack Holden

Ms Alexis Denby

Ms Dominique Hes

The directors of the trustee have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The surplus of the group for the year after providing for income tax amounted to \$1,053,550 (2018: \$2,231,858).

Review of operations

With the help of our business and individual supporters, Greenfleet has continued to make significant impact on Australia's landscape, environment and climate by planting native biodiverse forests to capture carbon emissions to help fight the impacts of climate change.

Greenfleet was the first organisation in Australia to plant biodiverse forests to offset carbon emissions, and since 1997 we have planted over 9.2 million trees across 500 forests in Australia and New Zealand with Greenfleet's forests protected for up to 100 years.

Significant changes in state of affairs

There were no significant changes in the trustee's or group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

DIRECTORS' REPORT

Organisational objectives

To create a low carbon future for Australia underpinned by our philosophy for tackling climate change by:

Avoiding generating emissions wherever possible.

Reducing the rate at which emissions are generated.

Offsetting any emissions generated by recapturing CO2 from the atmosphere.

Principal activities

The principal activity of the group during the year was establishing and maintaining biodiverse forests to recognised standards using best practice forestry practices and maintaining business operations in a cost effective manner.

No significant change in the nature of these activities occurred during the year.

Group performance

Despite the challenge of drought and a changing climate, we succeeded in planting 226,429 trees.

These trees will grow into biodiverse native forests which will capture 201,365 tonnes of carbon emissions over their lifetime to help fight the impacts of climate change.

Our forests sequester carbon emissions from the atmosphere, enhance water quality, reduce soil erosion, improve land productivity, and provide vital habitat for native wildlife, including many endangered species.

While restoring Australia's forests remains our core focus, Greenfleet has also taken a leading role in the Low Glow project which has focused on protecting endangered sea turtles from artificial light pollution.

On World Environment Day, we joined forces with the Kowanyama Aboriginal Shire Council, Telstra employees and the local community to plant 1,000 trees in Cape York.

Reforestation is now widely recognised as a key tool for combating climate change and Greenfleet is looking forward to extending our practical work on the ground throughout 2020 and beyond.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
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DIRECTORS' REPORT

After balance date events

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years are as follows:

Subsequent to the end of the financial year, there were several forests which experienced fire damage due to bushfires occurring across Australia. The immediate and future impact of these bushfires on the carbon estate of Greenfleet cannot be reliably measured at this time.

The World Health Organisation declared a pandemic in relation to the COVID-19 virus on 11 March 2020. As at the date of signing these financials, the impact of the virus on the group remains unknown.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the organisation, the results of those operations, or the state of affairs of the organisation in future financial years.

Likely developments

The group expects to maintain the present status and level of operations.

Environmental regulation

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Members guarantee

The trustee company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the trustee is wound up, the Constitution states that each member is required to contribute to a maximum of \$100 each towards meeting any outstandings and obligations of the group. At 31 December 2019 the number of members was 8. The combined total amount that members of the trustee are liable to contribute if the group is wound up is \$800.

Indemnification of officers

During or since the end of the year, the group has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The trustee company has paid premiums to insure the Directors & Company Secretary listed above against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as a director, company secretary or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium paid for the year was \$1,886 (2018: \$1,886).

Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

TRUSTEES FUNDRAISING DECLARATION

The directors of the trustee company declare that in our opinion:

- i) the financial statements and notes to the financial statements give a true and fair view of all income and expenditure and state of affairs of the Trust with respect to fundraising appeals conducted by the Trust;

- ii) the provisions of the Fundraising Acts listed below, the regulations under those Acts and the conditions attached to the authority have been complied with by the Trust; and
 - * Charitable Funraising Act 1991, New South Wales
 - * Fundraising Appeals Act 1998, Victoria
 - * Certificate of Sanction - Collections Act 1966, Queensland
 - * Charities Act 2001, Tasmania

- iii) The internal controls exercised by the Trust are appropriate and effective in accounting for all income received and applied by the organisation from any of its fund raising appeals.

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

Director:

DocuSigned by: 4/23/2020
Gunter Jurkschat
B3A51984029C473...

Director:

DocuSigned by: /23/2020
Philip Thomas
CF5CF8DA9647401...

Dated this _____ day of _____ 2020

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Revenue and other income			
Other revenue	2	<u>5,613,586</u>	<u>4,410,318</u>
		<u>5,613,586</u>	<u>4,410,318</u>
Less: expenses			
Forestry, Planting & Maintenance		(3,028,028)	(2,790,110)
Thought Leadership & Research		(307,814)	(209,981)
Supporter Engagement		(739,584)	(632,675)
Administration		(409,610)	(347,662)
Impairment of assets held for sale		(75,000)	(432,270)
Gain on change of accounting policy		-	<u>2,233,597</u>
		<u>(4,560,036)</u>	<u>(2,179,101)</u>
Surplus before income tax expense		1,053,550	2,231,217
Income tax benefit	4	-	<u>641</u>
Net surplus from continuing operations		<u>1,053,550</u>	<u>2,231,858</u>
Other comprehensive income for the year		-	-
Total comprehensive income		<u>1,053,550</u>	<u>2,231,858</u>

The accompanying notes form part of these financial statements.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	6	5,459,846	3,909,540
Receivables	7	216,937	189,297
Current tax assets	4	566	566
Other assets	8	70,724	73,327
Assets classified as held for sale	9	<u>275,000</u>	<u>350,000</u>
Total current assets		<u>6,023,073</u>	<u>4,522,730</u>
Non-current assets			
Property, plant and equipment	10	<u>2,121,174</u>	<u>2,159,117</u>
Total non-current assets		<u>2,121,174</u>	<u>2,159,117</u>
Total assets		<u>8,144,247</u>	<u>6,681,847</u>
Current liabilities			
Payables	11	351,464	125,606
Borrowings	12	1,103	176
Provisions	13	<u>723,326</u>	<u>534,643</u>
Total current liabilities		<u>1,075,893</u>	<u>660,425</u>
Non-current liabilities			
Provisions	13	<u>10,333</u>	<u>16,951</u>
Total non-current liabilities		<u>10,333</u>	<u>16,951</u>
Total liabilities		<u>1,086,226</u>	<u>677,376</u>
Net assets		<u>7,058,021</u>	<u>6,004,471</u>
Trust funds			
Trust funds	14	100	100
Accumulated surplus		<u>7,057,921</u>	<u>6,004,371</u>
Total trust funds		<u>7,058,021</u>	<u>6,004,471</u>

The accompanying notes form part of these financial statements.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

CONSOLIDATED STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Settled Sum \$	Accumulated Surplus \$	Total equity \$
Consolidated			
Balance as at 1 January 2018	100	3,772,513	3,772,613
Surplus for the year	<u>-</u>	<u>2,231,858</u>	<u>2,231,858</u>
Total comprehensive income for the year	<u>-</u>	<u>2,231,858</u>	<u>2,231,858</u>
Balance as at 31 December 2018	<u>100</u>	<u>6,004,371</u>	<u>6,004,471</u>
Balance as at 1 January 2019	100	6,004,371	6,004,471
Surplus for the year	<u>-</u>	<u>1,053,550</u>	<u>1,053,550</u>
Total comprehensive income for the year	<u>-</u>	<u>1,053,550</u>	<u>1,053,550</u>
Balance as at 31 December 2019	<u>100</u>	<u>7,057,921</u>	<u>7,058,021</u>

The accompanying notes form part of these financial statements.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
Cash flow from operating activities			
Receipts from supporters		4,346,812	3,412,124
Operating grant receipts		1,350,000	1,000,000
Payments to suppliers and employees		(4,196,206)	(3,438,097)
Interest received		79,043	66,479
Income tax paid		<u>-</u>	<u>75</u>
Net cash provided by operating activities	15(b)	<u>1,579,649</u>	<u>1,040,581</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	19,208
Payment for property, plant and equipment		<u>(30,270)</u>	<u>(31,394)</u>
Net cash (used in) investing activities		<u>(30,270)</u>	<u>(12,186)</u>
Cash flow from financing activities			
Proceeds from / (repayment of) borrowings		<u>927</u>	<u>(21,127)</u>
Net cash provided by / (used in) financing activities		<u>927</u>	<u>(21,127)</u>
Reconciliation of cash			
Cash at beginning of the financial year		3,909,540	2,902,272
Net increase in cash held		<u>1,550,306</u>	<u>1,007,268</u>
Cash at end of financial year	15(a)	<u>5,459,846</u>	<u>3,909,540</u>

The accompanying notes form part of these financial statements.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

Greenfleet Trust is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the trustees as at the date of the directors' report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Other revenue and other income

Donations

Revenue from offset donations is recognised in the accounting period that the funds were invoiced and establishment of performance obligations was created. Funds received from donations are recognised when received. Donations are not subject to acquittal.

Interest

Interest revenue is measured in accordance with the effective interest method.

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

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of six months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

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

Property

Freehold land and buildings are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at cost	2%	Straight line
Plant and equipment at cost	20%	Straight line

(e) Provisions

Provisions are recognised when the group 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Carbon provisions

Carbon provisions identify amounts set aside specifically for future plantings required to meet carbon commitments entered into at the point of receipt. An amount is also included to cover the cost of replanting trees that have not survived from earlier plantings.

The provision for carbon plantings is calculated from the average historical cost to generate a tonnage of carbon multiplied by the assessed difference between the aggregate carbon yield and the actual carbon committed to as per donations received.

Prior to 2018 the group had only recognised the sequestration of carbon that occurs in the initial 20 years from planting. The organisation now recognises that national carbon accounting systems have evolved to enable more accurate calculation of the sequestration of carbon over a plantings life and reliable recognition of their longer term output, and accordingly recognises sequestration of carbon that is expected to occur in the 100 years from planting.

The provision for replanting trees is calculated from the expected average cost per tree planted based on historical cost multiplied by the number of trees committed.

(g) Income tax

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

Its wholly owned subsidiary, Greenfleet AFSL Pty Ltd, is not a tax concession charity and is liable to pay income tax.

**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the group and are de-recognised from the date that control ceases.

(i) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(j) New and revised accounting standards effective at 31 December 2019

The group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 January 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis.
- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

The application of AASB 16 has not materially impacted the financial statements of the group.

**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) New and revised accounting standards effective at 31 December 2019 (Continued)

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 2: OTHER REVENUE AND OTHER INCOME		
Other revenue		
Interest income	79,043	66,479
Donations	3,641,980	3,080,585
Other revenue	542,563	263,254
Grants	<u>1,350,000</u>	<u>1,000,000</u>
	<u>5,613,586</u>	<u>4,410,318</u>
NOTE 3: EXPENSES		
Surplus before income tax has been determined after:		
Finance costs	27	162
Depreciation		
- buildings	34,080	34,080
- plant and equipment	<u>34,133</u>	<u>41,434</u>
	68,213	75,514
Foreign currency translation losses	1,251	1,878
Employee benefits	1,383,769	1,147,266

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 4: INCOME TAX		
(a) Components of tax expense		
Current tax	(1,536)	107
Under/(over) provision in prior years	<u>1,536</u>	<u>(748)</u>
	<u><u>-</u></u>	<u><u>(641)</u></u>
(b) Income tax reconciliation		
The prima facie tax payable on surplus before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on surplus before income tax at 30.0% (2018: 30.0%)	316,065	659,029
Add tax effect of:		
Under provision for income tax in prior year	<u>1,536</u>	<u>-</u>
	1,536	-
Less tax effect of:		
- Non-assessable items (trust income)	<u>317,601</u>	<u>659,670</u>
	<u>317,601</u>	<u>659,670</u>
Income tax expense attributable to surplus	<u><u>-</u></u>	<u><u>(641)</u></u>
(c) Current tax		
Current tax relates to the following:		
<i>Current tax liabilities / (assets)</i>		
Opening balance	(566)	-
Income tax	(1,536)	107
Tax payments	-	(673)
Under / (over) provisions	<u>1,536</u>	<u>-</u>
Current tax liabilities / (assets)	<u><u>(566)</u></u>	<u><u>(566)</u></u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the group		
- short-term employee benefits	469,069	480,817
- post-employment benefits - superannuation	<u>39,193</u>	<u>45,678</u>
	<u><u>508,262</u></u>	<u><u>526,495</u></u>

The above compensation details relate to the CEO, General Manager, General Manager - Revegetation and General Manager - Engagement positions only. The Directors and Company Secretary are not remunerated for their services and there were no other transactions with related parties during the year.

The names of directors of the trustee who have held office during the year are:

Name

Hon. Thomas Roper
 Mr Gunther Jurkschat
 Mr Philip Thomas
 Ms Angela McCowry
 Mr David Lamb
 Mr Jack Holden
 Ms Dominique Hes
 Ms Alexis Denby

The names of key management personnel during the year are:

Name	Position	Appointment / resignation details
Wayne Wescott	CEO	
Michelle Sheehan	General Manager	(Resigned 21 June 2019)
Michael Coleman	General Manager - Revegetation	
Alison Milfull	General Manager - Engagement	

	2019	2018
	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	200	200
Cash at bank	3,166,097	1,149,305
Cash on deposit	<u>2,293,549</u>	<u>2,760,035</u>
	<u><u>5,459,846</u></u>	<u><u>3,909,540</u></u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	156,844	148,587
Allowance for credit losses	<u>(5,000)</u>	<u>(5,000)</u>
	151,844	143,587
Term debtors	8,488	12,172
Other receivables	<u>56,605</u>	<u>33,538</u>
	<u><u>216,937</u></u>	<u><u>189,297</u></u>

Impairment of trade receivables

Trade receivables are non interest bearing with 30 days terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

Movements in the accumulated impairment losses were:

Aged analysis

Trade and other receivables ageing analysis at 31 December is:

	Gross	Impairment	Gross	Impairment
	2019	2019	2018	2018
	\$	\$	\$	\$
Not past due	95,006	-	93,005	-
Past due 31-60 days	39,938	-	25,412	-
Past due 61-90 days	17,269	-	30,170	5,000
Past due more than 90 days	<u>4,631</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
	<u><u>156,844</u></u>	<u><u>5,000</u></u>	<u><u>148,587</u></u>	<u><u>5,000</u></u>

	2019	2018
	\$	\$
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	17,626	21,145
Other current assets	<u>53,098</u>	<u>52,182</u>
	<u><u>70,724</u></u>	<u><u>73,327</u></u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE		
(a) Carrying amounts of assets and liabilities		
<i>Assets</i>		
Land	<u>275,000</u>	<u>350,000</u>
	<u>275,000</u>	<u>350,000</u>
Assets classified as held for sale	<u><u>275,000</u></u>	<u><u>350,000</u></u>
 NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Land		
At cost	<u>417,892</u>	<u>417,892</u>
 Buildings		
At cost	1,703,967	1,703,967
Accumulated depreciation	<u>(102,239)</u>	<u>(68,159)</u>
	<u>1,601,728</u>	<u>1,635,808</u>
Total land and buildings	<u><u>2,019,620</u></u>	<u><u>2,053,700</u></u>
 Plant and equipment		
Plant and equipment at cost	329,014	318,510
Accumulated depreciation	<u>(227,460)</u>	<u>(213,093)</u>
	<u>101,554</u>	<u>105,417</u>
Total property, plant and equipment	<u><u>2,121,174</u></u>	<u><u>2,159,117</u></u>
 (a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Land</i>		
Opening carrying amount	417,892	1,200,162
Impairment to realisable value	-	(432,270)
Reclassified as held for sale	<u>-</u>	<u>(350,000)</u>
Closing carrying amount	<u><u>417,892</u></u>	<u><u>417,892</u></u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Buildings</i>		
Opening carrying amount	1,635,808	1,669,888
Depreciation expense	<u>(34,080)</u>	<u>(34,080)</u>
Closing carrying amount	<u><u>1,601,728</u></u>	<u><u>1,635,808</u></u>
<i>Plant and equipment</i>		
Opening carrying amount	105,417	129,456
Additions	30,270	31,394
Disposals	-	(13,999)
Depreciation expense	<u>(34,133)</u>	<u>(41,434)</u>
Closing carrying amount	<u><u>101,554</u></u>	<u><u>105,417</u></u>
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	147,226	13,250
Sundry creditors and accruals	<u>204,238</u>	<u>112,356</u>
	<u><u>351,464</u></u>	<u><u>125,606</u></u>
NOTE 12: BORROWINGS		
CURRENT		
<i>Secured liabilities</i>		
Bank loans	<u><u>1,103</u></u>	<u><u>176</u></u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
		\$	\$
NOTE 13: PROVISIONS			
CURRENT			
Employee benefits	(a)	91,055	105,874
Carbon planting provisions	(b)	<u>632,271</u>	<u>428,769</u>
		<u>723,326</u>	<u>534,643</u>
NON CURRENT			
Employee benefits	(a)	<u>10,333</u>	<u>16,951</u>
(a) Aggregate employee benefits liability		101,388	122,825
(b) Carbon planting provisions			
This balance is the sum of the provision for carbon planting and the provision for tree losses.			
Opening balance		428,769	2,010,452
Additional obligations from donations		1,018,603	795,139
Reduction relating to planting activities and natural regeneration		(781,578)	(194,697)
Adjustment relating to change in methodology (refer Note 1(f))		-	(2,233,597)
Adjustment for movement in cost per tonne of carbon		(42,161)	51,472
Adjustment for increase in provision for replants		<u>8,638</u>	<u>-</u>
Closing balance		<u>632,271</u>	<u>428,769</u>
NOTE 14: TRUST FUNDS			
Settled sum		<u>100</u>	<u>100</u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:		
Cash on hand	200	200
Cash at bank	3,166,097	1,149,305
At call deposits with financial institutions	<u>2,293,549</u>	<u>2,760,035</u>
	<u>5,459,846</u>	<u>3,909,540</u>
(b) Reconciliation of cash flow from operations with surplus after income tax		
Surplus from ordinary activities after income tax	1,053,550	2,231,858
Adjustments and non-cash items		
Depreciation	68,213	75,514
Gain on disposal of property, plant and equipment	-	(5,209)
Loss on revaluation of land	75,000	432,270
Changes in operating assets and liabilities		
(Increase) in receivables	(27,640)	(54,238)
Decrease / (increase) in other assets	2,603	(41,672)
Increase / (decrease) in payables	225,858	(20,147)
Increase/ (decrease) in carbon provisions	203,502	(1,581,683)
(Decrease) in income tax payable	-	(566)
(Decrease) / increase in employee provisions	<u>(21,437)</u>	<u>4,454</u>
Cash flows from operating activities	<u>1,579,649</u>	<u>1,040,581</u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 16: FINANCIAL RISK MANAGEMENT

The group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (a) Currency risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values compared with carrying amounts

The board of directors have overall responsibility for identifying and managing operational and financial risks.

(a) Currency risk

The group undertakes transactions denominated in foreign currencies. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Greenfleet has operations in the NZ market. Given the uncertain timing and the minimal amount of donations currently being received, the risk is assessed as immaterial and is not being actively managed.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

The group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the group.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Trade receivables

Credit risk for receivables from contracts with customers is managed by transacting with a large number of customers, undertaking credit checks for all new customers and setting credit limits for all customers commensurate with their assessed credit risk. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The directors manage liquidity risk by periodically monitoring cashflows.

(d) Fair values compared with carrying amounts

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in consolidated statement of financial position and notes to financial statements.

NOTE 17: FUND RAISING

Greenfleet conducts fund raising activities and is registered for fund raising in relevant jurisdictions.

- a) All funds derived from fund raising have been applied in a manner consistent with the objectives of the Greenfleet Trust i.e. protecting and enhancing the natural environment by reducing the environmental consequences of greenhouse gas emissions. The purpose is achieved by advocating the avoidance and reduction of generation of greenhouse gas emissions and by planting permanent biodiverse forests to sequester greenhouse gas emissions.
- b) Greenfleet seeks donations via its website, publication of advertisements in print and digital media, and by direct mailing to its prospective, existing and past supporters.
- c) Amounts spent on direct service delivery include all forest establishment costs, conferences, events and publications that are consistent with the delivery of our charitable purpose and the costs of labour incurred in delivering those programs. Fundraising costs include costs of labour, promotional collateral, web site, and supporter renewal correspondence and associated travel expenses. Administrative costs include accommodation and related costs, costs of administrative staff, governance, insurance and professional fees not relating to the forest establishment program.

	\$
d) Total costs of fund raising	543,433
Gross income obtained from fundraising	3,641,980

**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 18: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and ensure adequacy of reserves. The Board ensures that the overall risk management strategy is in line with this objective.

The entity's capital consists of reserves and financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

NOTE 19: CONTINGENT LIABILITIES

Greenfleet establishes native, biodiverse forests to offset emissions from its supporters' contributions. Forests are monitored to ensure that these commitments are met. From time to time, plantings may suffer losses at which time Greenfleet will ensure that the commitments are otherwise met over time. Prior to the end of the financial year, there were several sites which experienced fire damage due to bushfires occurring across Australia. The immediate and future impact of these bushfires on the carbon estate of Greenfleet cannot be reliably measured at this time.

Greenfleet is unable to quantify nor value the quantum of this contingency at this time.

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations or the state of affairs of the group in future financial years are as follows:

Subsequent to the end of the financial year, there were several forests which experienced fire damage due to bushfires occurring across Australia. The immediate and future impact of these bushfires on the carbon estate of Greenfleet cannot be reliably measured at this time.

The World Health Organisation declared a pandemic in relation to the COVID-19 virus on 11 March 2020. As at the date of signing these financial statements, the impact of the virus on the group remains unknown.

Other than the matters disclosed above, there have been no matter or circumstance, which has arisen since 31 December 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2019, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2019, of the group.

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
NOTE 21: PARENT ENTITY DETAILS		
Summarised presentation of the parent entity, Greenfleet Australia Ltd, financial statements:		
(a) Summarised statement of financial position		
Assets		
Current assets	6,016,591	4,515,595
Non-current assets	<u>2,121,174</u>	<u>2,159,117</u>
Total assets	<u>8,137,765</u>	<u>6,674,712</u>
Liabilities		
Current liabilities	1,071,060	660,059
Non-current liabilities	<u>10,333</u>	<u>16,951</u>
Total liabilities	<u>1,081,393</u>	<u>677,010</u>
Net assets	<u>7,056,372</u>	<u>5,997,702</u>
Equity		
Trust funds	100	100
Retained earnings	<u>7,056,272</u>	<u>5,997,602</u>
Total equity	<u>7,056,372</u>	<u>5,997,702</u>
(b) Summarised statement of profit or loss and other comprehensive income		
Surplus for the year	1,058,670	2,230,862
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>1,058,670</u>	<u>2,230,862</u>

NOTE 22: ENTITY DETAILS

The registered office of the group is:

Greenfleet Trust
 C/- Greenfleet Australia Ltd
 Level 4, 517 Flinders Lane
 Melbourne Vic 3000

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

The directors declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

DocuSigned by:
4/23/2020
Gunter Jurtschat
B3A51984029C473...
Director: _____

DocuSigned by:
4/23/2020
Philip Thomas
CF5CF8DA9647401...
Director: _____

Dated this _____ day of _____ 2020



**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF GREENFLEET TRUST**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Greenfleet Trust "the trust" and its subsidiaries, "the Group", which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in trust funds and consolidated 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 of the trustee company.

In our opinion, the accompanying financial report of the Group, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Subsequent events Australian Bushfires

We draw attention to Note 20, which describes the impact of bushfires on the group. Our opinion is not qualified in respect of this matter.

Emphasis of Matter - Subsequent events COVID-19

We draw attention to Note 20, which describes the impact of the Corona Virus (COVID-19). Our opinion is not qualified in respect of this matter.



**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF GREENFLEET TRUST**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, 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 accordingly 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. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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



**GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
ABN: 86 693 237 685**

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF GREENFLEET TRUST**

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

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.

A handwritten signature in black ink that reads 'M Harrison'.

M J HARRISON

Partner

A handwritten signature in black ink that reads 'Pitcher Partners'.

PITCHER PARTNERS

MELBOURNE

Date 23 April 2020