



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 2020

Pitcher Partners

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**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 2020 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 \$1,281,218 (2019: \$1,053,550).

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.

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 bushfires, a changing climate and COVID-19, 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.

After balance date events

No matters or circumstances 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.

Likely developments

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

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

ABN: 86 693 237 685

DIRECTORS' REPORT

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 2020 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 \$2,877 (2019: \$1,886).

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

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the group.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

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 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Income	2	<u>7,130,887</u>	<u>5,613,586</u>
		<u>7,130,887</u>	<u>5,613,586</u>
Less: expenses			
Forestry, Planting & Maintenance		(3,893,445)	(3,028,028)
Thought Leadership & Research		(151,986)	(307,814)
Supporter Engagement		(898,723)	(739,584)
Administration		(901,992)	(409,610)
Impairment of assets held for sale		(2,957)	(75,000)
		<u>(5,849,103)</u>	<u>(4,560,036)</u>
Surplus before income tax expense		1,281,784	1,053,550
Income tax expense	4	<u>(566)</u>	<u>-</u>
Net surplus from continuing operations		<u>1,281,218</u>	<u>1,053,550</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>1,281,218</u></u>	<u><u>1,053,550</u></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 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	4,872,383	5,459,846
Receivables	7	543,265	216,937
Current tax assets	4	-	566
Other assets	8	163,479	70,724
Assets classified as held for sale	9	-	275,000
Total current assets		<u>5,579,127</u>	<u>6,023,073</u>
Non-current assets			
Property, plant and equipment	10	<u>4,050,687</u>	<u>2,121,174</u>
Total non-current assets		<u>4,050,687</u>	<u>2,121,174</u>
Total assets		<u>9,629,814</u>	<u>8,144,247</u>
Current liabilities			
Payables	11	196,867	351,464
Borrowings	12	2,055	1,103
Provisions	13	<u>1,081,320</u>	<u>723,326</u>
Total current liabilities		<u>1,280,242</u>	<u>1,075,893</u>
Non-current liabilities			
Provisions	13	<u>10,333</u>	<u>10,333</u>
Total non-current liabilities		<u>10,333</u>	<u>10,333</u>
Total liabilities		<u>1,290,575</u>	<u>1,086,226</u>
Net assets		<u>8,339,239</u>	<u>7,058,021</u>
Trust funds			
Trust funds	14	100	100
Accumulated surplus		<u>8,339,139</u>	<u>7,057,921</u>
Total trust funds		<u>8,339,239</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 CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Settled Sum	Accumulated	Total equity
	\$	\$	\$
Consolidated			
Balance as at 1 January 2019	100	6,004,371	6,004,471
Surplus for the year	-	<u>1,053,550</u>	<u>1,053,550</u>
Total comprehensive income for the year	-	<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>
Balance as at 1 January 2020	100	7,057,921	7,058,021
Surplus for the year	-	<u>1,281,218</u>	<u>1,281,218</u>
Total comprehensive income for the year	-	<u>1,281,218</u>	<u>1,281,218</u>
Balance as at 31 December 2020	<u>100</u>	<u>8,339,139</u>	<u>8,339,239</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 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from supporters		4,646,307	4,346,812
Operating grant receipts		2,414,991	1,350,000
Payments to suppliers and employees		(5,956,184)	(4,196,206)
Interest received		<u>33,751</u>	<u>79,043</u>
Net cash provided by operating activities	15(b)	<u>1,138,865</u>	<u>1,579,649</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		274,104	-
Payment for property, plant and equipment		<u>(2,001,384)</u>	<u>(30,270)</u>
Net cash (used in) investing activities		<u>(1,727,280)</u>	<u>(30,270)</u>
Cash flow from financing activities			
Proceeds from borrowings		<u>952</u>	<u>927</u>
Net cash provided by financing activities		<u>952</u>	<u>927</u>
Reconciliation of cash			
Cash at beginning of the financial year		5,459,846	3,909,540
Net (decrease) / increase in cash held		<u>(587,463)</u>	<u>1,550,306</u>
Cash at end of financial year	15(a)	<u><u>4,872,383</u></u>	<u><u>5,459,846</u></u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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 2020

	2020	2019
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
Interest income	33,751	79,043
Government grants	443,566	-
Grants	2,414,991	1,350,000
Donations	3,632,731	3,641,980
Other revenue	<u>605,848</u>	<u>542,563</u>
	<u><u>7,130,887</u></u>	<u><u>5,613,586</u></u>
 NOTE 3: EXPENSES		
Surplus before income tax has been determined after:		
Finance costs	107	27
Depreciation		
- buildings	34,080	34,080
- plant and equipment	<u>35,730</u>	<u>34,133</u>
	69,810	68,213
Foreign currency translation losses	4,220	1,251
Employee benefits	1,442,947	1,383,769

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 4: INCOME TAX		
(a) Components of tax expense		
Current tax	1,067	(1,536)
(Over) / under provision in prior years	<u>(501)</u>	<u>1,536</u>
	<u>566</u>	<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% (2019: 30.0%)	384,535	316,065
Add tax effect of:		
- (Over) / under provision for income tax in prior year	<u>(501)</u>	<u>1,536</u>
	(501)	1,536
Less tax effect of:		
- Non-assessable items (trust income)	<u>383,468</u>	<u>317,601</u>
	<u>383,468</u>	<u>317,601</u>
Income tax expense attributable to surplus	<u>566</u>	<u>-</u>
(c) Current tax		
Current tax relates to the following:		
<i>Current tax liabilities / (assets)</i>		
Opening balance	(566)	(566)
Income tax	1,067	(1,536)
(Over) / under provisions	<u>(501)</u>	<u>1,536</u>
Current tax liabilities / (assets)	<u>-</u>	<u>(566)</u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the group

- short-term employee benefits	292,429	469,069
- post-employment benefits - superannuation	<u>27,781</u>	<u>39,193</u>
	<u><u>320,210</u></u>	<u><u>508,262</u></u>

The above compensation details relate to the CEO and General Manager - Revegetation 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 McClowry
 Mr David Lamb
 Mr Jack Holden
 Ms Dominique Hes
 Ms Alexis Denby

The names of key management personnel during the year are:

Name

Position

Wayne Wescott	CEO
Michael Coleman	General Manager - Revegetation

	2020	2019
	\$	\$

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	200	200
Cash at bank	2,557,771	3,166,097
Cash on deposit	<u>2,314,412</u>	<u>2,293,549</u>
	<u><u>4,872,383</u></u>	<u><u>5,459,846</u></u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	457,697	156,844
Allowance for credit losses	<u>(5,000)</u>	<u>(5,000)</u>
	452,697	151,844
Term debtors	3,417	8,488
Other receivables	<u>87,151</u>	<u>56,605</u>
	<u>543,265</u>	<u>216,937</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
	2020	2020	2019	2019
	\$	\$	\$	\$
Not past due	345,377	-	95,006	-
Past due 31-60 days	39,539	-	39,938	-
Past due 61-90 days	25,952	-	17,269	-
Past due more than 90 days	<u>46,510</u>	<u>5,000</u>	<u>4,631</u>	<u>5,000</u>
	<u>457,378</u>	<u>5,000</u>	<u>156,844</u>	<u>5,000</u>

	2020	2019
	\$	\$
NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	62,093	17,626
Other current assets	<u>101,386</u>	<u>53,098</u>
	<u>163,479</u>	<u>70,724</u>

GREENFLEET AUSTRALIA LTD (AS TRUSTEE FOR GREENFLEET TRUST) AND CONTROLLED ENTITY
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
NOTE 9: ASSETS CLASSIFIED AS HELD FOR SALE		
(a) Carrying amounts of assets and liabilities		
<i>Assets</i>		
Land	<u>-</u>	<u>275,000</u>
	<u>-</u>	<u>275,000</u>
Assets classified as held for sale	<u>-</u>	<u>275,000</u>
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Land		
At cost	<u>2,370,215</u>	<u>417,892</u>
Buildings		
At cost	1,703,967	1,703,967
Accumulated depreciation	<u>(136,319)</u>	<u>(102,239)</u>
	<u>1,567,648</u>	<u>1,601,728</u>
Total land and buildings	<u>3,937,863</u>	<u>2,019,620</u>
Plant and equipment		
Plant and equipment at cost	373,365	329,014
Accumulated depreciation	<u>(260,541)</u>	<u>(227,460)</u>
	<u>112,824</u>	<u>101,554</u>
Total property, plant and equipment	<u>4,050,687</u>	<u>2,121,174</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	417,892
Additions	<u>1,952,323</u>	<u>-</u>
Closing carrying amount	<u>2,370,215</u>	<u>417,892</u>
<i>Buildings</i>		
Opening carrying amount	1,601,728	1,635,808
Depreciation expense	<u>(34,080)</u>	<u>(34,080)</u>
Closing carrying amount	<u>1,567,648</u>	<u>1,601,728</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 2020

	2020	2019
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Plant and equipment</i>		
Opening carrying amount	101,554	105,417
Additions	49,061	30,270
Disposals	(2,061)	-
Depreciation expense	<u>(35,730)</u>	<u>(34,133)</u>
Closing carrying amount	<u><u>112,824</u></u>	<u><u>101,554</u></u>
 NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	128,115	147,226
Sundry creditors and accruals	<u>68,752</u>	<u>204,238</u>
	<u><u>196,867</u></u>	<u><u>351,464</u></u>
 NOTE 12: BORROWINGS		
CURRENT		
<i>Secured liabilities</i>		
Bank loans	<u><u>2,055</u></u>	<u><u>1,103</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 2020

		2020	2019
		\$	\$
NOTE 13: PROVISIONS			
CURRENT			
Employee benefits	(a)	101,291	91,055
Carbon planting provisions	(b)	<u>980,029</u>	<u>632,271</u>
		<u>1,081,320</u>	<u>723,326</u>
NON CURRENT			
Employee benefits	(a)	<u>10,333</u>	<u>10,333</u>
(a) Aggregate employee benefits liability		111,624	101,388
(b) Carbon planting provisions			
This balance is the sum of the provision for carbon planting and the provision for tree losses.			
Opening balance		632,271	428,769
Additional obligations from donations		1,007,372	1,018,603
Reduction relating to planting activities and natural regeneration		(539,340)	(781,578)
Adjustment for movement in cost per tonne of carbon		(97,737)	(42,161)
Adjustment for increase in provision for replants		<u>(22,537)</u>	<u>8,638</u>
Closing balance		<u>980,029</u>	<u>632,271</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 2020

	2020	2019
	\$	\$
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	2,557,771	3,166,097
At call deposits with financial institutions	<u>2,314,412</u>	<u>2,293,549</u>
	<u>4,872,383</u>	<u>5,459,846</u>
(b) Reconciliation of cash flow from operations with surplus after income tax		
Surplus from ordinary activities after income tax	1,281,218	1,053,550
Adjustments and non-cash items		
Depreciation	69,810	68,213
Loss on disposal of land	2,957	-
Loss on revaluation of land	-	75,000
Changes in operating assets and liabilities		
(Increase) in receivables	(326,328)	(27,640)
(Increase) / decrease in other assets	(92,755)	2,603
(Decrease) / increase in payables	(154,597)	225,858
Increase in carbon provisions	347,758	203,502
Increase / (decrease) in employee provisions	<u>10,236</u>	<u>(21,437)</u>
Cash flows from operating activities	<u>1,138,299</u>	<u>1,579,649</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	561,614
Gross income obtained from fundraising	3,632,731

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 2020

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. In the prior 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

There has been no matter or circumstance, which has arisen since 31 December 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2020, of the group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2020, 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 2020

	2020	2019
	\$	\$
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	5,574,422	6,016,591
Non-current assets	<u>4,105,187</u>	<u>2,121,174</u>
Total assets	<u>9,679,609</u>	<u>8,137,765</u>
Liabilities		
Current liabilities	1,280,176	1,071,060
Non-current liabilities	<u>10,333</u>	<u>10,333</u>
Total liabilities	<u>1,290,509</u>	<u>1,081,393</u>
Net assets	<u>8,389,100</u>	<u>7,056,372</u>
Equity		
Trust funds	50,100	100
Retained earnings	<u>8,334,500</u>	<u>7,056,272</u>
Total equity	<u>8,384,600</u>	<u>7,056,372</u>
(b) Summarised statement of profit or loss and other comprehensive income		
Surplus for the year	1,285,718	1,058,670
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>1,285,718</u>	<u>1,058,670</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

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 2020, 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 2020 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.

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.

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**

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

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:

- 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.

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)

- 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.

M J HARRISON

Partner

PITCHER PARTNERS

MELBOURNE

Date: