



**carbonconscious**

ABN 59 629 272 037

# HALF YEAR REPORT 31 MARCH 2021

**Carbon Conscious Investments Limited and Controlled Entities  
Financial Report for the period from  
1 October 2020 to 31 March 2021**



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## **CARBON CONSCIOUS INVESTMENTS LIMITED**

**ABN 59 629 272 037**

### **DIRECTORS**

Anthony Fitzgerald (Executive Director & Company Secretary)

Natasha Ayers (Non-Executive Director)

Raphael Wood (Non-Executive Director)

### **PRINCIPAL & REGISTERED OFFICE**

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West Leederville WA 6007

Telephone: (08) 9204 8400

### **SHARE REGISTRY**

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

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### **SOLICITORS**

HWL Ebsworth

Level 20, 240 St Georges Terrace

Perth WA 6000

### **BANKERS**

BankWest

300 Murray Street

Perth WA 6000

### **AUDITORS**

Elderton Audit Pty Ltd

Level 2, 267 St Georges Terrace

Perth WA 6000

# SUMMARY OF OPERATIONS

Dear Shareholders

31 March 2021 marked the Half Financial Year for Carbon Conscious Investments Limited (CCIU).

As flagged in the Annual Report, the 2020 Offset Reports and ACCU claims for Projects 1 and 2 normally submitted late in each calendar year were deferred to allow an assessment of whether forest impact from the 2019-2020 drought was material.

To undertake the assessment, high resolution multi spectral aerial images were captured in October. The images were analysed to identify live trees and crown cover to a 0.2Ha scale (as required by the methodology) and this data was cross referenced to drone and on-ground observations and images, and the results were as follows:

- The area of Project 1 was reduced by 120Ha from 5,710 to 5,590Ha.
- While it was still a work in progress at the time of this report, it appears that the total area of Project 2 will be reduced by 1,200Ha from 11,000Ha to 9,800Ha.

Given the nature of the ACCU Offtake Agreements associated with the projects through to 2027 the area reduction will have limited impact on revenue until post 2027 when the company becomes solely reliant on project area productivity.

Notable events for the period 1 October 2020 to 31 March 2021 included the following:

- Settlement of the final tranche (\$100,000) of the Alterra loan
- Divestment of the final parcel of shares in Rumble Resources
- Payment of a final dividend for FY 2020 of \$455,000 (\$0.00262/share) in December 2020.
- The submission of an Offset Report and ACCU Claim for the remapped Project 1 to the Clean Energy Regulator.

Other notable events which have occurred post 31 March 2021:

- In April cyclone Seroja crossed the coast of WA and evidence of impact has been observed on 6 properties. The impact ranged from isolated broken limbs through to trees being blown over, and the significance ranged from what will amount to a thinning event that will benefit unaffected trees and have no net affect through to areas that may need to be removed from the Projects. With the affected areas being determined to have been less than 5% of the Project areas no immediate action is required and the status of affected areas will be monitored and addressed in future Offset Reports.
- During the period February to April 2021 rainfall over the project properties was 150-300% above the long-term average and subject to normal conditions for the remainder of the year would represent a positive pulse event for tree growth and health.



Anthony Irwin Fitzgerald - Managing Director

## Auditor's Independence Declaration

To those charged with the governance of Carbon Conscious Investments Limited

As auditor for the review of Carbon Conscious Investments Limited for the half-year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd.

**Elderton Audit Pty Ltd**

Nicholas Hollens

**Nicholas Hollens**  
Managing Director

16 May 2021

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 MARCH 2021

		CONSOLIDATED	
	Note	6 Months Ended 31 March 2021	6 Months Ended 31 March 2020
		\$	\$
Revenue from operations	2	1,309,395	1,379,731
Other income	2	101,374	10,000
Cost of Sales		(324,775)	
Operating Expenses			(265,883)
Administrative expenses		(70,780)	(80,693)
Business development expenses		-	(607)
Depreciation and amortisation expense		(283,436)	(282,993)
Employee benefits expense		(87,582)	(55,403)
Financing expenses		(1,303)	(21,214)
<b>Profit before income tax expense</b>		<b>642,893</b>	<b>682,938</b>
Income tax expense	3	(87,969)	(172,811)
<b>Profit after income tax expense for the year</b>		<b>554,924</b>	<b>510,127</b>
<b>Other comprehensive (expense)/income for the period</b>			
Fair value (loss)/ gain on investment	8	-	(56,194)
<b>Total comprehensive income for the year</b>		<b>554,924</b>	<b>453,933</b>
Basic earnings per share (cents per share)	4	<b>0.32</b>	<b>0.26</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	CONSOLIDATED	
		31 March 2021	30 September 2020
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	5	939,271	934,691
Trade and other receivables	6	661,946	642,917
Inventories	7	9,853	21,876
Investments	8	-	233,589
Prepayments		51,746	75,001
<b>Total Current Assets</b>		<b>1,662,816</b>	<b>1,908,074</b>
<b>Non-Current Assets</b>			
Intangible assets	9	3,099,472	3,382,465
Inventories	7	32,067	32,067
Plant & Equipment	10	3,723	1,896
<b>Total Non-Current Assets</b>		<b>3,135,262</b>	<b>3,416,428</b>
<b>Total Assets</b>		<b>4,798,078</b>	<b>5,324,502</b>
<b>Current Liabilities</b>			
Trade and other payables	11	182,039	326,007
Interest bearing liabilities	12	-	100,000
Provision for income tax	3	137,681	234,744
<b>Total Current Liabilities</b>		<b>319,720</b>	<b>660,751</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability		547,178	667,728
<b>Total Non-Current Liabilities</b>		<b>547,178</b>	<b>667,728</b>
<b>Total Liabilities</b>		<b>866,898</b>	<b>1,328,479</b>
<b>Net Assets</b>		<b>3,931,180</b>	<b>3,996,023</b>
<b>Equity</b>			
Issued capital	13	3,436,167	3,436,167
Accumulated other comprehensive income		-	164,810
Retained earnings		495,013	395,046
<b>Total Equity</b>		<b>3,931,180</b>	<b>3,996,023</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2021

		CONSOLIDATED	
		Inflows/(Outflows)	Inflows/(Outflows)
	Note	6 months Ended 31 March 2021	6 months Ended 31 March 2020
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,290,366	1,373,289
Payments to suppliers and employees		(591,828)	(419,454)
Interest received		-	3,743
Interest paid		(1,303)	(21,214)
Income tax paid		(305,582)	(328,318)
Net cash provided by operating activities		391,653	608,046
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		170,153	-
Purchase of plant and equipment		(2,269)	-
Net cash provided by investing activities		167,884	-
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders		(454,957)	(409,369)
Return of capital paid to shareholders		-	(111,631)
Repayment of borrowings		(100,000)	(300,000)
Net cash provided by financing activities		(554,957)	(821,000)
Net increase in cash and cash equivalents		4,580	(212,954)
Cash and cash equivalents at beginning of period		934,691	1,079,808
<b>Cash and cash equivalents at end of period</b>	5	939,271	866,854

The accompanying notes form part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE HALF YEAR ENDED 31 MARCH 2020

CONSOLIDATED				
	Issued Capital	Other Comprehensive Income	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 October 2019	3,547,798	50,381	359,840	3,958,019
Profit/(loss) attributable to members	-	(56,194)	510,127	453,933
Dividends paid	-	-	(409,369)	(409,369)
Total comprehensive income for the year	-	(56,194)	100,758	44,564
Shares issued on de-merger	-	-	-	-
Return of capital	(111,631)	-	-	(111,631)
<b>Balance at 31 March 2020</b>	<b>3,436,167</b>	<b>(5,813)</b>	<b>460,598</b>	<b>3,890,952</b>

## FOR THE HALF YEAR ENDED 31 MARCH 2021

CONSOLIDATED				
	Issued Capital	Other Comprehensive Income	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 October 2020	3,436,167	164,810	395,046	3,996,023
Profit/(loss) attributable to members	-	-	554,924	554,924
Items of other comprehensive income recognised directly to retained earnings	-	(164,810)	-	(164,810)
Dividends paid	-	-	(454,957)	(454,957)
Total comprehensive income for the year	-	(164,810)	99,967	(64,843)
Shares issued on de-merger	-	-	-	-
Return of capital	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>3,436,167</b>	<b>-</b>	<b>495,013</b>	<b>3,931,180</b>

The accompanying notes form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2021

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 March 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 September 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The financial statements were authorised for issue on 16 May 2021 by the directors of the company.

No new or amended accounting practices have been adopted since the end of the 2020 accounting period (refer to the 2020 Annual Report).

## NOTE 2: REVENUE

	CONSOLIDATED	
	6 Months Ended 31 March 2021	6 Months Ended 31 March 2020
	\$	\$
<b>(a) Revenue from operations</b>		
VCO sales	12,022	11,662
ACCU Sales	-	88,974
CFI Project - Land licence fees	589,013	587,632
CFI Project - Management fees	708,360	687,720
Interest received	-	3,743
	1,309,395	1,379,731
<b>(b) Other income</b>		
COVID-19 Financial Assistance	-	10,000
Realised capital gain	101,374	-
	101,374	10,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2021

## NOTE 3: INCOME TAX

	CONSOLIDATED	
	31 March 2021	31 March 2020
Income tax expense recognised in profit or loss	87,969	172,811
<b>Total income tax expense recognised in profit or loss</b>	<b>87,969</b>	<b>172,811</b>
<b>Numerical reconciliation between tax expense and pre-tax net loss</b>		
Profit before tax	642,893	682,938
Income tax expense using the domestic tax rate of 26% (2020: 27.5% )	167,152	187,808
Other adjustments	(79,183)	(14,997)
<b>Income tax attributable to entity</b>	<b>87,969</b>	<b>172,811</b>

## NOTE 4: EARNINGS PER SHARE

	CONSOLIDATED	
	31 March 2021	31 March 2020
	Cents per share	Cents per share
Basic earnings per share	0.32	0.26
The earnings and weighted average number of Ordinary Shares used in the calculation of basic earnings per share are as follows:		
	\$	\$
Profit for the period	554,924	453,933
	No.	No.
Weighted average number of Ordinary Shares outstanding during the period used in calculating basic EPS	173,647,045	173,647,045

## NOTE 5: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
Cash at bank and on hand	939,271	934,691

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2021

## NOTE 6: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
<b>Current</b>		
Trade receivables	66,928	54,326
Accrued income	595,018	588,591
	661,946	642,917

## NOTE 7: INVENTORIES

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
<b>Current</b>		
Inventory - Voluntary Carbon Offsets	9,853	21,876
	9,854	21,876
<b>Non current</b>		
Inventory – Seed	17,630	17,630
Inventory – Voluntary Carbon Offsets	14,437	14,437
	32,067	32,067

## NOTE 8: INVESTMENTS

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
Investment in Rumble Resources Limited		
Opening fair value	233,589	153,080
Disposals	(170,153)	(92,279)
Realised gain	101,374	58,359
Fair Value Movement	-	114,429
Accumulated other comprehensive income	(164,810)	-
Closing fair value	-	233,589

Under the terms of AASB 9 Financial Instruments at 30 September 2020 the investment had been classified as fair value through other comprehensive income.

The Group has sold all shares previously held in Rumble Resources Limited.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2021

## NOTE 9: INTANGIBLE ASSETS

	CONSOLIDATED	
	31 March 2021	30 September 2020
<b>Forestry Rights</b>	\$	\$
Forestry Rights at cost	14,177,854	14,177,854
Accumulated amortisation on forestry rights	(11,078,382)	(10,795,389)
	<b>3,099,472</b>	<b>3,382,465</b>

## NOTE 10: PLANT & EQUIPMENT

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
Cost	2,132	-
Accumulated depreciation	(236)	-
As at 1 October, net of accumulated depreciation	1,896	-
Additions	2,269	2,132
Disposals	-	-
Depreciation charge for the year	(443)	(236)
As at end of period net of accumulated depreciation	3,722	1,896
Cost	4,401	2,132
Accumulated depreciation	(679)	(236)
Net carrying amount	<b>3,723</b>	<b>1,896</b>

## NOTE 11: TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	31 March 2021	30 September 2020
<b>Current</b>	\$	\$
Trade payables	156,968	201,806
Employee benefits accrual	3,040	5,652
GST Payable	47,401	43,691
ATO overpayment	(28,613)	66,763
Sundry payables and accrued expenses	3,243	8,095
	<b>182,039</b>	<b>326,007</b>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 MARCH 2021

## NOTE 12: INTEREST BEARING LIABILITIES

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
<b>Current</b>		
<i>Unsecured</i>		
Loan from Alterra	-	100,000
<b>Non-Current</b>		
<i>Unsecured</i>	-	-
	-	100,000

The Group parent company (Carbon Conscious Investments Limited) had an unsecured loan provided by Alterra Limited.

The principal was originally \$1,000,000 and interest of 6.5% was compounded daily. The loan was repaid in full by 15 December 2020.

## NOTE 13: ISSUED CAPITAL AND RESERVES

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
<b>Issued Capital</b>		
173,647,045 (30 September 2020: 173,647,045) fully paid Ordinary Shares		
<b>Movement in Ordinary Shares on issue</b>		
At beginning of the financial reporting period	3,436,167	3,547,798
Return of capital	-	(111,631)
	3,436,167	3,436,167

## NOTE 14: DIVIDENDS

Dividends paid were as follows:

	CONSOLIDATED	
	31 March 2021	30 September 2020
	\$	\$
Dividend paid	454,957	864,326
	454,957	864,326

The directors declared a fully franked dividend (record date 10 December 2019) of \$0.00235747 per ordinary share to be paid on 13 December 2019.

A return of capital of \$0.00064286 per ordinary share was also paid to shareholders on 13 December 2019.

The directors declared a fully franked interim dividend (record date 7 May 2020) of \$0.00262000 per ordinary share to be paid on 15 May 2020.

The directors declared a fully franked dividend (record date 16 December 2020) of \$0.00262000 per ordinary share to be paid on 23 December 2020.

## DIRECTORS' DECLARATION

1. In the opinion of the Directors of Carbon Conscious Investments Limited (the 'Company'):
  - (a) the accompanying financial statements, notes and additional disclosures are in accordance with the Corporations Act 2001 including:
    - i. giving a true and fair view of the Group's financial position as at 31 March 2021 and of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the period ended 31 March 2021.

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



**ANTHONY FITZGERALD**  
Managing Director  
Carbon Conscious Investments Limited

## Independent Auditor's Review Report

To the members of Carbon Conscious Investments Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the 31 March 2021 financial report of Carbon Conscious Investments Limited ('the Company') and its controlled entities (collectively referred to as 'the Group'), which comprises the consolidated statement of financial position as at 31 March 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the director's declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying 31 March 2021 financial report of the Group has not been prepared, in all material respects, in accordance with Australian Accounting Standards and the *Corporation Act 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

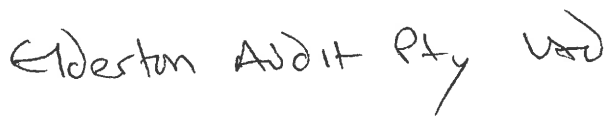
#### *Responsibility of Management for the Financial Report*

Management of the Group are responsible for the preparation and fair presentation of the 31 March 2021 financial report in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. and for such internal control management determine is necessary to enable the preparation and fair presentation of the 31 March 2021 financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report has not been prepared, in all material respects in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Elderton Audit Pty Ltd



Nicholas Hollens

Managing Director

16 May 2021

Perth