



ABN 59 629 272 037

Half Year Report

31 March 2023

Carbon Conscious Investments Limited and Controlled Entities

**Financial Report for the period from
1 October 2022 to 31 March 2023**



Carbon Conscious Investments Limited is a Member of the Carbon Market Institute

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Corporate Information

CARBON CONSCIOUS INVESTMENTS LIMITED

ABN 59 629 272 037

DIRECTORS

Anthony Fitzgerald (Managing Director & Company Secretary)
Andrew McBain (Executive Director)
Gregory Harvey (Non-Executive Director)
Paul Jensen (Non-Executive Director)
Raphael Wood (Non-Executive Director)

SOLICITORS

Allens
Level 11, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

PRINCIPAL & REGISTERED OFFICE

Level 3
1060 Hay Street
West Perth WA 6005

BANKERS

BankWest
300 Murray Street
Perth WA 6000

SHARE REGISTRY

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664

AUDITORS

Elderton Audit Pty Ltd
Level 32, 152 St Georges Terrace
Perth WA 6000

Summary of Operations

This report addresses the affairs of the company for the Half Financial Year that ended on 31 March 2023 with matters of note during the period including:

- The execution of a Fully Franked Dividend of \$1,168,753 (0.673 cents /share) in December 2022.
- Continuing solidification of Federal Government decarbonisation policies flowing through to support the environment and market for carbon offset projects such as those managed by the company.
- The completion and submission of an Offset Report and ACCU Claim for the 5,590Ha Project 1 for the period 1 November to 31 October 2022 and subsequent issuance of ACCUs by the Clean Energy Regulator.
- The completion and submission of an Offset Report and ACCU Claim for the 9,860Ha Project 2 for the period 1 November to 31 October 2022 and subsequent issuance of ACCUs by the Clean Energy Regulator.
- Non-Executive Director Dr Natasha Ayers retired from the Board as of the 28 February 2023 AGM.
- Executive Director Mr Andrew McBain and Non-Executive Directors Mr Paul Jensen and Mr Greg Harvey, having been appointed by the Board during 2022 were elected by shareholders to the Board at the 28 February AGM.
- Work with parties interested in investing in the company included detailed consideration of transaction structures and due diligence.
- With an eye to delivering best value for shareholders the company has appointed advisors who are currently engaged in canvassing widely with a view to identifying a party interested in purchasing the company or its assets.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Carbon Conscious Investments Limited (referred to hereafter as the 'company') and the entities it controlled at the end of, or during, the half-year ended 31 March 2023.

Directors

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire year unless stated below.

Raphael Wood	(Non-Executive Director and Chairman)
Anthony Fitzgerald	(Managing Director and Company Secretary)
Andrew McBain	(Executive Director)
Natasha Ayers	(Independent Non-Executive Director) – resigned on 28 February 2023
Paul Jensen	(Independent Non-Executive Director)
Gregory Harvey	(Non-Executive Director)

Principal Activities

The principal activity of the Group is the management of 2 Western Australian carbon reforestation projects, Carbon Conscious Carbon Capture Project 1 (5,700 Ha) and Carbon Conscious Carbon Capture Project 2 (11,000 Ha) (Projects) under contract with Origin Energy and BP that extend to 2027 and 2025 respectively.

The principal activity of the Group is the management of 2 Western Australian carbon reforestation projects, Carbon Conscious Carbon Capture Project 1 (5,700 Ha) and Carbon Conscious Carbon Capture Project 2 (11,000 Ha) (Projects) under contract with Origin Energy and BP that extend to 2027 and 2025 respectively.

The eucalyptus mallee reforestation Projects were established across 30 properties in the Western Australian wheat-belt between 2009 and 2012 for the purposes of sequestering carbon from the atmosphere and generating carbon credits.

In 2013, the Projects were registered with the Emissions Reduction Fund (ERF) and under the administration of the Clean Energy Regulator (CER) to generate Australian Carbon Credit Units (ACCUs) and under the current Project Declarations will continue to generate ACCUs until December 2039.

The Group is paid quarterly management and carbon license fees out till 2027 for managing the reforestation Projects and Offset Reporting with the majority of ACCUs generated allocated to Origin and BP with a minor share allocated to the Group.

Post the contracted period all ACCUs generated by the Projects will be for the benefit of the Company and will be the basis of revenue through to December 2039.

Review of Operations

The profit of the Group for the half year ended 31 March 2023 after providing for income tax amounted to \$589,403 (2022: \$540,388).

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Auditor Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Signed in accordance with a resolution of the directors.



Anthony Fitzgerald
Managing Director
2 June 2023
Perth, Western Australia

Auditor's Independence Declaration

To those charged with the governance of Carbon Conscious Investment Limited

As auditor for the review of Carbon Conscious Investment Limited for the half-year ended 31 March 2023, 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



Rafay Nabeel
Audit Director

2 June 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF YEAR ENDED 31 MARCH 2023

CONSOLIDATED			
	Note	6 Months Ended 31/03/2023	6 Months Ended 31/03/2022
		\$	\$
Revenue from operations	2	1,522,430	1,500,930
Cost of Sales		(104,937)	(286,915)
<i>Operating Expenses</i>			
Administrative expenses		(298,080)	(61,652)
Business development expenses		(87,164)	(59,828)
Depreciation and amortisation expense		(65,575)	(283,542)
Employee benefits expense		(186,541)	(87,902)
Financing expenses		-	-
Profit before income tax expense		780,133	721,092
Income tax expense	3	(190,730)	(180,704)
Profit after income tax expense for the year		589,403	540,388
Other comprehensive (expense)/income for the period			
Other comprehensive income		-	-
Total comprehensive income for the year		589,403	540,388
Basic earnings per share (cents per share)	4	0.34	0.31

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 31 MARCH 2023

CONSOLIDATED			
	Note	31 March 2023	30 September 2022
		\$	\$
Current Assets			
Cash and cash equivalents	5	1,782,481	2,444,967
Trade and other receivables	6	689,420	664,660
Inventories	7	57,961	-
Prepayments		39,944	28,982
Total Current Assets		2,569,806	3,138,609
Non-Current Assets			
Intangible assets	8	2,185,262	2,250,494
Inventories	7	17,630	17,630
Plant & Equipment	9	1,493	1,837
Total Non-Current Assets		2,204,385	2,269,961
Total Assets		4,774,191	5,408,570
Current Liabilities			
Trade and other payables	10	295,845	163,977
Provision for income tax		122,032	277,254
Total Current Liabilities		417,877	441,231
Non-Current Liabilities			
Deferred tax liability		332,111	363,893
Total Non-Current Liabilities		332,111	363,893
Total Liabilities		749,988	805,124
Net Assets		4,024,203	4,603,446
Equity			
Issued capital	11	3,436,167	3,436,167
Accumulated other comprehensive income		-	-
Retained earnings		588,036	1,167,279
Total Equity		4,024,203	4,603,446

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE PERIOD ENDED 31 MARCH 2023

CONSOLIDATED			
	Note	6 months Ended 31 March 2023	6 months Ended 31 March 2022
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,497,670	1,511,070
Payments to suppliers and employees		(613,776)	(526,163)
Interest received		-	-
Interest paid		-	-
Income tax paid		(377,734)	(290,749)
Net cash provided by operating activities		506,160	694,158
Cash flows from investing activities			
Purchase of plant and equipment		-	-
Net cash provided by investing activities		-	-
Cash flows from financing activities			
Dividends paid to shareholders		(1,168,646)	(399,389)
Return of capital paid to shareholders		-	-
Repayment of borrowings		-	-
Net cash provided by financing activities		(1,168,646)	(399,389)
Net increase in cash and cash equivalents		(662,486)	294,769
Cash and cash equivalents at beginning of period		2,444,967	1,359,330
Cash and cash equivalents at end of period	5	1,782,481	1,654,099

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 MARCH 2023

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2021	3,436,167	594,937	4,031,104
Profit/(loss) attributable to members		540,388	540,388
Items of other comprehensive income recognised directly to retained earnings			
Total comprehensive income for the year	-	540,388	540,388
Dividends paid	-	(399,390)	(399,390)
Shares issued on de-merger	-	-	-
Return of capital	-	-	-
Balance at 31 March 2022	3,436,167	735,935	4,172,102

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 October 2022	3,436,167	1,167,279	4,603,446
Profit/(loss) attributable to members		589,403	589,403
Items of other comprehensive income recognised directly to retained earnings			
Total comprehensive income for the year	-	589,403	589,403
Dividends paid (refer to Note 12)	-	(1,168,646)	(1,168,646)
Shares issued on de-merger	-	-	-
Return of capital	-	-	-
Balance at 31 March 2023	3,436,167	588,036	4,024,203

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE HALF YEAR ENDED 31 MARCH 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 March 2023 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 2022 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. No new or amended accounting practices have been adopted since the end of the 2022 accounting period (refer to the 2022 Annual Report) except for Intangible assets useful life:

Intangible Assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a systematic basis over their estimated useful lives which reflect the pattern in which the intangible asset's future economic benefits are expected to be consumed by the entity. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Forestry and carbon rights are either held together with the freehold title of the land and as such disclosed as land assets under property, plant and equipment or, where the rights are held separately, disclosed as intangible assets. On the disposal of the freehold title, the remaining forestry and carbon rights are valued at the original cost of the freehold less the sales proceeds. The forestry and carbon rights are then amortized over the period in which the rights give rise to economic value, being carbon plantation management and offtake contracts and the capacity to generate Australian Carbon Credit Units (ACCUs) by submitting Offset Reports to the Clean Energy Regulator. The Clean Energy Regulator has issued a determination that claims for ACCUs can be made until December 2039. The forestry and carbon rights are also impairment tested on an annual basis.

The financial statements were authorised for issue on 2 June 2023 by the directors of the company.

NOTE 2: REVENUE

CONSOLIDATED		
	6 Months Ended 31 Mar 23	6 Months Ended 31 Mar 22
	\$	\$
Revenue from operations		
VCO sales	378	10,140
ACCU Sales	159,560	166,934
CFI Project - Land licence fees	587,592	592,831
CFI Project - Management fees	774,900	731,025
	1,522,430	1,500,930

All revenue is generated in Australia.

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 MARCH 2023

NOTE 2: REVENUE (CONTINUED)

Timing of revenue recognition:

CONSOLIDATED		
	6 Months Ended 31 Mar 23	6 Months Ended 31 Mar 22
	\$	\$
At a point in time		
ACCU sales	159,560	166,934
Over time		
VCO sales	378	10,140
CFI Project - Land licence fees	587,592	592,831
CFI Project - Management fees	774,900	731,025
	1,362,870	1,333,996
Total revenue	1,522,430	1,500,930

NOTE 3: INCOME TAX

Recognised in the profit or loss statement:

CONSOLIDATED		
	6 Months Ended 31 Mar 23	6 Months Ended 31 Mar 22
	\$	\$
Current tax expense		
Current year	224,368	219,991
Under / (over) provision for prior year	(1,856)	-
Deferred tax expense		
Origination and reversal of temporary differences	(29,237)	(39,287)
Under / (over) provision for prior year	(2,545)	-
	190,730	180,704

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 MARCH 2023

NOTE 3: INCOME TAX

CONSOLIDATED		
	31 Mar 23	31 Mar 22
	\$	\$
Income tax expense recognised in profit or loss	190,730	180,704
Total income tax expense recognised in profit or loss	190,730	180,704
Numerical reconciliation between tax expense and pre-tax net loss		
Profit before tax	780,133	721,092
Income tax expense using the domestic tax rate of 25% (2022: 26%)	195,033	180,273
Other adjustments	(4,303)	431
Income tax attributable to entity	190,730	180,704

NOTE 4: EARNINGS PER SHARE

CONSOLIDATED		
	31 Mar 23	31 Mar 22
	Cents per share	Cents per share
Basic earnings per share	0.34	0.31
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	589,403	540,388
	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 Mar 23	30 Sep 22
	\$	\$
Cash at bank and on hand	1,782,481	2,444,967

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 MARCH 2023

NOTE 6: TRADE AND OTHER RECEIVABLES

CONSOLIDATED		
	31 Mar 23	30 Sep 22
	\$	\$
Current		
Trade receivables	60,200	57,378
Accrued income	626,520	604,582
Deposits	2,700	2,700
	689,420	664,660

Accrued income refers to services rendered in the current quarter to be subsequently invoiced.

NOTE 7: INVENTORIES

CONSOLIDATED		
	31 Mar 23	30 Sep 22
	\$	\$
Current		
Inventory – ACCU	57,961	-
	57,961	-
Non current		
Inventory – Seed	17,630	17,630
	17,630	17,630

NOTE 8: INTANGIBLE ASSETS

CONSOLIDATED		
	31 Mar 23	30 Sep 22
	\$	\$
Forestry Rights		
Forestry Rights at cost	14,177,854	14,177,854
Accumulated amortisation on forestry rights	(11,992,592)	(11,927,360)
	2,185,262	2,250,494

Forestry and carbon rights are disclosed as intangible assets. The forestry and carbon rights useful life was revisited on 01 October 2022 and it was updated to 17.2 years, ending on December 2039.

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 MARCH 2023

NOTE 9: PLANT & EQUIPMENT

CONSOLIDATED		
	31 Mar 23	30 Sep 22
	\$	\$
Plant and equipment		
Cost	5,728	5,728
Accumulated depreciation	(4,235)	(3,891)
	1,493	1,837

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

CONSOLIDATED	
	\$
	\$
Balance at 1 October 2021	2,939
Addition	-
Depreciation	(1,102)
Balance at 1 October 2022	1,837
Addition	-
Depreciation	(344)
Balance at 31 March 2023	1,493

NOTE 10: TRADE AND OTHER PAYABLES

CONSOLIDATED		
	31 Mar 23	30 Sep 22
	\$	\$
Trade and other payables	226,813	90,103
GST payable	42,419	56,866
Sundry payables and accrued expenses	26,613	17,008
	295,845	163,977

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

Notes to the Consolidated Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 MARCH 2023

NOTE 11: ISSUED CAPITAL

CONSOLIDATED		
	31 Mar 23	30 Sep 22
	\$	\$
Issued Capital	3,436,167	3,436,167

Movements in ordinary issued capital:

	No	\$
	\$	\$
At 31 October 2021	173,647,045	3,436,167
Return of capital	-	-
At 30 September 2022	173,647,045	3,436,167
Return of capital	-	-
At 31 March 2023	173,647,045	3,436,167

NOTE 12: DIVIDENDS

Dividends paid were as follows:

CONSOLIDATED		
	6 Months Ended 31 Mar 23	6 Months Ended 31 Mar 22
	\$	\$
Dividends paid for the period	1,168,646	339,390

The directors declared an interim fully franked dividend of \$0.00673 per ordinary share paid on 8 December 2022.

NOTE 13: CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 31 March 2023 (30 September 2022: nil).

NOTE 14: SUBSEQUENT EVENTS AFTER REPORTING PERIOD

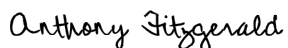
There were no matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 2023 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 2023.

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

Anthony Fitzgerald
Managing Director



2 June 2023,
Perth, Western Australia

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 half-year financial report of Carbon Conscious Investments Limited (the 'Company') and its controlled entities (collectively referred as the 'Group'), which comprises the condensed consolidated statement of financial position as at 31 March 2023, the condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 March 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 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 auditor independence requirements of the *Corporations Act 2001* 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of Management for the Financial Report

The directors of the group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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

Elderton Audit Pty Ltd



Rafay Nabeel

Audit Director

2 June 2023

Perth