

# **Carbon Market Institute Limited**

**ABN 11 146 804 668**

**Financial Statements - 30 June 2023**

**Carbon Market Institute Limited**

**Contents**

**30 June 2023**

Directors' report	2
Auditor's independence declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	25
Independent auditor's report to the members of Carbon Market Institute Limited	26

**General information**

The financial statements cover Carbon Market Institute Limited (the Company) as an individual entity. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The Company is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Hub Level 2  
696 Bourke Street  
Melbourne VIC 3000

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 October 2023. The directors have the power to amend and reissue the financial statements.

## Carbon Market Institute Limited

### Directors' report

30 June 2023

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2023.

#### Principal activities

The Carbon Market Institute Limited (the Company) is an independent, member-based institute accelerating the transition to net zero emissions. Our focus is to

- Build capacity and opportunities through inclusive engagement and education.
- Facilitate best practice and integrity in decarbonisation strategies, investments, carbon projects, and market participants.
- Develop and support policy and regulatory frameworks aligned with UNFCC Paris Agreement climate goals.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Strategic objectives

As the industry association for business leading the transition to net-zero emissions, the Company is working with a wide range of stakeholders to develop and encourage best practice with a particular focus on the following:

- to assist and support Australian industries with the implementation of climate-related markets and the management of the business risks and opportunities associated with the transition to a net-zero emissions economy;
- to work in concert with Australian industry and other key stakeholders to position Australia as an emissions trading hub for the Asia-Pacific region;
- to advance the education and training in response to Australian industry's needs in relation to moving to a net-zero emissions economy, in order to build the capacity and expertise required for a decarbonised economy;
- to advance education for Australian communities in relation to the benefits of moving to a net-zero emission economy;
- to conduct research and market analysis to keep Australian industries informed of characteristics of the domestic and international climate-related markets;
- to be an active independent clearing house and standard setter for reliable and unbiased carbon market information;
- to support Australian industry's engagement with international climate-related markets by facilitating and coordinating market information access and business cluster activity;
- to work in concert with relevant organisations, providers and stakeholders, as appropriate, to develop and implement standards and accreditation procedures, and build integrity, linkages and liquidity in the Australian carbon market; and
- to develop and promote efficient and effective emissions reduction policies.

#### Review of operations

The profit of the Company for the year amounted to \$235,943 (2022: \$705,715).

#### Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

##### Names

Elisa de Wit  
John Connor  
Kobad Bhavnagri  
Emily Gerrard  
Skye Glenday  
Raphael Wood  
Anna Hancock  
Phillipa Best  
Victoria Binns  
Ilona Millar  
Clark Donovan  
Kerry Schott

##### Appointed/Resigned

Resigned 2 November 2022  
  
Resigned 2 November 2022  
  
  
  
  
Appointed 2 November 2022  
Appointed 1 June 2023  
Appointed as Chair 2 November 2022

**Carbon Market Institute Limited**  
**Directors' report**  
**30 June 2023**

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Information on directors**

**Name:** Kerry Schott  
**Title:** Chair  
**Experience and expertise:** Kerry Schott is Chair of the Carbon Markets Institute. Kerry is currently a Director of AGL and a member of the Aware Super Direct Asset Committee. She has been a Chair and Non-Executive Director of a number of unlisted companies mainly in the infrastructure sector.

Kerry was Managing Director and CEO of Sydney Water from 2006 to 2011 and more recently was the Chair of the Energy Security Board, the NSW Net Zero Emissions Board and Energy Co Advisory Board. Kerry spent 15 years as a senior investment banker at Bankers Trust and Deutsche Bank and has been an academic at University College London.

Kerry holds a doctorate from Oxford University, a Master of Arts from the University of British Columbia, Vancouver and a Bachelor of Arts (first class Honours) from the University of New England, Armidale NSW. She was awarded an Order of Australia in 2015 for services to business and commerce and holds honorary doctorates from Sydney University, Western Sydney University and the University of New England.

**Name:** John Connor  
**Title:** Director  
**Experience and expertise:** John Connor is the CEO of the CMI. John brings over twenty-five years' experience working on public and business policy with a focus on climate, sustainability and development issues. John joins CMI following the successful conclusion of two years as Executive Director of the Fijian Government's COP23 Presidency Secretariat. In that role John managed the Secretariat's strategic, logistic and policy support functions as Fiji presided over UNFCCC negotiations. John is well known across Australia from his previous decade-long role as CEO of The Climate Institute, overseeing its focus on national policy, institutional investor and international climate diplomacy. He has worked on numerous boards, as well as government and business advisory panels, and has helped lead the formation of numerous alliances of business and community groups in the pursuit of an urgent but inclusive and just transition to the opportunities of decarbonised economies and societies. John is a qualified lawyer and graduate of the Australian Institute of Company Directors.

**Name:** Emily Gerrard  
**Title:** Director and Chair of Audit and Risk Committee  
**Experience and expertise:** Emily is a Director and Principal Lawyer at Comhar Group Pty Limited, an Australian-based legal and policy advisory firm. She is an environmental and climate change law specialist with extensive experience in native title, Indigenous land use agreements, renewable energy and resources projects. Emily has a detailed understanding of the international climate change framework, including the Paris Agreement. For a number of years, she has assisted least-developed countries and their advisors during United Nations Framework Convention on Climate Change negotiations, including with respect to the design and operation of Article 6 market and non-market mechanisms. Emily is currently a member of the Law Institute of Victoria's Environmental Issues Committee. Emily is admitted to practice in the Supreme Court of Victoria and High Court of Australia. She holds bachelor's degrees in science and law (honours).

**Carbon Market Institute Limited**

**Directors' report**

**30 June 2023**

Name: Skye Glenday  
Title: Director  
Experience and expertise: Skye is the Co-Chief Executive Officer of Climate Friendly, whose business is to support rural, regional, and remote Australians including farmers, foresters and traditional custodians to reduce Australia's greenhouse gas emissions and regenerate the landscape through carbon farming. Prior to becoming CEO, Skye was the Executive Manager – Strategy and Analytics, managing Climate Friendly's business development and policy advocacy activities. Skye is passionate about effective communication and taking practical actions that deliver sustainable environmental, social and economic change, including advancing reconciliation action. Her career to date has focused on fostering sustainable management of land in Australia and internationally – with former roles in the Australian Government Department of Climate Change and Indonesian Embassy, Climate Policy Initiative and as an independent consultant.

Name: Raphael Wood  
Title: Director  
Experience and expertise: Raphael has over 25 years' experience across financial and environmental markets with roles in both the private and public sectors. Raphael's experiences spans all aspects of the Australian carbon market, working as a geologist for liable entities, then over a decade in financial markets, leading to five years with the Clean Energy Regulator (CER) designing environmental markets. Raphael then spent two years as Head of Environmental Markets for one of Australia's largest Carbon Farming project aggregators before founding the trusted carbon market consultancy, Market Advisory Group. MAG has become a specialist carbon market consultant and analytics advisory group, now part of the Aurecon Group. Raphael is relied upon to provide quality independent advice to carbon market participants, across government, liable entities and project developers. He also provides investment advice to those looking to invest in the carbon industry, providing project origination and structured investment products.

Name: Anna Hancock  
Title: Director  
Experience and expertise: Anna is a climate transition, ESG and energy system professional with over 20 years of power and resources sector experience.

Currently Executive Director at Pollination Group, Anna recently established and led the Sustainability and Climate Change function at EnergyAustralia, where she led exhaustive work on target setting and integrating climate objectives into financial and operational agendas. Alongside her role on the CMI Board, she joins the ASFI Taxonomy Advisory Group on Electricity Generation and Supply and the CPD 2035 Climate Roundtable. Prior to joining EnergyAustralia, Anna held senior roles in mining, including establishing BHP's first office in China to supply equipment to sites across the globe. Anna has an MBA from INSEAD, France, (Honours List), and bachelor's degrees from the University of Melbourne/Universiteit van Amsterdam.

Name: Phillipa Best  
Title: Director  
Experience and expertise: Phillipa has worked with both the public and private sector in understanding the impacts of climate change and other sustainability issues such as emissions trading, green bonds, sustainable finance, impact, as well as outcomes measurement. She has assisted in the development of sustainable financial products across the Asia Pacific region, and has worked in New Zealand, Australia and the UK within capital markets and sustainability roles. Phillipa has a Bachelor of Engineering and Finance from the University of Melbourne.

**Carbon Market Institute Limited**

**Directors' report**

**30 June 2023**

Name: Victoria Binns  
Title: Director  
Experience and expertise: Vicky has over 35 years' experience in the global resources and financial services sectors including more than 10 years in executive leadership roles at BHP following 15 years in the financial services industry at Merrill Lynch Australia and Macquarie Equities. Vicky is a Non-Executive Director of ASX-listed Evolution Mining, Sims Limited and Cooper Energy and is on the Advisory Council of JP Morgan Australia and NZ. Her experience as a senior executive includes more than 10 years with BHP in Singapore leading Minerals Marketing (iron ore, coal, metals) and sitting on Executive Leadership teams for Minerals Australia and Minerals Americas. Vicky also was Managing Director and Head of Australian Research at Merrill Lynch Australia and was the leader of the Global Metals, Mining and Steel team. Ms Binns holds a Bachelor of Engineering degree (UNSW) with First Class Honours in Mining Engineering and is a graduate of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Mines and Metallurgy. Vicky was co-founder and previous Chairman of Women in Resources in Singapore.

Name: Ilona Millar  
Title: Director  
Experience and expertise: Ilona Millar leads the Climate Change and Sustainability team at Gilbert + Tobin in Sydney.

Ilona has 20 years experience advising on international and domestic climate change law and policy, and environmental markets. Her experience extends to complex multi-jurisdictional transactions as well as the development of innovative responses to climate change and sustainability problems. Ilona also serves on the board of the NSW Natural Resources Access Regulator and has served as a Commission Member of the NSW Independent Planning Commission.

Ilona has been a Visiting Fellow at the ANU College of Law where she taught international climate change law from 2009 - 2020. Ilona is also regularly called upon to lecture on environmental market issues at other leading Australian Universities.

Name: Clark Donovan  
Title: Director  
Experience and expertise: Clark Donovan is Associate Director of Indigenous Carbon Credits at Commonwealth Bank Australia. As a proud Gumbaynggirr and Gunditjmara man with a strong commitment to making positive change for Indigenous Australians, Clark pursued a Bachelor of Law and Languages in Mandarin Chinese at the University of Technology Sydney. This unique educational experience allowed Clark to study abroad in Beijing at the Beijing Institute of Technology and in Guangzhou at Sun Yat-sen University, further expanding his cultural understanding and language skills. Clark is also a recent graduate of the Australian Graduate School of Management.

## Carbon Market Institute Limited

### Directors' report

30 June 2023

Name: Elisa de Wit  
Title: Former Chair  
Experience and expertise: Elisa is a partner with global law firm, Norton Rose Fulbright and heads the Australian climate change and sustainability practice. Elisa has a broad practice covering all aspects of climate change, carbon and sustainability issues, including advising on emissions and energy reporting, carbon projects, carbon pricing, renewable energy, sustainable cities, energy efficiency, adaptation and climate change related land use planning. Elisa's practice also covers advice on climate risk, carbon disclosure and reporting and liability issues. She was awarded Best Lawyers Climate Change Lawyer of the Year (Melbourne) for 2018/19, and is listed in the International Who's Who for climate change. Elisa is a graduate of the Australian Institute of Company Directors, and is a Director of Grampians Wimmera Mallee Water Corporation, Beyond Zero Emissions and the Australian Legal Sector Alliance.

Name: Kobad Bhavnagri  
Title: Former Director and Chair of Nominations Committee  
Experience and expertise: Kobad is a leading expert on the energy transition. He is the Global Head of Strategy for BloombergNEF, an international research provider specialising in the transition to a net-zero emissions economy. He helps develop new capabilities and business opportunities for the company, and has expertise across hydrogen, clean power, transport, industry, buildings and agriculture.

Kobad is a trusted advisor to senior decision makers around the world, and has held numerous roles with BNEF, including leading its work on industrial decarbonization, hydrogen, Asia-Pacific energy economics and managing its Australian business. He has authored over 100 publications spanning energy policy, economics, finance and technology since joining the company in 2010.

Kobad is also an Adjunct Senior Lecturer in the faculty of Engineering at the University of New South Wales and a member of the Australian Government's Energy Industry Roundtable. He has worked in the energy and finance industries since 2003 as an engineer, management consultant and analyst, and has a first-class honours degree in Mechatronic Engineering from the University of New South Wales.

### Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meetings	
	Number eligible to attend	Number attended
Elisa de Wit	4	4
John Connor	8	8
Kobad Bhavnagri	4	4
Emily Gerrard	8	7
Skye Glenday	8	8
Raphael Wood	8	8
Anna Hancock	8	8
Phillipa Best	8	8
Victoria Binns	8	8
Ilona Millar	4	4
Clark Donovan	2	2
Kerry Schott	5	4
Katherine Tapley	1	1

**Carbon Market Institute Limited**  
**Directors' report**  
**30 June 2023**

**Members' guarantee**

Carbon Market Institute Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for members that are corporations and \$20 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2023 the collective liability of members was \$3,040 (2022: \$2,760).

As at 30 June 2023 the Company has 152 members.

**Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

**Events after the reporting date**

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

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

Signed in accordance with a resolution of the Board of Directors:

---

Kerry Schott  
Director

24 October 2023



**Carbon Market Institute Limited**  
**Auditor's independence declaration**

[This page has intentionally been left blank for the insertion of the auditor's independence declaration]

**Carbon Market Institute Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Revenue from contracts with customers	3	3,371,327	2,627,766
Interest received		17,058	1,127
Other income		8,657	15,133
Total revenue		<u>3,397,042</u>	<u>2,644,026</u>
<b>Expenses</b>			
Employee benefits expense		(1,817,080)	(1,185,430)
Summit and marketing costs		(705,701)	(391,370)
Contractor expenses		(262,973)	(111,390)
Office expenses		(145,108)	(114,830)
Travel and accommodation		(73,087)	(23,585)
Depreciation and amortisation		(24,642)	(4,436)
Audit and accounting fees		(19,568)	(54,376)
Other expenses		(112,940)	(52,894)
Total expenses		<u>(3,161,099)</u>	<u>(1,938,311)</u>
<b>Profit for the year</b>		235,943	705,715
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>235,943</u></u>	<u><u>705,715</u></u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Carbon Market Institute Limited**  
**Statement of financial position**  
**As at 30 June 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,019,688	2,021,140
Trade and other receivables	6	744,010	581,597
Other assets	7	581,853	128,334
Total current assets		<u>3,345,551</u>	<u>2,731,071</u>
<b>Non-current assets</b>			
Plant and equipment	8	13,252	5,453
Intangible assets	9	81,071	97,567
Total non-current assets		<u>94,323</u>	<u>103,020</u>
<b>Total assets</b>		<u>3,439,874</u>	<u>2,834,091</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	380,878	375,649
Contract liabilities	11	1,778,961	1,431,537
Employee entitlements	12	85,189	81,010
Total current liabilities		<u>2,245,028</u>	<u>1,888,196</u>
<b>Non-current liabilities</b>			
Employee entitlements	12	15,968	2,960
Total non-current liabilities		<u>15,968</u>	<u>2,960</u>
<b>Total liabilities</b>		<u>2,260,996</u>	<u>1,891,156</u>
<b>Net assets</b>		<u>1,178,878</u>	<u>942,935</u>
<b>Equity</b>			
Accumulated surplus		<u>1,178,878</u>	<u>942,935</u>
<b>Total equity</b>		<u>1,178,878</u>	<u>942,935</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Carbon Market Institute Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	<b>Accumulated surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	237,220	237,220
Profit for the year	705,715	705,715
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>705,715</u>	<u>705,715</u>
Balance at 30 June 2022	<u>942,935</u>	<u>942,935</u>
	<b>Accumulated surplus \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	942,935	942,935
Profit for the year	235,943	235,943
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>235,943</u>	<u>235,943</u>
Balance at 30 June 2023	<u>1,178,878</u>	<u>1,178,878</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Carbon Market Institute Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from operations		3,902,993	2,459,843
Payments to suppliers and employees		(3,905,558)	(1,996,102)
Interest received		17,058	1,127
		<u>14,493</u>	<u>464,868</u>
Net cash provided by operating activities	18		
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	8	(12,980)	(3,533)
Payments for intangible assets	9	(2,965)	(75,997)
		<u>(15,945)</u>	<u>(79,530)</u>
Net cash used in investing activities			
Net increase/(decrease) in cash and cash equivalents		(1,452)	385,338
Cash and cash equivalents at the beginning of the financial year		<u>2,021,140</u>	<u>1,635,802</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>2,019,688</u></u>	<u><u>2,021,140</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives are consistent with prior years, unless otherwise stated.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Revenue recognition**

The Company recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Company are:

#### *Membership subscriptions*

Income from membership subscriptions is recognised over time on a straight line basis. This is because the performance obligations implicit in the contract with members are predominately rights or access to content during the membership period.

**Note 1. Significant accounting policies (continued)**

*Event sponsorship income*

Event sponsorship income is recognised at a point in time once the events have been held or the obligation to provide promotional and branding at the event has been met. Performance obligations can vary depending on the sponsorship package acquired by the sponsor, however generally these will be met upon completion of the event.

Any modification to the terms of a contract are agreed upon between both parties in writing. Contract modifications can include the nature of an event changing or the type of promotional and branding methods used.

*Event income*

Event income is recognised at a point in time once the event has been delivered to the patrons.

Whilst there can be numerous offerings at an event, the delivery of the event itself is deemed to be the single performance obligation that needs to be achieved prior to event ticket sales to be recognised as income.

*Government contracts*

Revenue is recognised for the provision of services provided under government contract when the performance obligations have been achieved. Where performance obligations are consistent with payment milestones, income is recognised upon completion of the milestones as it is at this point that the government department confirms that either the services performed to date are adequate against the performance targets or the goods provided are consistent with what was agreed upon in the contract.

Where performance obligations are not consistent with payment milestones, a transaction price is allocated to the performance obligations and income is recognised as they are achieved.

*Code of conduct contracts*

The Company operates as the Code Administrator which administers the Code, oversees the maintenance of industry adherence with the Code of Conduct, and operates the Code's regular functions including complaints handling, annual reporting, compliance and verification.

Signatory value comes from use of the brand mark throughout the financial year. Brand mark value comes from the strength, independence and integrity of the Code and its administration. The performance obligation of the Company is to administer the Code well, which provides value to signatories in their use of a brand mark (showing they are aligned with the Code).

Revenue for Code of Conduct contracts is recognised on a straight line basis over time.

*Other revenue*

Other revenue is recognised when the performance obligation relating to the customer contracts are achieved.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Note 1. Significant accounting policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Plant and equipment**

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

*Plant and equipment*

Plant and equipment are measured using the cost model.

*Depreciation*

Plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Furniture, fixtures and fittings	20%
Computer equipment	33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

**Financial instruments**

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost; and
- fair value.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

At 30 June 2023 there were no financial assets recognised at fair value.



**Note 1. Significant accounting policies (continued)**

*Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

*Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

**Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and credit cards (note 10).

**Note 1. Significant accounting policies (continued)**

**Leases**

The Company has applied the short-term exemption under AASB 16 and therefore does not recognise a right-of-use asset and lease liability for the lease of its building, as the remaining contractual lease term is for a period of less than 12 months.

Lease payments are therefore expensed on a straight-line basis over the lease term.

**Intangible assets**

*Development costs*

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is 3-5 years.

Development costs consist of website costs and customer relationship management software costs.

*Amortisation*

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Contract liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 1. Significant accounting policies (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Identification of performance obligations*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

*Revenue recognition*

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

*Government contracts*

The Company has a range of funding agreements with the Commonwealth and State Government which require the Company to deliver services to members of the community. Revenue from government grants is recognised over time as outputs/targets are satisfied, being the time at which promised goods and services are transferred to customers.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

Where the Company has not fulfilled a sufficiently specific output/target under a contract with a customer, the Company recognises a liability in the Statement of Financial Position to reflect its obligation to transfer promised goods and services at balance date. The obligation is recognised as revenue as and when promised goods and services are transferred, or on the date a contract modification is entered into with the funding body, waiving the Company's obligation to transfer promised goods and services to customers. Where the parties to a contract have not approved a contract modification at balance date, the Company continues to apply AASB 15 to the existing contract until the contract modification is approved.

*Employee benefits provision*

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds within terms to maturity that match the expected timing of cashflows.

Contributions are made by the Company to an employee superannuation fund are charged as expenses when incurred.

**Note 3. Revenue**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>		
Member subscriptions	1,103,956	848,179
Events (Emission Reduction Summit and Carbon Farming Forum)	1,677,639	1,101,326
Other Government contracts	392,549	540,720
Code of conduct	197,183	137,541
	<u>3,371,327</u>	<u>2,627,766</u>

*Disaggregation revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Timing of revenue recognition</i>		
At a point in time	1,244,188	978,957
Over time	2,127,139	1,648,809
	<u>3,371,327</u>	<u>2,627,766</u>
<i>Type of contract</i>		
Memberships and code of conduct subscriptions	1,184,139	927,020
Government contracts	509,549	599,420
Summit	1,412,563	1,010,076
Events	265,076	91,250
	<u>3,371,327</u>	<u>2,627,766</u>

**Carbon Market Institute Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 4. Segment reporting**

The Company has identified it operates in one operating segment.

**Note 5. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Cash at bank and on hand	2,019,688	2,021,135
Short-term bank deposits	-	5
	<u>2,019,688</u>	<u>2,021,140</u>

**Note 6. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Trade receivables	736,761	574,447
Security deposits	7,249	7,150
	<u>744,010</u>	<u>581,597</u>

**Note 7. Other assets**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Current assets</i>		
Prepayments	48,466	16,690
Prepaid costs - Summit	533,387	111,644
	<u>581,853</u>	<u>128,334</u>

**Note 8. Plant and equipment**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Non-current assets</i>		
Furniture, fixtures and fittings - at cost	725	545
Less: Accumulated depreciation	(465)	(418)
	<u>260</u>	<u>127</u>
Computer equipment - at cost	30,129	25,327
Less: Accumulated depreciation	(17,137)	(20,001)
	<u>12,992</u>	<u>5,326</u>
	<u>13,252</u>	<u>5,453</u>

**Carbon Market Institute Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 8. Plant and equipment (continued)**

*Reconciliations*

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

	<b>Furniture, fixtures and fittings</b>	<b>Computer equipment</b>	<b>Total</b>
	\$	\$	\$
Balance at 1 July 2021	236	6,120	6,356
Additions	-	3,533	3,533
Depreciation expense	(109)	(4,327)	(4,436)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	127	5,326	5,453
Additions	180	12,800	12,980
Depreciation expense	(47)	(5,134)	(5,181)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>260</u>	<u>12,992</u>	<u>13,252</u>

**Note 9. Intangible assets**

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Non-current assets</i>		
Intangible assets - at cost	100,532	97,567
Less: Accumulated amortisation	(19,461)	-
	<hr/>	<hr/>
	<u>81,071</u>	<u>97,567</u>

*Reconciliations*

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

	<b>Intangible assets under development</b>
	\$
Balance at 1 July 2021	21,570
Additions	75,997
	<hr/>
Balance at 30 June 2022	97,567
Additions	2,965
Amortisation expense	(19,461)
	<hr/>
Balance at 30 June 2023	<u>81,071</u>

**Carbon Market Institute Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 10. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	41,954	114,469
GST and PAYGW owing to the ATO	112,518	120,002
Accrued expenses	127,019	74,484
Superannuation payable	26,862	8,275
Accrued bonuses	55,000	48,250
Credit card	17,525	10,169
	<u>380,878</u>	<u>375,649</u>

**Note 11. Contract liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Emissions reduction summit income	480,541	521,556
Secretariat Services income	-	1,692
AgriFutures income	-	72,500
Membership income	579,843	493,150
Code of conduct income	42,500	16,139
Government contracts	359,661	326,500
Events	316,416	-
	<u>1,778,961</u>	<u>1,431,537</u>

**Note 12. Employee entitlements**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Long service leave	-	19,477
Annual leave	85,189	61,533
	<u>85,189</u>	<u>81,010</u>
<i>Non-current liabilities</i>		
Long service leave	<u>15,968</u>	<u>2,960</u>

**Note 13. Financial instruments**

**Financial instruments used**

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Credit cards

**Carbon Market Institute Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 13. Financial instruments (continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
- Held at amortised cost		
- Cash and cash equivalents	2,019,688	2,021,140
- Trade receivables	736,761	574,447
<b>Total financial assets</b>	<u>2,756,449</u>	<u>2,595,587</u>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost:</i>		
- Trade payables	41,954	114,469
- Credit card	17,525	10,169
<b>Total financial liabilities</b>	<u>59,479</u>	<u>124,638</u>

**Note 14. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to the key management personnel of the Company is set out below:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Aggregate compensation	<u>824,706</u>	<u>763,170</u>

**Note 15. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Walker Wayland NSW, the auditor of the Company:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Walker Wayland NSW</i>		
Audit of the financial statements	<u>14,000</u>	<u>10,000</u>

**Note 16. Contingencies**

In the opinion of the directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: nil).

**Note 17. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 14.

*Transactions with related parties*

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise state.



**Carbon Market Institute Limited**  
**Notes to the financial statements**  
**30 June 2023**

**Note 17. Related party transactions (continued)**

The following transactions occurred with related parties:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Sales to director related parties:</i>		
Membership income	305,432	152,927
<i>Purchases from director related parties:</i>		
Legal fees	-	4,252

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 18. Cash flow information**

*Reconciliation of profit to net cash provided by operating activities*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	235,943	705,715
Adjustments for:		
Depreciation and amortisation	24,642	4,436
Change in operating assets and liabilities:		
Increase in trade and other receivables	(162,413)	(405,084)
(Increase)/decrease in other assets	(453,699)	139,473
Increase in trade and other payables	5,409	72,574
Increase/(decrease) in contract liabilities	347,424	(42,262)
Increase/(decrease) in employee entitlements	17,187	(9,984)
Net cash provided by operating activities	<u>14,493</u>	<u>464,868</u>

**Note 19. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Carbon Market Institute Limited**  
**Directors' declaration**  
**30 June 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

On behalf of the directors

---

Kerry Schott  
Director

24 October 2023

**Carbon Market Institute Limited**  
**Independent auditor's report to the members of Carbon Market Institute Limited**

[This page has intentionally been left blank for the insertion of page one of the independent auditor's report]

**Carbon Market Institute Limited**  
**Independent auditor's report to the members of Carbon Market Institute Limited**

[This page has intentionally been left blank for the insertion of page two of the independent auditor's report]