

Carbon Market Institute Limited

ABN 11 146 804 668

Financial Statements - 30 June 2025

Carbon Market Institute Limited

Contents

30 June 2025

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	26
Auditor's Report to the members of Carbon Market Institute Limited	27

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 November 2025. The directors have the power to amend and reissue the financial statements.

Carbon Market Institute Limited
Directors' report
30 June 2025

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2025.

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 loss of the Company for the year amounted to \$373,800 (2024: profit of \$57,449).

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	Appointed/Resigned
Kerry Schott	
Emily Gerrard	Resigned (18/02/2025)
Anna Hancock	Resigned (28/11/2025)
Ilona Millar	
Skye Glenday	
Raphael Wood	
Victoria Binns	
John Connor	
Clark Donovan	
Alex Lewis	Appointed (28/11/2024)
Evan Stamatiou	Appointed (18/02/2025)

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: Victoria Binns
Title: Director and Chair of Membership Committee
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 and Sims Limited 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 (Mining. Hons 1. UNSW), is a graduate of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Mining and Metallurgy. Vicky was co-founder and previous Chairman of Women in Resources in Singapore.

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

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 2025

Name: Skye Glenday
Title: Director
Experience and expertise: Skye is the Co-Chief Executive Officer of Climate Friendly, a profit-for purpose organisation partnering to urgently store carbon, repair nature and advance reconciliation. Prior to becoming CEO, Skye was the Executive Manager – Strategy and Analytics, managing Climate Friendly's business development, strategy and policy engagement. 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: Anna Hancock
Title: Director and Chair of Nomination Committee
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: 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.

Carbon Market Institute Limited
Directors' report
30 June 2025

Name: Kerry Schott
Title: Chair
Experience and expertise: Kerry Schott is Chair of the Carbon Market Institute. She is currently a Director of AGL, Chair of the NSW Government's Freight Reform Panel and Chair of the Australian Government's Competition Review Panel. She has previously been a Chair and Director of a number of unlisted companies, mainly in the infrastructure industry.

Kerry was CEO of Sydney Water and more recently Chair of the Energy Security Board, the NSW Net Zero Emissions Board and the Energy Co Advisory Board.

Kerry spent 15 years as a senior investment banker at Deutsche Bank and Bankers Trust and has been an academic at University College London. She has a doctorate from Oxford University, a Master's Degree from the University of British Columbia, and a first class Honours Arts Degree from the University of New England. In 2015 she was awarded an Order of Australia for services to business and commerce and holds honorary doctorates from the University of Sydney, Western Sydney University and the University of New England.

Name: Raphael Wood
Title: Director and Chair of Market Committee
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. Since 2022 he has been focussed on providing investment advice to those looking to invest in the carbon industry, providing project origination, due diligence, financial modelling services, as well as designing structured investment products as a founder and director of 'C6 Investment Management'. He is a director of trusted fund manager, Silva Capital, as JV with ROC Partners, which manages high quality carbon project investments for investors.

Name: Evan Stamatiou
Title: Director
Experience and expertise: Evan is Managing Director of Carbon Risk Management, a climate change strategic advisory and technical services consultancy. He has successfully guided the development of multiple corporate decarbonisation strategies involving updates to governance structures, setting science-based targets, internal carbon prices and improved integration of climate change related risks and opportunities into enterprise-wide risk management frameworks with the support of climate change analysis. Evan is also experienced in conducting climate risk screening over investment portfolios to support corporate investment/ divestment decision making. Previous roles include Manager for Ernst & Young and Senior Associate for Net Balance.

Carbon Market Institute Limited**Directors' report****30 June 2025**

Name: Alexander Lewis
Title: Director
Experience and expertise: Alex is currently Head of Carbon Markets for QANTAS and Co-Chair, Australia New Zealand & Oceania Working Group for the International Emissions Trading Association. Previous roles include Director for Pollination, Chief Commercial Officer for Tasman Environmental Markets, Manager Market Development & Integrity for Carbon Market Institute and Senior Officer, Victorian Major Energy Projects for the Victorian Government (DEECA). Alex has a Master of Climate Change from the Australian National University and a Graduate Certificate in Environmental Management & Development, Economics, from the Australian National University.

Additionally, there was one Independent Member of the Audit and Risk Committee:

Name: Nadine Ponomarenko
Title: Independent Member

Meetings of directors

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Director's meetings Number eligible to attend	Number attended
Kerry Schott	4	4
Emily Gerrard	3	3
Anna Hancock	2	2
Ilona Millar	4	4
Skye Glenday	4	4
Raphael Wood	4	3
Victoria Binns	4	4
John Connor	4	4
Clark Donovan	4	3
Alexander Lewis	2	2
Evan Stamatiou	1	1

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 2025 the collective liability of members was \$2,800 (2024: \$3,040).

As at 30 June 2025 the Company has 140 members (2024:150 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

In 21 July 2025, Australian Carbon Industry Code of Conduct Administrator Limited, a subsidiary of the Company was established.

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

Carbon Market Institute Limited
Directors' report
30 June 2025

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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
Chair

6 November 2025

6 November 2025

The Carbon Market Institute Limited
Level 8, 350 Collins Street,
MELBOURNE VIC 3000

The Directors

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012 TO THE DIRECTORS OF CARBON MARKET INSTITUTE LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2025 there have been:

- (i) no contraventions of the auditors' independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Walker Wayland NSW
Chartered Accountants


Wali Aziz
Partner

Carbon Market Institute Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Revenue from contracts with customers	3	3,481,125	3,630,180
Interest received		68,440	79,912
Other income		-	35,838
Total revenue		<u>3,549,565</u>	<u>3,745,930</u>
Expenses			
Employee benefits expense		(2,327,795)	(1,960,961)
Summit and marketing costs		(981,061)	(928,020)
Office expenses		(182,288)	(235,911)
Contractor expenses		(159,760)	(277,841)
Travel and accommodation		(56,203)	(127,016)
Depreciation and amortisation		(49,815)	(43,347)
Audit and accounting fees		(24,936)	(18,603)
Other expenses		(141,507)	(96,782)
Total expenses		<u>(3,923,365)</u>	<u>(3,688,481)</u>
(Loss)/Profit for the year		(373,800)	57,449
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>(373,800)</u>	<u>57,449</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 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,889,433	2,105,215
Trade and other receivables	6	679,791	370,305
Other assets	7	272,947	423,430
Total current assets		<u>2,842,171</u>	<u>2,898,950</u>
Non-current assets			
Plant and equipment	8	16,571	12,947
Intangible assets	9	28,841	63,970
Total non-current assets		<u>45,412</u>	<u>76,917</u>
Total assets		<u>2,887,583</u>	<u>2,975,867</u>
Liabilities			
Current liabilities			
Trade and other payables	10	546,789	434,176
Contract liabilities	11	1,315,457	1,191,491
Employee entitlements	12	101,867	73,106
Total current liabilities		<u>1,964,113</u>	<u>1,698,773</u>
Non-current liabilities			
Employee entitlements	12	60,943	40,767
Total non-current liabilities		<u>60,943</u>	<u>40,767</u>
Total liabilities		<u>2,025,056</u>	<u>1,739,540</u>
Net assets		<u>862,527</u>	<u>1,236,327</u>
Equity			
Accumulated surplus		<u>862,527</u>	<u>1,236,327</u>
Total equity		<u>862,527</u>	<u>1,236,327</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 2025

	Accumulated surplus \$	Total equity \$
Balance at 1 July 2023	1,178,878	1,178,878
Profit for the year	57,449	57,449
Other comprehensive income for the year	-	-
Total comprehensive income for the year	57,449	57,449
Balance at 30 June 2024	<u>1,236,327</u>	<u>1,236,327</u>
	Accumulated surplus \$	Total equity \$
Balance at 1 July 2024	1,236,327	1,236,327
Loss for the year	(373,800)	(373,800)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(373,800)	(373,800)
Balance at 30 June 2025	<u>862,527</u>	<u>862,527</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 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from operations		3,657,880	3,818,855
Payments to suppliers and employees		(3,909,630)	(3,787,299)
Interest received		54,278	79,912
Net cash (used in)/provided by operating activities	18	(197,472)	111,468
Cash flows from investing activities			
Payments for plant and equipment	8	(13,610)	(6,974)
Payments for intangible assets	9	(4,700)	(18,967)
Net cash used in investing activities		(18,310)	(25,941)
Net increase/(decrease) in cash and cash equivalents		(215,782)	85,527
Cash and cash equivalents at the beginning of the financial year		2,105,215	2,019,688
Cash and cash equivalents at the end of the financial year	5	<u>1,889,433</u>	<u>2,105,215</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 and to be 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 right at the end of the reporting period 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.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

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:

Fixed asset class	Depreciation rate
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.

Note 1. Significant accounting policies (continued)

At 30 June 2025 there were no financial assets recognised at fair value.

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.

Note 1. Significant accounting policies (continued)

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

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.

Future Accounting Standards

AASB 18 'Presentation and Disclosure in Financial Statements'

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'.

The standard requires income and expenses to be classified into five categories:

- Operating (residual category if income and expenses are not classified into another category),
- Investing
- Financing,
- Income taxes
- Discontinued operations

The standard introduces two mandatory sub-totals. 'Operating profit' and 'Profit before finance and income taxes'.

There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. Generally, and provides enhanced guidance on how to organise and group information (aggregation and disaggregation) in the financial statements and whether to provide it in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change in the layout of the statement of profit or loss.

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.

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.

Carbon Market Institute Limited
Notes to the financial statements
30 June 2025

Note 3. Revenue

	2025 \$	2024 \$
Revenue from contracts with customers		
Member subscriptions	1,477,410	1,101,165
Events (emission reduction summit and carbon farming forum)	1,450,135	1,880,921
Other government contracts	317,364	436,588
Code of conduct	236,216	211,506
	<u>3,481,125</u>	<u>3,630,180</u>

Disaggregation revenue

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

	2025 \$	2024 \$
<i>Timing of revenue recognition</i>		
At a point in time	765,845	896,853
Over time	2,715,280	2,733,327
	<u>3,481,125</u>	<u>3,630,180</u>

Type of contract

Memberships and code of conduct subscriptions	1,301,976	1,270,011
Government contracts	141,576	327,508
Summit	1,150,827	1,284,142
Events	886,746	748,519
	<u>3,481,125</u>	<u>3,630,180</u>

Note 4. Segment reporting

The Company has identified it operates in one operating segment, being carbon market industry in Australia.

Note 5. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash at bank and on hand	699,052	531,446
Term deposits	1,190,381	1,573,769
	<u>1,889,433</u>	<u>2,105,215</u>

(i) The terms related to the \$1.19m term deposits as at 30 June 2025 are as follows:

1. \$656,633 (effective interest rate of 3%). Maturity is on 23 October 2025
2. \$533,748 (effective interest rate of 4.8%). Maturity is on 17 July 2025

Carbon Market Institute Limited
Notes to the financial statements
30 June 2025

Note 6. Trade and other receivables

	2025	2024
	\$	\$
<i>Current assets</i>		
Trade receivables	657,632	363,056
Security deposits	7,997	7,249
Accrued interest	14,162	-
	<u>679,791</u>	<u>370,305</u>

Note 7. Other assets

	2025	2024
	\$	\$
<i>Current assets</i>		
Prepayments	38,967	39,913
Others	1,981	6,968
Prepaid event costs	231,999	376,549
	<u>272,947</u>	<u>423,430</u>

Note 8. Plant and equipment

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Furniture, fixtures and fittings - at cost	725	725
Less: Accumulated depreciation	<u>(646)</u>	<u>(610)</u>
	79	115
Computer equipment - at cost	50,713	37,103
Less: Accumulated depreciation	<u>(34,221)</u>	<u>(24,271)</u>
	16,492	12,832
	<u>16,571</u>	<u>12,947</u>

Reconciliations

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

	Furniture, fixtures and fittings	Computer equipment	Total
	\$	\$	\$
Balance at 1 July 2023	260	12,992	13,252
Additions	-	6,974	6,974
Depreciation expense	<u>(145)</u>	<u>(7,134)</u>	<u>(7,279)</u>
Balance at 30 June 2024	115	12,832	12,947
Additions	-	13,610	13,610
Depreciation expense	<u>(36)</u>	<u>(9,950)</u>	<u>(9,986)</u>
Balance at 30 June 2025	<u>79</u>	<u>16,492</u>	<u>16,571</u>

Carbon Market Institute Limited
Notes to the financial statements
30 June 2025

Note 9. Intangible assets

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Intangible assets - at cost	124,199	119,499
Less: Accumulated amortisation	(95,358)	(55,529)
	<u>28,841</u>	<u>63,970</u>

Reconciliations

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

	Intangible assets under development
	\$
Balance at 1 July 2023	81,071
Additions	18,967
Amortisation expense	(36,068)
Balance at 30 June 2024	63,970
Additions	4,700
Amortisation expense	(39,829)
Balance at 30 June 2025	<u>28,841</u>

Note 10. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	130,988	57,021
GST and PAYGW owing to the ATO	195,699	76,256
Accrued expenses	130,286	224,928
Superannuation payable	9,849	-
Accrued bonuses	72,350	58,500
Credit card	7,617	17,471
	<u>546,789</u>	<u>434,176</u>

Note 11. Contract liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Membership income	524,429	384,609
Events	490,028	438,971
Code of conduct income	266,882	251,069
Client deposits	34,118	54,689
Government contracts	-	62,153
	<u>1,315,457</u>	<u>1,191,491</u>

Note 12. Employee entitlements

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	<u>101,867</u>	<u>73,106</u>
<i>Non-current liabilities</i>		
Long service leave	<u>60,943</u>	<u>40,767</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

	2025	2024
	\$	\$
Financial assets		
- Held at amortised cost		
- Cash and cash equivalents	1,889,433	2,105,215
- Trade receivables	<u>657,632</u>	<u>363,056</u>
Total financial assets	<u>2,547,065</u>	<u>2,468,271</u>
Financial liabilities		
<i>Financial liabilities at amortised cost:</i>		
- Trade payables	130,988	57,021
- Credit card	<u>7,617</u>	<u>17,471</u>
Total financial liabilities	<u>138,605</u>	<u>74,492</u>

Note 14. Key management personnel disclosures

Compensation

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

	2025	2024
	\$	\$
Aggregate compensation	<u>1,339,370</u>	<u>789,703</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:

	2025	2024
	\$	\$
<i>Audit services - Walker Wayland NSW</i>		
Audit of the financial statements	<u>17,000</u>	<u>16,000</u>

Note 16. Contingencies

In the opinion of the directors, the Company did not have any contingencies at 30 June 2025 (30 June 2024: 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.

The following transactions occurred with related parties:

	2025	2024
	\$	\$
<i>Sales to director related parties:</i>		
Membership income	280,627	218,177

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 (loss)/profit to net cash (used in)/provided by operating activities

	2025	2024
	\$	\$
(Loss)/Profit for the year	(373,800)	57,449
Adjustments for:		
Depreciation and amortisation	49,815	43,347
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(295,324)	373,705
Decrease in other assets	150,483	158,423
Increase in trade and other payables	112,613	53,298
Increase/(decrease) in contract liabilities	123,966	(587,470)
Increase in accrued interest	(14,162)	-
Increase in employee entitlements	48,937	12,716
Net cash (used in)/provided by operating activities	<u>(197,472)</u>	<u>111,468</u>

Note 19. Events after the reporting period

In 21 July 2025, Australian Carbon Industry Code of Conduct Administrator Limited, a subsidiary of the Company was established. No other matter or circumstance has arisen since 30 June 2025. No other other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Company's operations, the result of those operations, or the Company's state of affairs in future financial years.

Carbon Market Institute Limited
Directors' declaration
30 June 2025

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 2025 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

6 November 2025

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CARBON MARKET INSTITUTE LIMITED

Opinion

We have audited the accompanying financial report of Carbon Market Institute Limited, which comprises the statement of financial position as at 30 June 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration comprising the Company at the year's end or from time to time during the financial year.

In our opinion. The accompanying financial report of the registered entity is in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012 (the ACNC Act). Including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- (ii) Complying Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of a Financial Report section of our report. We are independent of the registered entity in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) (Including independence standards) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the ACNC Act 2012, which has been given to the directors of the company, would be on the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparations of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'Walker Wayland NSW'.

Walker Wayland NSW
Chartered Accountants

A handwritten signature in black ink that appears to read 'Wali Aziz'.

Wali Aziz
Partner

Dated this 6th day of November 2025, Sydney