

Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
ABN 52 165 914 303

Financial report
for the year ended
30 June 2023

Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
ABN 52 165 914 303

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Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
Directors' report

Your directors present their report on the company for the financial year ended 30 June 2023.

Directors

The names of the directors in office at any time during, or since the end of the financial year are:

Carol Schwartz (start: 9 February 2023)
Simon Corbell
Kirsty Amanda Gold
Lesley Ann Hughes
Leigh Petschel (start: 26 September 2022)
Natalie Walker (start: 25 October 2022)
Samantha Joy Mostyn (end: 18 October 2022)
Matthew Allan Honey (end: 22 November 2022)

Directors have been in office since the start of the financial year (30 June 2022) to the date of this report unless otherwise noted.

Review of operations

The profit of the company for the financial year amounted to \$1,592,655 (2022: \$1,592,655).

Objectives

The objectives of the Climate Council are to communicate accurate and authoritative information on all aspects of climate change including the science of climate change, the economics of addressing climate change, technological innovation around addressing climate change, and international action aimed at addressing climate change through public and other meetings, the publication of reports, and the Internet.

Principal activities

To achieve its stated objectives, the Climate Council undertakes the following activities:

- Development and publication of reports that add to the body of knowledge relating to climate change, its impacts and identified solutions. Reports are authored by Australian and international experts, and peer-reviewed for accuracy and relevance.
- Development of policy recommendations for decision-makers relating to climate change, its impacts and identified solutions.
- Coordination of knowledge sharing amongst key stakeholder groups with the objective of rapidly reducing emissions (e.g. local governments).
- Dissemination of accurate and authoritative information on climate change, its impacts and identified solutions, to journalists and the general public. Examples of our public education activities include:
 - o Creation of resources (e.g. fact sheets, communication guides, info-graphics and videos) that are readily available on the Climate Council's website or social media platforms.
 - o Extensive media engagement including training of spokespeople to clearly and accurately communicate on climate change issues, impacts and solutions.
 - o Delivery of speeches and workshops in public and private forums across Australia.

Strategies

To achieve its stated objectives, the company has adopted the following strategies over the 12 months to 30 June 2023:

- We will strengthen the Climate Council's reputation for developing clear, science-based publications that build public knowledge and understanding of climate change issues, impacts and solutions. Over the past 12 months we have produced strategic reports on topics including: the impact of worsening extreme weather caused by climate change on insurability (and associated Climate Risk Map); the impact of climate change on extreme rainfall; Australia's performance on climate action, including relative to its international peers; and the critical need to tackle the climate crisis for our Pacific neighbours and to address the growing security threat climate change poses for our region. Since our inception in September 2013 we have produced over 150 reports, briefing papers and other publications.
- We will communicate in diverse forums, the information in our publicly available reports. Over the past 12 months this has included extensive briefings on Climate Council policy packages regarding home energy efficiency, clean transport and the phasing out of gas. In their first meeting with stakeholders upon taking government, Climate Change Minister Chris Bowen and Emergency Management Minister Murray Watt invited representatives from the Emergency Leaders for Climate Action (ELCA) to Canberra to discuss the links between climate change and extreme weather, and Australia's disaster preparedness.

Climate Council of Australia Limited
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Directors' report

Strategies (continued)

- We will convene forums that bring together experts and community leaders on critical issues. This has included forums on: implementation of the recommendations from the Bushfire Royal Commission; and concessional financing schemes targeted at supporting households to reduce emissions by transitioning from gas to electric.
- We will build our media presence across all platforms and proactively engage with millions of people in Australia and internationally. Through these activities we endeavour to lead and shape the climate change narrative via distribution of our various resources to the public through the media, online platforms (e.g. social media, websites, videos), and public speeches. In any given year, the Climate Council, the Climate Media Centre and the Cities Power Partnership collectively generate tens of thousands of media mentions, and content that generates millions of views via social media platforms. We also run journalist briefings to increase climate literacy.
- We will work with trusted spokespeople (from a wide variety of backgrounds) to communicate with mainstream Australians more persuasively, more accurately, more consistently and more regularly on climate change impacts and solutions. Over the past 12 months spokespeople have included representatives of the Emergency Leaders for Climate Action (ELCA), local government representatives through the Cities Power Partnership Local Leaders program, business leaders, farmers, surfers, energy and economic experts, tourism operators, and other representatives of communities located all over Australia.
- We will expand and strengthen the network of local governments taking action to reduce emissions through renewable energy, energy efficiency and sustainable transport initiatives. We will create forums for knowledge sharing and profile innovative solutions being implemented by councils around Australia. In 2021-22, the Cities Power Partnership has grown to 174 members. The CPP has also increased its engagement with state and territory local government associations, and attended the Australian Local Government Association (ALGA) General Assembly in Canberra.
- We will continue to grow our community who power our work and build momentum within their own networks to respond to the climate crisis. This year, our online community grew to more than 530,000 members. They are the force behind our impact and play an important role in our strategic campaigns and projects.

Meetings of directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

Director	Directors' Meeting	
	Number eligible to attend	Number attended
Carol Schwartz	2	2
Simon Corbell	7	5
Kirsty Amanda Gold	7	7
Lesley Ann Hughes	7	4
Leigh Petschel	4	4
Natalie Walker	4	2
Samantha Joy Mostyn	3	3
Matthew Allan Honey	4	4

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$550 (2022: \$540).

Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is attached to this financial report.

Signed in accordance with a resolution of the board of directors.



Leigh Petschel
Director

Dated this 30 day of October 2023



THOMAS DAVIS & CO
CHARTERED ACCOUNTANTS
ESTABLISHED 1894

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**Climate Council of Australia Limited
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Auditor's Independence Declaration to the Directors of Climate Council of Australia Limited under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- (a) no contraventions of the auditor independence requirements of section 60-40 of the ACNC Act in relation to the audit; and.
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

THOMAS DAVIS & CO.

J.G. RYAN PARTNER

Chartered Accountants

Sydney

30th October, 2023

A member of



Independent legal & accounting firms

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CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
ABN 52 165 914 303

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue	2	7,881,784	8,292,165
Employee benefits expense		(5,115,835)	(4,340,807)
Depreciation and amortisation		(65,234)	(111,367)
Interest expense		(1,530)	(4,077)
Fundraising expenses		(952,860)	(397,538)
Other expenses		(2,055,804)	(1,845,721)
Net profit /(loss) before income tax		<u>(309,479)</u>	<u>1,592,655</u>
Income tax benefit (expense)	1(b)	<u>-</u>	<u>-</u>
Net profit /(loss) for year		<u>(309,479)</u>	<u>1,592,655</u>
Total other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(309,479)</u>	<u>1,592,655</u>
Total comprehensive income attributable to members of the entity		<u>(309,479)</u>	<u>1,592,655</u>

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

Climate Council of Australia Limited
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Statement of financial position
For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	6,854,106	7,086,021
Trade and other receivables	5	306,522	185,617
Other	6	124,243	122,391
Total current assets		<u>7,284,871</u>	<u>7,394,029</u>
Non-current assets			
Property, plant and equipment	7	47,152	37,503
Right-of-use assets	8	9,370	46,858
		<u>56,522</u>	<u>84,361</u>
Total assets		<u>7,341,393</u>	<u>7,478,390</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	392,603	248,250
Provisions	10	310,158	298,106
Other	11	427,539	389,674
Lease liabilities		11,005	42,294
Total current liabilities		<u>1,141,305</u>	<u>978,324</u>
Non-current liabilities			
Provisions	10	60,541	40,170
Lease liabilities		-	11,003
		<u>60,541</u>	<u>51,173</u>
Total liabilities		<u>1,201,846</u>	<u>1,029,497</u>
Net assets		<u>6,139,547</u>	<u>6,448,893</u>
EQUITY			
Retained earnings		6,139,547	6,448,893
Total equity		<u>6,139,547</u>	<u>6,448,893</u>

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

Climate Council of Australia Limited
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Statement of changes in equity
For the year ended 30 June 2023

	Retained earnings	
	\$	\$
Balance 1 July 2021	4,856,238	4,856,238
Comprehensive income		
Profit/(loss) for the period	1,592,655	1,592,655
Other comprehensive income for the period	-	-
Total comprehensive income attributable to members of the entity for the period	<u>1,592,655</u>	<u>1,592,655</u>
Balance 30 June 2022	<u>6,448,893</u>	<u>6,448,893</u>
Prior period adjustment	133	133
Adjusted Balance 30 June 2022	<u>6,449,026</u>	<u>6,449,026</u>
Comprehensive income		
Profit/(loss) for the year	(309,479)	(309,479)
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the entity for the year	<u>(309,479)</u>	<u>(309,479)</u>
Balance 30 June 2023	<u><u>6,139,547</u></u>	<u><u>6,139,547</u></u>

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

Climate Council of Australia Limited
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Statement of cash flows
For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from donors & members		7,909,624	8,434,582
Payments to suppliers and employees		(8,072,082)	(6,537,463)
Interest received		10,898	16,746
Interest paid		<u>(1,530)</u>	<u>(4,077)</u>
Net cash inflow / (outflow) from operating activities	14(b)	<u>(153,090)</u>	<u>1,909,788</u>
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		1,798	-
Payments for property, plant & equipment		<u>(38,331)</u>	<u>(19,538)</u>
Net cash (outflow) from investing activities		<u>(36,533)</u>	<u>(19,538)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(42,292)</u>	<u>(88,965)</u>
Net cash inflow / (outflow) from financing activities		<u>(42,292)</u>	<u>(88,965)</u>
Net increase / (decrease) in cash and cash equivalents		(231,915)	1,801,285
Cash and cash equivalents at the beginning of the financial year		<u>7,086,021</u>	<u>5,284,736</u>
Cash and cash equivalents at the end of the financial year	4	<u>6,854,106</u>	<u>7,086,021</u>

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

Climate Council of Australia Limited
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ABN 52 165 914 303

Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements cover Climate Council of Australia Limited as an individual entity. Climate Council of Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the directors on 30th October 2023.

(a) Revenue recognition

The company is first required to determine whether amounts received are accounted for revenue as per AASB 15: Revenue from Contracts with Customers or Income as per AASB 1058: Income for Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the entity is required to consider whether any other financial statement elements should be recognised (eg financial liabilities representing payable amounts), with any difference being recognised immediately in profit or loss as income.

Revenue is measured at the fair value of the consideration received or receivable. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. All revenue is stated net of the amount of goods and services tax (GST).

Grants and donations

Contributed assets

If the company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives, these assets would be recognised in accordance with the recognition requirement of other applicable standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts (being contribution from owners, lease liabilities, financial instruments, revenue or contract liabilities arising from a contract with a customer).

The company recognises income immediately in profit and loss and the difference between the initial carrying amount and the asset and the related amount.

Operating grants and donations

When the company receives operating grant revenue or donations, it assesses whether the contract is enforceable and has sufficient specific performance obligations in accordance with AASB 15. When both these conditions are satisfied the company identifies each performance obligation relating to the grant, recognises a contract liability for these obligations and recognises revenue as it satisfies its performance obligations.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

(a) Revenue recognition (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations the company either recognises the asset received in accordance with the requirements of other applicable accounting standards, recognises related amounts or recognises income immediately in profit and loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit and loss when or as it satisfies its obligations under the contract.

Interest received

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(b) Income tax

No provision for income tax has been made as the company is exempt from income tax under Division 50 of the Income tax Assessment Act 1997.

(c) Trade and other receivables

Trade receivables and other debtors are recognised at fair value less provision for doubtful debts. Trade receivables are due for settlement based on normal terms of credit from the date of invoice.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount of the asset and the total of estimated future cash flows. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

The application of AASB 9 has resulted in the need to review the lifetime expected credit loss when assessing any provision for doubtful debts.

(d) Property, plant and equipment

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

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected cash flows have been discounted to their present values in determining recoverable amounts.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

Depreciation

Depreciation on assets is calculated to allocate their cost, net of their residual values, over their estimated useful lives.

	Depreciation Rate	Method Used
Computer and office equipment	20 - 33%	Straight line

Residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting date.

The carrying amount of an asset is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself either purchase or sell the asset (trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing components.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Climate Council of Australia Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing financial difficulty default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

As per AASB 9 an expected credit loss model is applied, and not an incurred credit loss model as per the previous applicable standard (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the company to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to the 12 month expected credit loss is used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

The company has adopted the simple approach under AASB 9 in relation to trade receivables, as the loss allowance is measured at the lifetime expected credit loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash flows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

(g) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees up to the end of the reporting date. 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 national government bonds with terms to maturity that match expected timing of cash flows.

(h) Leases

Leases are recognised under Accounting Standard AASB 16: Leases. Applicable leases whether finance or operating in nature are to be recognised on the statement of financial position as liabilities with corresponding right-of-use assets. These leases are measured at their net present values and include future lease payments under an option where that option is reasonably expected to be taken up. The leases are amortised on a straight-line basis over the term of the lease. For operating leases that do not need to meet the requirements under this standard being leases that are less than 12 months or of minor values, and where substantially all the risks and benefits remain with the lessor, these are recognised as expenses over the term of the lease.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows included in receipts from customers or payments to suppliers.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with amounts normally paid within 30 days of recognition of the liability.

(l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation of the current financial year.

(n) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and internally within the company.

(o) New and amended accounting standards

The company has assessed all new and amended accounting standards issued and effective for the current financial reporting period. None of these have had any material impact on the financial statements.

Climate Council of Australia Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Note 2 Revenue	1(a)		
Donations		6,922,732	7,533,169
Fundraising		83,261	74,611
Bequests		10,000	-
Grants		831,472	637,108
Sponsorship		12,000	-
Other income		8,871	42,049
Interest income		13,448	5,228
Total Revenue		<u>7,881,784</u>	<u>8,292,165</u>

Note 3 Revenue / expenses

Profit/(loss) before income tax includes the following specific revenues and expenses:

Expenses

Audit fees	3,300	4,300
Depreciation and amortisation	65,234	111,367

Note 4 Cash and cash equivalents

Cash at bank and on hand	5,768,921	6,023,017
Cash on deposit	1,085,185	1,063,004
	<u>6,854,106</u>	<u>7,086,021</u>

Note 5 Trade and other receivables

Trade receivables	15,665	990
GST receivable	73,346	50
Other debtors	217,511	184,577
	<u>306,522</u>	<u>185,617</u>

Provision for impairment of receivables

No impairment has been recognised as it is expected that all trade receivables will be received when due.

Note 6 Other

Accrued income	2,550	-
Deposits	42,969	57,419
Prepayments	78,724	64,972
	<u>124,243</u>	<u>122,391</u>

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Notes to the Financial Statements
For the year ended 30 June 2023

2023 2022
 \$ \$

Note 7 Property, plant and equipment

Computer and office equipment - at cost	214,194	177,144
Less: Accumulated depreciation	(167,042)	(139,641)
	47,152	37,503

Movements in carrying amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer and office equipment	Total
	\$	\$
Balance at the beginning of the year	37,503	37,503
Additions at cost	38,331	38,331
Disposals	(936)	(936)
Depreciation expense	(27,746)	(27,746)
Carrying amount at the end of the year	47,152	47,152

Note 8 Right-of-use assets

The company's lease relates to leased premises which is recognised under AASB 16 in the statement of financial position.

Leased buildings	159,316	159,316
Accumulated amortisation	(149,946)	(112,458)
Net carrying amount	9,370	46,858

	Leased buildings	Total
	\$	\$
Balance at the beginning of the period	46,858	46,858
Additions	-	-
Depreciation charge	(37,488)	(37,488)
Closing net book value	9,370	9,370

2023 2022
 \$ \$

AASB 16 related amounts recognised in the statement of profit or loss

Amortisation charge on right-of-use assets	37,488	37,488
Interest expense on lease liabilities	1,530	4,077

Note 9 Trade and other payables

Trade creditors	43,228	116,062
Other creditors and accruals	349,375	132,188
	392,603	248,250

Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
ABN 52 165 914 303

Notes to the Financial Statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
Note 10 Provisions		
Provisions for employee entitlements: annual leave	239,929	251,787
Provisions for employee entitlements: long service leave	130,770	86,489
	370,699	338,276
Analysis of provisions:		
Current	310,158	298,106
Non-current	60,541	40,170
	Employee provisions	Total
	\$	\$
Opening balance 1 July 2022	338,276	338,276
Additional provisions raised during the year	215,821	215,821
Amounts used	(183,398)	(183,398)
Balance 30 June 2023	370,699	370,699

Provision for employee entitlements

The current portion for this provision includes the total amount accrued for annual leave. Based on past experience, the company does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Provision is made for employees' long service leave. These employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations.

	2023	2022
	\$	\$
Note 11 Other		
Deferred income	427,539	389,674
	427,539	389,674

Climate Council of Australia Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

Note 12 Related party transactions

Key management personnel compensation

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel of the company during the year are as follows;

	2023	2022
	\$	\$
Key management personnel compensation	<u>648,504</u>	<u>496,174</u>

From time to time, key management personnel may be invited to attend Climate Council functions or events conducted in the ordinary course of business.

Other related party transactions

No other related party transactions occurred during the year.

Note 13 Financial risk management

The company's financial instruments consist mainly of deposits with banks accounts receivable and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows;

	Note	2023	2022
		\$	\$
Financial assets			
Cash and cash equivalents	4	6,854,106	7,086,021
Trade and other receivables	5	<u>15,665</u>	<u>990</u>
Total financial assets		<u>6,869,771</u>	<u>7,087,011</u>
Financial liabilities			
Trade and other payables	8	43,228	116,062
Lease liabilities		<u>11,005</u>	<u>53,297</u>
Total financial liabilities		<u>54,233</u>	<u>169,359</u>

Climate Council of Australia Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

Note 14 Cash flow information

(a) Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows;

	2023	2022
	\$	\$
Cash at bank	6,854,106	7,086,021
	6,854,106	7,086,021

(b) **Reconciliation of profit after income tax to net cash inflow from operating activities**

Profit/(loss) for the year	(309,479)	1,592,655
Prior period adjustment	133	-
Non-cash flows in profit/(loss):		
Depreciation and amortisation	65,234	111,367
Profit on sale of fixed assets	(862)	-
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(120,905)	(143,311)
(Increase) / decrease in other assets	(1,852)	34,083
Increase / (decrease) in trade payables and accruals	144,353	(2,709)
Increase / (decrease) in provisions	32,423	101,086
Increase / (decrease) in deferred income	37,865	216,617
Net cash inflow from operating activities	(153,090)	1,909,788

Note 15 Events occurring after the reporting date

The directors are not aware of any significant events that have occurred subsequent to 30 June 2023.

Note 16 Fundraising

Climate Council of Australia Limited undertakes fundraising appeals throughout the year; it holds authority to fundraise under the Charitable Fundraising Act 1991 (NSW); additional information and declarations to be furnished under this Act follow:

Details of Aggregate Gross Income and Total Expenses of Fundraising

	2023	2022
	\$	\$
Gross proceeds from fundraising appeals		
General donations	6,922,732	7,533,169
Fundraising income	83,261	74,611
	7,005,993	7,607,780
Less:		
Total costs of fundraising appeals		
Fundraising expenses	952,860	397,538
	952,860	397,538
Net Surplus obtained from fundraising appeals	6,053,133	7,210,242

Note: fundraising costs relate to raising revenue from donations and fundraising exercises

**Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
ABN 52 165 914 303**

**Notes to the Financial Statements
For the year ended 30 June 2023**

Note 16 Fundraising (continued)

Application of Funds

Funds raised are used to help the entity in its day to day operations which is primarily to communicate accurate and authoritative information on all aspects of climate change.

Forms of Appeal

Specific fundraising events as well as general donations and personal sponsor appeals are made at various times throughout the year.

Traders

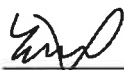
Climate Council of Australia Limited manages and co-ordinates its fundraising activities both internally and externally via the use of contractors.

Declaration as required by the Charitable Fundraising Act 1991 (NSW)

I, Leigh Petschel, Director of Climate Council of Australia Limited, declare that in my opinion:

- (a) The accounts for the year ended 30 June 2023 give a true and fair view of all income and expenditure of Climate Council of Australia Limited with respect to fundraising appeals;
- (b) The statement of financial position as at 30 June 2023 gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) The provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under that Act and the conditions attached to the authority have been complied with; and
- (d) The internal controls exercised by Climate Council of Australia Limited are appropriate and effective for all income received and applied from any fundraising appeals.

Signed



Leigh Petschel
Director

Date 30 October 2023

Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)
ABN 52 165 914 303

Directors' Declaration

In the directors' opinion:

- (a) The financial statements and notes set out on pages 4 to 19 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), and:
 - (i) comply with Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2022; and
 - (ii) give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022.



Leigh Petschel
Director

Dated this ³⁰..... day ofOctober..... 2023



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Independent auditor's report to the members of

Climate Council of Australia Limited

Opinion

We have audited the financial report of Climate Council Australian Limited, which comprises the statement of financial position as at 30 June 2023, 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 financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of Climate Council Australian Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the company's financial position as at 30 June, 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Australian Charities and Not-for-profits Commission Regulation 2023.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Report on other Regulatory Requirements

In our opinion:

- (a) the financial statements show a true and fair view of the financial result of fundraising appeals for the year ended 30 June 2023; and
- (b) the financial statements and associated records of the company have been properly kept during the year in accordance with the New South Wales Charitable Fundraising Act 1991 and its Regulations; and
- (c) money received as a result of fundraising appeals conducted during the year ended 30 June 2023 has been properly accounted for and applied in accordance with such Act and its Regulations; and
- (d) the company is solvent.

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 annual report for the year ended 30 June 2023, 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 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.

A member of



Independent legal & accounting firms

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Responsibilities of the Directors 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 Australian Accounting Standards - AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation 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 relating 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 Responsibilities of 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



THOMAS DAVIS & CO.



J.G. RYAN

PARTNER

Chartered Accountants

SYDNEY,

30th October, 2023

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Disclaimer

To The Members of Climate Council of Australia Limited

The additional financial data presented in the following pages is in accordance with the books and records of Climate Council of Australia Limited (the Company) which have been subjected to the auditing procedures applied in our statutory Audit.

It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Company) in respect of such data, including errors or omissions therein however caused.

THOMAS DAVIS & CO.

J. G. RYAN PARTNER

Chartered Accountants

Sydney

30th October, 2023

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Climate Council of Australia Limited
(A Company not for gain Limited by Guarantee)

Detailed income and expenditure statement
For the year ended 30 June 2023

	2023	2022
	\$	\$
Income		
Donors / One-off	415,646	673,563
Donors / Recurring	2,074,021	2,175,047
Major Donations	4,385,630	4,623,125
Bequests	10,000	-
Grants - Federal	-	113,150
Other Grants	831,472	523,958
Fundraising trip	61,032	61,953
Third party fundraising	22,229	12,658
Other income	8,871	42,049
Other sponsorship	12,000	-
Workplace giving	47,435	61,434
Interest received	13,448	5,228
Total income	7,881,784	8,292,165
Expenditure		
Accounting fees	76,680	-
Advertising general	17,456	42,009
Advertising online	222,615	79,111
Agency media climate	160,967	22,500
Annual leave expense	(11,859)	104,115
Auditors remuneration	3,300	4,300
Bank charges	5,318	3,889
Board expenses and travel	-	628
Call centre	50,308	26,937
Catering	17,796	7,488
Cleaning	7,563	5,267
Communications training (L&D)	3,000	-
Compliance	-	1,946
Conferences (L&D)	6,218	5,966
Contractors and consultants	536,353	424,267
Copywriting	-	990
Councillor fees	46,117	81,304
Customer relationship management	153,727	89,537
Depreciation	65,234	111,367
Digital strategic projects	26,401	364,282
Design reports	87,497	70,894
Design other	3,244	4,515
Distribution media	24,773	28,809
Domestic councillors	2,390	896
Equipment hire	909	-
Food and beverage	11,728	3,550
Foreign currency losses	490	2,219
Fringe benefit tax	-	580
Gifts and prizes	5,602	12,364
Insurance	24,116	18,353
Interest	1,530	4,077
International travel councillors	8,253	8,295
International travel staff	32,237	23,527
Legal expenses	59,600	7,600
Long Service Leave expense	44,280	28,065
Memberships and subscriptions	36,053	29,541
Memberships and subscriptions media	99	-
Merchandise	2,254	1,943
Monitoring	51,400	93,919

Office equipment - immediate write off	17,832	12,406
Office supplies and stationery	5,851	1,250
Online gateway fees	63,254	61,982
Other project expenses	7,675	1,500
Other employment expenses	1,498	6,426
Other office and admin expenses	2,312	3,104
Other travel	10,109	8,287
Other travel - domestic	229,536	63,323
Photography	13,410	5,233
Polling	119,515	76,260
Postage and courier	5,623	4,578
Printing	18,483	12,848
Production costs	28,365	241
Publications	706	1,080
Recruitment	109,739	36,258
Rent	134,656	49,037
Software	55,170	94,424
Strategic projects	105,228	1,716
Staff / volunteer training	46,902	31,272
Staff entertainment and amenities	1,786	185
Staff retreats	-	32,023
Superannuation	469,526	386,252
Superannuation councillors	252	4,927
Telephone and communications	22,599	20,463
Travel offsets	1,155	431
Utilities and rates	2,874	926
Venue hire	54,467	13,136
Video	161,562	115,243
Wages salaries and allowances	4,555,660	3,840,259
Web costs	74,338	44,842
Web maintenance and development	49,540	24,450
Workers compensation	37,991	30,098
Total operating expenses	<u>8,191,263</u>	<u>6,699,510</u>
Net operating profit/(loss)	<u>(309,479)</u>	<u>1,592,655</u>

The above detailed income and expenditure statement should be read in conjunction with the accompanying notes.