HalfCut Limited

Annual Report

For The Year Ended 30 June 2022

Contents

Directors Report

The Directors present this report on the company for the financial year ended 30 June 2022.

Information on Company

HalfCut is a Not-for-Profit public company limited by guarantee under the Corporations Act 2001 and a registered charity with the Australian Charities and Not-for-Profits Commission (ACNC) under the Australian Charities and Not-for-Profits Act 2012.

The HalfCut board is responsible for the governance of the company and for ensuring the business activities are directed towards achieving the company's mission to raise awareness and funds to protect existing forest and replant trees, by inviting individuals and communities to take part in fun, social HalfCut campaigns and events to protect and re-wild the world's forests.

Your directors present their report on HalfCut Limited for the financial year ended 30 June 2022.

Information on Directors

Mr James Stanton-Cooke	
Position	Director
Experience	James has contributed to rainforest conservation in Australia for over 20 years. He has founded, developed and co-managed not-for-profit organisations and fundraising programs contributing to rainforest conservation. He has expertise in fundraising and corporate engagement since 2014. James is a founding director of HalfCut.

Jessica Clarke	
Position	Director
Experience	Jessica has contributed to rainforest conservation in Australia for over 10 years. She has founded, developed and co-managed not-for-profit organisations and fundraising programs contributing to rainforest conservation. She has expertise in fundraising and digital marketing and is a founding director of HalfCut.

Nicole Canale	
Position	Director
Experience	Nicole has 12 years experience in fundraising for rainforest conservation and charitable causes. She is a Public Accountant with a number of years of business management experience. Nicole is a founding director of HalfCut.

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the year.

Review of Operations

HalfCut received a significant increase in donations from supporters in FY 2022 with total donations reaching $1,1311,817 against $342,256 received in the prior year.

The organisation continued its commitment to support projects in Australia ensuring that donations were used to support projects that delivered high value conservation outcomes and that have real impact on the environmental challenges of our time.

Review of Operations (continued)

The following four short and long-term strategic goals will guide the HalfCut activities through to June 2023:

1 **Fundraising & Engagement**
To better engage with existing and potential donors and grow the amount of one off donations and the number of people contributing through our recurring monthly giving program.

2 **Land Buyback & Conservation**
To increase the number, combined size and the conservation values of properties acquired for conservation. To establish and maintain relationships with Traditional Owners and Indigenous organisations where possible, involving them in decision making and the management of acquired properties.

3 **Science Based Advocacy & Data Driven Decision Making**
To embrace data-driven decision making and science based advocacy to inform and affect policy and have an outsized impact.

4 **Financial Sustainability, Administration & Governance**

Diversify fundraising streams and build long-term financial sustainability in line with good governance and diligent risk management.

Principal Activities

The principal activity of HalfCut Ltd during the financial year was to raise money for the protection and enhancement of the natural environment. Specifically, undertaking projects to protect rainforest principally in Australia; and promoting, facilitating, participating in, carrying out, arranging or otherwise engaging in, for the benefit of the community:

- the conservation of rainforests and the preservation of the biodiversity of rainforest ecosystems;
- the restoration, rehabilitation, enhancement and management of remnant and regrowth rainforest; and
- the revegetation of ex-rainforest lands, including without limitation the establishment and ongoing management of rainforest plantings of significant ecological value.

No significant changes in the nature of these activities occurred during the year.

Operating Result

The profit from ordinary activities after providing for income tax amounted to $190,779.

Events Subsequent to Balance Date

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

Indemnities

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Court Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration has been received for the year ended 30 June 2022 and can be found on page 5 of the Annual Report.

Signed in accordance with a resolution of the Directors:

……………………………		………………………………
Mr James Stanton-Cooke	Jessica Clarke	Nicole Canale
Director	Director	Director

Dated 08/01/2023

ALLEN & WOLFE
AUDITORS

ABN 18 163 431 052
Level 4 / 29 Crombie Avenue, Bundall QLD 4217
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AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

TO THE DIRECTORS OF HALFCUT LIMITED

I declare that to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012*, in relation to the audit; and

ii. no contravention of any applicable code of professional conduct in relation to the audit.

Allen & Wolfe Auditors

Richard Allen, CA
11 January 2023

Allen & Wolfe Auditors

29 Crombie Avenue
Bundall QLD 4217

Statement of Comprehensive Income
For The Year Ended 30 June 2022

	Note	2022 $	2021 $
Revenue from Ordinary Activities			
Donations		1,311,817	342,256
Sponsorship		58,482	-
Sales		13,242	20,976
Interest received		72	35
Other income		-	20
TOTAL REVENUE FROM ORDINARY ACTIVITIES		**1,383,613**	**363,287**
Expenses from Ordinary Activities			
Donation Distributions		914,851	208,872
Advertising		223,597	40,397
Subscriptions		20,769	11,899
Rent		5,688	29,207
Other Expenses		18,722	41,475
Office Expenses		9,206	5,552
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		**1,192,833**	**337,402**
SURPLUS FOR THE YEAR		**190,780**	**25,885**

The accompanying notes form part of this financial report.

Balance Sheet
As At 30 June 2022

	Note	2022 $	
Current Assets			
Cash and Cash Equivalents	**3**	29,242	25,885
Trade and Other Receivables	**4**	187,423	
TOTAL CURRENT ASSETS		**216,665**	**25,885**
TOTAL ASSETS		**216,665**	**25,885**
Current Liabilities			
TOTAL CURRENT LIABILITIES		**-**	**-**
Non-Current Liabilities			
TOTAL NON-CURRENT LIABILITIES		**-**	**-**
TOTAL LIABILITIES		**-**	**-**
NET ASSETS		**216,665**	**25,885**
EQUITY			
Retained Earnings		216,665	25,885
TOTAL EQUITY		**216,665**	**25,885**

The accompanying notes form part of this financial report.

Statement of Changes in Equity
For The Year Ended 30 June 2022

	Note	Retained Earnings $	TOTAL EQUITY $
Balance as at 1 July 2020		-	-
Surplus for the Year		25,885	**25,885**
Balance as at 30 June 2021		**25,885**	**25,885**
Surplus for the Year		190,780	**190,780**
Balance as at 30 June 2022		216,665	**216,665**

The accompanying notes form part of this financial report.

Cash Flow Statement
For The Year Ended 30 June 2022

	Note	2022 $	
Cash Flow from Operating Activities			
Receipts from Members and Clients		1,196,190	363,287
Payments to Suppliers and Employees		(1,192,833)	(337,402)
Interest Received		-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**5**	**3,357**	**25,885**
Cash Flows from Investing Activities			
Fixed Asset Purchases		-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		**-**	**-**
Cash Flows from Financing Activities			
Repayment of Loans Payable		-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**-**	**-**
Net Increase in Cash Held		3,357	25,885
Cash at Beginning of Year		25,885	-
CASH AT END OF YEAR	**5**	**29,242**	**25,885**

The accompanying notes form part of this financial report.

Notes To The Financial Statements
For The Year Ended 30 June 2022

The financial statements are for HalfCut Limited as an individual entity.

Note 1 Statement of significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-Profits Commission Act 2012. These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements.

These financial statements have been prepared in accordance with the mandatory Australian Charities and Not-for-Profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a Not-for-Profit entity for financial reporting purposes under the Australian Accounting Standards. 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 have been prepared on an accruals basis, based on historical cost, presented in Australian dollars and all values are rounded to the nearest dollars.

Accounting Policies

Revenue

Grant revenue is recognised in the Statement of Comprehensive Income on receipt. If conditions are attached to the grant which at the balance date have not been satisfied, the organisation recognises the unsatisfied obligation as an expense and as a liability.

Donations and bequests are recognised as revenue when received.

Interest and dividend income are recognised on receipt.

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and cash equivalents

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

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 Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Income Tax

No provision for income tax has been raised as the organisation is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

Notes To The Financial Statements
For The Year Ended 30 June 2022

Note 1 Statement of significant accounting policies (continued)

Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Adoption of New and Revised Accounting Standards
During the current year the organisation adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

	Note	2022 $	2021 $
Note 2 Auditor's Remuneration			
Remuneration of the Auditor for:			
- Auditing or Reviewing the Financial Report		1,700	1,700
		1,700	**1,700**
Note 3 Cash and Cash Equivalents			
Operational account		29,242	25,885
Reserve account		-	-
Total Cash and Cash Equivalents		**29,242**	**25,885**
Note 4 Trade and Other Receivables			
Current			
Trade Debtors		183,294	-
Prepayment		4,094	-
GST Asset		35	-
Total Current		**187,423**	**-**
Non-Current			
Trade Receivables		-	-
Other Receivables		-	-
Total Non-Current		**-**	**-**
Total Trade and Other Receivables		**187,423**	**-**

Notes To The Financial Statements
For The Year Ended 30 June 2022

Note 5 Cash Flow Information

Reconciliation of Cash
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Note	2022 $	
Cash and Cash Equivalents	3	29,242	25,885
Cash at the End of the Year		29,242	25,885
Reconciliation of Cash Flows from Operations with Profit after Income Tax			
Profit after Income Tax		190,780	25,885
Non-Cash Flows in Profit			
Depreciation			
Changes in Assets and Liabilities			
(Increase)/Decrease in Trade and Other Receivables		(187,423)	-
(Decrease)/Increase in Trade and Other Payables		-	-
Cash Flows from Operations		**3,357**	**25,885**

Note 6 organisation Details

The registered office of the company is:

HalfCut Limited
78c Charles St
Putney NSW 2112

Note 7 Events After the Balance Sheet Date

The financial report was issued on 11 January 2023 by the Board of Directors.

Directors' Declaration

The directors of the company declare that:

1 The financial statements and notes as set out on pages 10 to 12 are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:

   a. comply with Accounting Standards; and

   b. 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

2 In the directors' opinion 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 Board of Directors.

....	....	....
Mr James Stanton-Cooke	Jessica Clarke	Nicole Canale
Director	Director	Director

08/01/2023

Dated .……/……/…….

ALLEN & WOLFE AUDITORS
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Independent Auditor's Report
To the Directors of HalfCut Limited

Qualified Opinion

We have audited the financial report of HalfCut Limited, which comprises the Balance Sheet as at 30 June 2022 and the Statement of Comprehensive Income, Statement of changes in Equity and Cash Flow statement for the year ended on that date, a summary of Significant Accounting Policies, other Explanatory Notes and the Directors' Declaration.

In our opinion, the financial report of HalfCut Limited is in accordance with the Australian Charities and Not-for-Profit Commission Regulations 2013, including:

In our opinion, except for the effects of the matters described on the Basis for Qualified Opinion paragraph, the financial report of HalfCut Limited is in accordance with the Australian Charities and Not-for-Profits Commissions Regulations 2013, including:

a. giving 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. complying with Australian Accounting Standards and Australian Charities and Not-for-Profit Commission Regulations 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 the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australian. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 on the Financial Statement, which describes the basis of accounting. The financial report has been prepared to assist HalfCut Limited to meet the requirements of the Australian Charities and Not-for-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Members of the Board 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 and the Corporations Act 2001 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 it free from material misstatement, whether due to fraud or error.

Responsibilities of the Members of the Board for the Financial Report (continued)
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 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 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.]

Allen & Wolfe Auditors

Richard Allen CA
11 January 2023

Allen & Wolfe Auditors

29 Crombie Avenue
Bundall QLD 4217