

HalfCut Limited

ABN 24 642 788 814

Financial Statements

For the Year Ended 30 June 2023

HalfCut Limited

ABN 24 642 788 814

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For the Year Ended 30 June 2023

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HalfCut Limited

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Directors' Report

30 June 2023

The directors present their report on HalfCut Limited for the financial year ended 30 June 2023.

Principal Activities

The Company's short term objectives are to:

The principal activity 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 other wise engaging in, for the benefit of the community:

- the conservation of rainforests and the preservation of the bio-diversity 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 planting of significant ecological value.

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

Review of operations

The profit of the Company after providing for income tax amounted to \$ 120,034.

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

The following four short and long-term strategic goals will guide the HalfCut activities during the 2023 financial year.

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 those 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 due diligent risk management.

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Directors' Report

30 June 2023

Information on directors

James Stanton-Cooke

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

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

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.

Other items

Events after the reporting date

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

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

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Directors' Report
30 June 2023

Other items

Other items

Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2023 has been received and can be found on page of the financial report.

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

Director: 


Director:

Dated this 20 day of November 2023

HalfCut Limited

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of HalfCut Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, 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 contraventions of any applicable code of professional conduct in relation to the audit.

[Enter place of signing]

HalfCut Limited

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For the Year Ended 30 June 2023

Statement of Comprehensive Income

	2023 \$	2022 \$
Income		
Donations	459,069	1,311,817
Sponsorships	10,300	58,483
Sales	899	13,242
Interest	1,064	72
	471,332	1,383,613
Less: Direct expenses		
Donations Distributed	196,190	914,851
Advertising	88,482	223,597
Subscriptions	14,628	20,769
Rent	-	5,688
Other expenses	15,195	5,680
Office expenses	8,627	22,250
Legal expenses	28,176	-
	351,298	1,192,833
Net surplus/ (loss)	120,034	190,780

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Statement of Financial Position**As At 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	196,332	29,242
Trade and other receivables	6	140,367	187,423
TOTAL CURRENT ASSETS		<u>336,699</u>	<u>216,665</u>
NON-CURRENT ASSETS			
Other Non Current Assets		-	-
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u><u>336,699</u></u>	<u><u>216,665</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Other Payables		-	-
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>-</u>
NON-CURRENT LIABILITIES			
Other payables		-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>
NET ASSETS		<u><u>336,699</u></u>	<u><u>216,665</u></u>
EQUITY			
Retained earnings		<u>336,699</u>	<u>216,665</u>
TOTAL EQUITY		<u><u>336,699</u></u>	<u><u>216,665</u></u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	216,665	216,665
Surplus attributable to members	120,034	120,034
Balance at 30 June 2023	336,699	336,699

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	25,885	25,885
Surplus attributable to members	190,780	190,780
Balance at 30 June 2022	216,665	216,665

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	524,983	1,196,190
Payments to suppliers and employees	(357,893)	(1,192,833)
Net cash provided by/(used in) operating activities	167,090	3,357
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by/(used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by/(used in) financing activities	-	-
Net increase/(decrease) in cash and cash equivalents held	167,090	3,357
Cash and cash equivalents at beginning of year	29,242	25,885
Cash and cash equivalents at end of financial year	5 196,332	29,242

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers HalfCut Limited as an individual entity. HalfCut Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of HalfCut Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and 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.

Income

Other income is recognised on an accruals basis when the Company is entitled to it. This includes sponsorship and interest

Donations are recorded once received in to the bank account.

(b) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Other Revenue and Income

	2023	2022
	\$	\$
Income		
- other income	457,751	1,382,216
- donations	12,517	1,327
	470,268	1,383,543
Total Revenue and Other Income	470,268	1,383,543

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	196,332	29,242
	<u>196,332</u>	<u>29,242</u>

6 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	134,205	178,271
Prepayments	4,173	4,094
GST receivable	1,994	4,853
Other receivables	(5)	205
Total current trade and other receivables	<u>140,367</u>	<u>187,423</u>

7 Financial Risk Management

	2023	2022
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	196,332	29,242
Trade and other receivables	140,367	187,423
Fair value through Other Comprehensive Income (OCI)		
Total financial assets	<u>336,699</u>	<u>216,665</u>
Financial liabilities		
Financial liabilities at fair value		
Total financial liabilities	<u>-</u>	<u>-</u>

8 Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* 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 \$ 5 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 270.

9 Auditors' Remuneration

Brown Auditing Services has only provided audit and assurance services.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

11 Events After the End of the Reporting Period

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

12 Statutory Information

The registered office and principal place of business of the company is:

HalfCut Limited
78c Charles St
Putney NSW 2112

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person  Responsible person 

Dated 20/11/2023

HalfCut Limited

Independent Audit Report to the members of HalfCut Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of HalfCut Limited, which comprises the statement of financial position as at 30 June 2023, the Other Comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- (i) 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 ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *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 Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons 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 responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 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 the financial report.

HalfCut Limited

Independent Audit Report to the members of HalfCut Limited

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Location