Greening Australia Ltd and controlled entities

ABN 40 002 963 788

Annual Report - 30 June 2024

The Directors present their report, together with the financial statements, of Greening Australia Ltd ('company') and its controlled entities ('consolidated entity' or 'organisation') for the financial year ended 30 June 2024.

Principal Activities

Greening Australia Ltd is a public company limited by guarantee. Its principal object is to engage the community in vegetation management to protect, restore and conserve Australia's diverse landscapes. It achieves this through utilising over 40 years of expertise in land-based restoration, applying the best science and partnering with a range of landholders and First Nations communities across Australia. Its principal activities include working nationally with communities enabling the restoration of landscapes, improving biodiversity and water quality and delivering projects which achieve the sequestration of carbon. These activities are achieved by being a vertically integrated business through the sourcing and treatment of seed, on ground restoration and monitoring of outcomes.

The company is the parent company of the consolidated entity which includes Nindethana Seed Service Pty Ltd, SeedX Pty Ltd, Greening Australia - Sandalwood Australia Co Pty Ltd, Greening Australia (QLD) Ltd and Canopy Nature Based Solutions Pty Ltd. As a group all entities work together to achieve Greening Australia's object, vision and mission. The organisation also has an investment in Nature Company Pty Ltd a global organisation dedicated to developing and delivering large-scale land restoration carbon projects.

Company Objectives

The principal objective of the company is to engage the community in vegetation management to protect and restore the health, diversity and productivity of our unique Australian landscapes at scale.

Review of Operations

Organisational Objectives

In 2018, Greening Australia set ambitious 2030 targets with the aim of significantly scaling up its ecological restoration work as well as the whole environmental sector. This was done to highlight the need to meet the emerging national and global goals of restoring 30% of ecosystems by 2030. The 2030 targets served to signal the critical urgency and magnitude of change required to others and helped to prioritise, identify and remove barriers, and achieve impactful outcomes for communities, economies and the environment.

Since 2018, there has been significant changes across the environment sector, which has led Greening Australia to develop a new impact framework which will better measure the change the organisation creates against identified impact themes and most importantly, drive improved ways of working to achieve the desired outcomes.

By aligning the organisations objectives and decisions with the impact themes, it will seek to ensure that landscapes are restored at scale in ways that create meaningful, measurable benefits for all. These objectives are formulated on leveraging Greening Australia's unique position as Australia's largest vertically integrated restoration organisation operating as a registered not for profit. The organisation retains the heart and soul of a not for profit with the delivery of a commercial enterprise utilising different business models to deliver its vision of a healthy and productive landscapes where people and nature thrive.

The organisation retains its core focus as a science based national seed and restoration business providing sector leadership. It will continue to scale its work delivering impact to address climate change and build habitat in terrestrial riparian and wetland ecosystems. This will be done by working with First Nations groups, communities, landholders, volunteers, customers, partners, supporters and key stakeholders, to increase their ability to rebuild nature in the face of the changing world. To achieve this, the organisation consistently develops the skills and capabilities of its workforce, embraces agile systems, and forms partnerships that deliver impact whilst remaining financially sustainable.

Company Strategies
During the financial year, as a result of the financial climate and economic conditions the organisation faced increased costs of operating, which negatively impacted on the organisation's goal to achieve a break-even result. However, the organisation was still able to deliver on a wealth of projects nationwide as well as make investments for the future thanks to the support of new and existing partners. Access to land to undertake large scale restoration continued to be a challenge throughout the financial year but was significantly aided by the new partnership with Conscious Investment Management (CIM) which will enable the organisation to scale its access to land for biodiverse carbon planting and restoration. This opportunity to boost access to land nationally will significantly enable the organisation to achieve its long-term goals.

Growth in the native seed sector has driven the organisation to focus on the development of the east coast market, with the expansion of storage capacity across the east coast sites. Key areas of focus are the education of the market and aligning seed demand with seed supply. The continued development and investment in seed production areas in both Western Australia and New South Wales, seeks to address the need for better native seed supply across the sector.

Uncertainty around the government approving a new environmental planting method, the organisation’s main carbon projects approach, continues to cause uncertainty in the market. Along with registering multiple carbon projects, the organisation provided significant input to help shape the regulator’s new environment planting method.

Relationships with First Nations groups and local communities remained pivotal to the organisation and the delivery of projects, with significant investment made in the development of these relationships.

Financial Overview
For the 2024 financial year the consolidated entity delivered a total comprehensive deficit of $(589)k which is an improvement of $1,977k on the prior financial year, representing a significant improvement in the operating performance of the organisation.

The result includes a positive result from the assessment of the fair value of land owned by the group which resulted in an increase in the fair value of assets of $179k and a tax benefit of $29k which resulted from the recognition of timing differences and tax losses in the for-profit entities.

Total revenue and other income of $40,337k is an improvement of $1,097k on the prior financial year result of $39,240k and is represented by the following main categories:

	Consolidated	
	2024	**2023**
Revenue Source	**%**	**%**
State governments	18%	9%
Australian Government	3%	6%
Local governments	1%	1%
Total Government	22%	16%
Business and corporates	65%	69%
Philanthropy	7%	10%
Interest and other sources	4%	3%
Regional natural resource management groups	2%	2%
	100%	**100%**

Business and corporates continue to be the main source of revenue for the organisation, as a result of the organisation's focus on strengthening these partnerships. Revenues from state governments remained the second highest source of revenue, resulting from key restoration, and community projects. The support from our donors continues to be core to Greening Australia and its ability to deliver on its vision and mission with 7% of its revenue coming from philanthropic sources.

Total direct and operating expenses of $41,134k is an improvement of $574k on the prior financial year result of $41,708k.

Where the money was spent	Consolidated 2024 %	Consolidated 2023 %
Biodiverse restoration	60%	61%
Organisational and management support costs	18%	19%
Native seed supply and infrastructure	10%	9%
Gully and wetlands restoration	8%	8%
Seed production area development and research	2%	1%
Fundraising activities	2%	2%
	100%	**100%**

Spending on biodiverse restoration continues to be the largest spend, resulting from our focus to deliver on ground projects nationally. Costs relating to organisational and management support represent 18% of the total spend and reflect the cost of the enabling areas of the organisation. The organisation continued to invest in the development of seed production areas and seed research and development, allocating 2% of the overall spend to this activity. This is an investment in the future and is core pillar of our strategy to establish a sustainable supply of native seed.

Greening Australia Ltd, the parent not for profit entity delivered a net surplus before income tax $311k, compared to the prior financial year deficit of $(1,338)k representing an improvement of $1,649k. Greening Australia Ltd's operations include restoration, research and development and community projects. Its contribution to consolidated results of the organisation is represented in the following table:

Entity	**2024 $'000**	**2023 $'000**
Greening Australia Ltd ("parent entity")	311	(1,338)
Subsidiaries	(1,108)	(1,130)
Deficit before income tax benefit	**(797)**	**(2,468)**
Income tax benefit/(expense)	29	(98)
Other comprehensive income	179	-
Total comprehensive deficit for the financial year	**(589)**	**(2,566)**

Further information relating to Greening Australia Ltd can be found in note 36 of the accompanying financial statements.

The organisation's subsidiaries through their combined strength enable it to deliver on its end-to-end high integrity restoration solutions. The following table shows the contribution of the subsidiaries to the overall organisation results:

Entity	**Consolidated 2024 $'000**	**Consolidated 2023 $'000**
Nindethana Seed Service Pty Ltd	(715)	(391)
Canopy Nature Based Solutions Pty Ltd	(306)	30
SeedX Pty Ltd	(865)	(753)
Greening Australia – Sandalwood Australia Co Pty Ltd	738	(37)
Other subsidiaries	40	21
Deficit before income tax benefit/(expense)	**(1,108)**	**(1,130)**

Each of these subsidiaries are in a different stage of their evolution, resulting in the requirement for continued investment and therefore incur short term losses to enable them to build and support the overall organisation in the long term. These deficits are mainly related to this investment need for the future development of these businesses to achieve the organisation's overall objectives. Further information relating to Greening Australia Ltd's subsidiaries can be found in note 34 of the accompanying financial statements.

Operational highlights
During the financial year the organisation restored habitat on 3,688 hectares of land, established 3,624,253 plants, supplied 7.32 tonnes of native seed, sequestered 36,880 tonnes of carbon and prevented 13,901 tonnes of water pollutants from reaching the Great Barrier Reef. This was achieved through the significant efforts of our team, support from our donors and enablement from Government, corporate partners, first nations partnerships and landholders.

Funding from our key partners enabled the planting of over 365,000 trees at Glandore, a property near Elliston on South Australia's Eyre Peninsula, adding 541 hectares to the 657 hectares planted in 2023. Projects across two properties in the South Australian Murray Mallee region have had over a quarter of a million trees planted. In Western Australia 61,000 seedlings were planted at the Ediegarrup Reserve on Goreng Noongar country adding to the 22,000 seedlings planted in 2023. To date over 200kg of local provenance native seed has been sown at Ediegarrup using the direct seed method. These plantings will grow into habitat benefiting critical species such as Mallee fowl, Tammar and Black-Gloved Wallabies, Western Quoll, Western Whipbird and Carnaby's Black Cockatoo.

This financial year has seen a significant increase in the number of the organisation's carbon projects across Australia, with the registration of five new projects, bringing the total number under management across the country to 12. This was in conjunction with another major milestone being the registration of the Caddigat Restoration project - the first project funded through impact investment.

The organisation was awarded funding by the Australian Governments Reef Trust to continue to deliver two reef coastal restoration projects which will focus on restoring blue carbon ecosystems, building on experience gained working alongside Nywaigi Traditional Owners for the Mungalla Blue Carbon project.

The nature repair market legislation came into effect late 2023, the organisation sees potential for this market to support its vision of 'healthy and productive landscapes where people and nature thrive'. In conjunction with others in the sector the organisation is providing feedback on the developing methods in the market, as well as insights to support the development of robust processes and oversight.

In May 2024, the organisation partnered with impact investment firm, Conscious Investment Management (CIM), to deliver biodiverse environmental planting projects across Australia. The partners made their first investment with the purchase of a 755-hectare property in Southern NSW, with plans to plant approximately 140,000 native trees and shrubs on the property in 2025. The organisation has registered the property as an environmental plantings project via the Clean Energy Regulator, where Greening Australia Ltd is the landowner and project developer and CIM has provided innovative financing for the project with repayments linked to the generation and sale of Australia Carbon Credit Units through the environmental planting methodology.

A major focus for 2024 has been developing Nindethana's national storage infrastructure, both to facilitate and improve customer service and to help better manage the scarce and valuable native seed resources. With an inventory based on a hub and spoke model, the primary focus this financial year has been to improve the key spoke locations. New improved storage facilities were installed at Port Lincoln and Edwardstown in South Australia, with temperature and humidity controls to better maintain the quality and lifespan of stored seed. The seed storage facility in Canberra also had a significant upgrade with the commission of a purpose-built seed facility, funded by a generous donation from the Thyne Reid Foundation. This financial year the seed production area in Western Australia completed its second phase of planting which benefited from the implementation of several improvements learnt from the prior planting season.

Significant changes in affairs
During the financial year, a $30 million loan facility was established with Conscious Investment Management to purchase land to establish carbon sinks. Each purchase will be treated separately with varying commercial terms which stipulate the sharing of future ACCUs generated from each distinct and identifiable carbon sink asset. See note 25.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Directors

The following persons were Directors of Greening Australia Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Dunne
Gordon Davis
Julie Green
John Hope
Radha Kuppalli
Charl Pienaar
Robin Romero
Glynn Scott Anderson
Paul Elton (appointed 15 December 2023)

Information on Directors

Name:	Stephen Dunne
Title:	Chair
Qualifications:	Bachelor of Business, Masters of Business, Chartered Financial Analyst, FAICD.
Experience and expertise:	Stephen currently holds multiple Board positions, including the Chair of the Investors Group on Climate Change (IGCC) since 2019, Director & Chair of the Investment Committee for the Cbus Super Fund since 2015 and Director of the AMP Foundation since 2023. Stephen had a long and highly successful 21-year career at AMP Capital, where he was a CEO for over 12 years. Outside of financial services, Stephen has an active interest and investment in livestock breeding, farmland conservation and restoration. His direct ownership and participation in a major corporate agricultural enterprise have served to deepen his appreciation of the challenges and opportunities presented in the agriculture sector, supported by his deep understanding of sustainability and experience embedding sustainability into investment and business operations.
Name:	Gordon Davis
Title:	Director
Qualifications:	BSc (Hons) Forest Science, Masters Science, MBA.
Experience and expertise:	Past Chair of Greening Australia Limited 2014 to 2019. Gordon has worked in government as a forester, federal parliament as a policy advisor, and industry roles, including as a CEO. Gordon was Chair of VicForests from 2011 to 2016, and served on the Advisory Board of The Nature Conservancy from 2013 to 2018. He holds non-executive Directorships with Healius Limited, and Midway Limited.

Name:	Julie Green
Title:	Director
Qualifications:	Fellow Chartered Accountant in Australia and England & Wales, Fellow of Australian Institute of Company Directors and Fellow of Leadership Victoria.
Experience and expertise:	Julie is a non-executive Director of RACV, Bendigo Health, and BRLP Australia, as well as Advisory Board Member of Symphony7 and ClimateWise Associations. Formerly a Director of RACV Finance, Maldon Hospital, and a large regional aged care service provider, Shepparton Villages. Julie has been a business consultant in the UK and Ernst & Young in Australia. This follows a successful executive career in infrastructure, transport, utilities and healthcare, delivering major change agendas in the public and private sectors. Alongside this professional career, Julie has been an advisor to Not For Profit entities over the last 20 years and has mentored emerging leaders through Leadership Victoria. She is passionate about sustainability, circular economy, and regional Victoria. She lives in Maldon Victoria.
Name:	John Hope
Title:	Director
Qualifications:	Bachelor of Commerce and Master of Business Administration (Melbourne University), Fellow of Chartered Accountants Australia and New Zealand, Fellow of the Financial Services Institute of Australia, Graduate Member of the Australian Institute of Company Directors.
Experience and expertise:	John brings professional services leadership and corporate finance experience gained working in Australia and in Asia. John is currently pursuing personal interests involving farming and the environment. John retired from EY on 31 March 2017, after over 30 years with the firm. For the six years to 30 June 2016, John was based in Hong Kong as the Asia-Pacific Managing Partner of Transaction Advisory Services, responsible for all aspects of the business including servicing clients and recruiting and developing people across 20 countries, including Australia. Post EY John spent 18 months with Kidder Williams Limited, who provide corporate advisory and investment banking services to private and ASX-listed companies, with a focus on the Australian agriculture, forestry, food and beverage sectors. He is a non-executive Director of Nindethana Seed Service Pty Ltd.

Name:	Radha Kuppalli
Title:	Director
Qualifications:	Bachelor of Arts (International Studies and Economic Theory), MBA, Master of Environmental Management.
Experience and expertise:	Radha Kuppalli has been developing innovative finance and commercial solutions to addressing climate change and restoring and protecting nature for over 20 years. Her career has spanned executive leadership in the asset management industry, investment in real assets and private equity, business development and growth execution, and board roles in the finance, manufacturing, and environmental sectors. For 17 years, Radha was an integral staff member and executive of New Forests, one of the world's largest asset management businesses in forestry and natural capital, and held positions in strategy, portfolio management, product development, capital raising, and sustainability. She has global investment experience in forestry, land, and carbon and biodiversity markets, including Australia, New Zealand, the United States, Southeast Asia, and Africa. Radha began her career on the ground floor of the carbon markets, advising corporates and governments on opportunities and risks of climate change and energy policies around the world. She holds graduate degrees from Yale University in business and environmental management. She is also on the board of Accounting for Nature and Re-Vi Group.
Name:	Charl Pienaar
Title:	Director
Qualifications:	Bachelor of Commerce, Bachelor of Commerce (Honours), Master of Commerce (Economics).
Experience and expertise:	Prior to joining the Board in 2017, Charl worked with Greening Australia for many years in various voluntary capacities, including serving on the Board of Greening Australia NSW. With a background in economics, Charl started his career as a management consultant before moving into investment management roles with the Australian Industry Development Corporation, Lend Lease Corporation and MLC Limited in the private equity, infrastructure and alternative asset sectors. He was responsible for establishing and managing MLC's significant international private equity program and also managed its infrastructure investments in Asia. He currently serves as a Member of Investment Committees and was a past Director of New Forests, an international investment management firm focused on sustainable forestry and associated environmental markets.
Name:	Robin Romero
Title:	Director
Qualifications:	Bachelor of Laws, Bachelor of Commerce (Accounting & Finance), Graduate Member of the Australian Institute of Company Directors, Member of Chartered Accountants Australia and New Zealand.
Experience and expertise:	Robin is an experienced Director, executive and commercial lawyer. With a background in law, accounting and finance, the early days of her career were at KPMG followed by King & Wood Mallesons. Robin then moved into the mining and resources industry where she has over 20 years of commercial experience at executive and board level. Robin was raised in the Great Southern region of Western Australia and retains a strong connection with the region. Robin is currently legal counsel for FMR Investments, a private mining group based in Perth and is also a non-executive Director of Euroz Hartleys Group Limited, West African Resources Limited and SeedX Pty Ltd.

Name:	Glynn Scott Anderson
Title:	Director and Chair of Thriving on Country Committee
Qualifications:	Graduate Certificate of Business, Cert IV Small Business, Diploma of Christian Ministries, ATS: Level 4 - Cross Cultural Communications, Aboriginal Culture Accreditation, Alumni Australian Rural Leadership Program, Master of Business (currently studying), Member of the Australian Institute of Company Directors.
Experience and expertise:	Scott is responsible for Strategic Partnerships and Culture at Silver Lining Foundation Australia, which is a charity and Public Benevolent Institution which runs secondary schools for disenfranchised First Nations students. Scott is responsible for new business development and partnerships with Traditional Owners as well as ensuring cultural perspectives are embedded within the education curriculum they deliver. Specialising in First Nations corporate governance, business management and strategic development, Scott has exceptional working knowledge of key commercial and government support mechanisms for Indigenous business. He has experience in the Tourism, Agribusiness, Restorative Industries, Education, Vocational Education and Training (VET), Early Learning, Government and Community sectors. Scott is also the Director of Nywaigi Aboriginal Land Corporation and a Member of the Great Barrier Reef Foundation Traditional Owner Integrated Monitoring & Reporting Working Group.

Name:	Paul Elton
Title:	Director
Qualifications:	Bachelor of Engineering (Civil) and Master of Engineering Science from the University of New South Wales
Experience and expertise:	Paul is an experienced CEO and non-executive director; and a researcher and adviser on action to address the nature and climate crises in Australia. Paul's career and expertise are focused on water management, environment protection, biodiversity conservation, and climate action. Most recently, Paul was inaugural CEO of the NSW Biodiversity Conservation Trust, developing ground-breaking approaches to private land restoration and conservation, and gaining expertise in environmental markets and nature-based solutions to climate change. Paul is currently a PhD scholar with the ANU Fenner School of Environment and Society, researching means of achieving the goals and targets of the Global Biodiversity Framework in Australia. He is a non-executive Director of Nature Company Pty Ltd.

Meetings of directors

The number of meetings of the company's Board of Directors held during the financial year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Glynn Scott Anderson	6	7
Gordon Davis	5	7
Stephen Dunne	6	7
Julie Green	7	7
John Hope	7	7
Radha Kuppalli	6	7
Charl Pienaar	7	7
Robin Romero	7	7
Paul Elton	4	4

Held: represents the number of meetings held during the time the director held office.

Indemnity and insurance of officers
No direct indemnities have been given to any director or officer during the financial year but the company pays for professional indemnity/public liability insurances that would cover directors and officers of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Contributions on winding up
Limited liability of members
For so long as a natural person or corporate entity is a member and for one financial year after they cease to be a member, each member undertakes to contribute to the assets of the company up to an amount not exceeding one dollar ($1.00) for payments of the debts and liabilities of the company (including the costs of winding up) if it is wound up.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

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

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of Directors.

On behalf of the directors

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Stephen Dunne

28 October 2024

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Auditor's Independence Declaration

To the Directors of Greening Australia Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Greening Australia Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner - Audit & Assurance

Melbourne, 28 October 2024

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Greening Australia Ltd and controlled entities
Statement of profit or loss and other comprehensive income
For the financial year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue			
Consultancy services		686	288
On-ground works and revegetation		28,897	29,719
Sale of seeds and plants		3,649	2,504
Sale of publications and merchandise		9	8
Carbon sales		1,335	1,031
Membership and event income		10	13
Donations and fundraising income		4,099	4,454
Total revenue	4	38,685	38,017
Less: Direct expenses		(19,475)	(20,027)
Gross profit		19,210	17,990
Share of profits of associate accounted for using the equity method		31	155
Other income	5	1,621	1,068
Expenses			
Rent and rates		(332)	(329)
Depreciation and amortisation expenses		(1,604)	(1,433)
Employment related expenses		(18,061)	(17,856)
Operational and administrative expenses	6	(1,351)	(1,840)
Finance costs		(311)	(223)
Total operating expenses		(21,659)	(21,681)
Deficit before income tax benefit/(expense)		(797)	(2,468)
Income tax benefit/(expense)	7	29	(98)
Deficit after income tax benefit/(expense) for the financial year		(768)	(2,566)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings, net of tax		179	-
Other comprehensive income for the financial year, net of tax		179	-
Total comprehensive deficit for the financial year		(589)	(2,566)
Deficit for the financial year is attributable to:			
Non-controlling interest		(292)	(663)
Members of Greening Australia Ltd and controlled entities		(476)	(1,903)
		(768)	(2,566)
Total comprehensive income for the financial year is attributable to:			
Non-controlling interest		(292)	(663)
Members of Greening Australia Ltd and controlled entities		(297)	(1,903)
		(589)	(2,566)

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

Greening Australia Ltd and controlled entities
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Assets			
Current assets			
Cash and cash equivalents	8	29,433	26,355
Trade and other receivables	9	6,098	9,501
Inventories	10	51	69
Biological assets	12	3,747	3,902
Financial assets	13	6,524	13,524
Total current assets		45,853	53,351
Non-current assets			
Investment accounted for using the equity method	14	203	172
Property, plant and equipment	15	18,335	13,133
Right-of-use assets	11	4,230	2,646
Intangible assets	16	633	633
Other assets	17	204	228
Bearer plants	18	1,744	1,523
Biological assets	12	-	106
Deferred tax asset	19	109	89
Total non-current assets		25,458	18,530
Total assets		71,311	71,881
Liabilities			
Current liabilities			
Trade and other payables	20	3,648	4,618
Lease liabilities	21	624	447
Tax payable	22	-	25
Provisions	23	2,314	2,307
Other financial liability	25	173	-
Contract liabilities	26	19,209	25,128
Total current liabilities		25,968	32,525
Non-current liabilities			
Lease liabilities	21	3,736	2,275
Deferred tax liabilities	27	71	53
Provisions	23	370	361
Borrowings	24	7,271	6,515
Other financial liability	25	4,332	-
Total non-current liabilities		15,780	9,204
Total liabilities		41,748	41,729
Net assets		29,563	30,152
Equity			
Reserves	28	9,388	10,117
Retained surpluses		16,222	15,790
Equity attributable to the members of Greening Australia Ltd and controlled entities		25,610	25,907
Non-controlling interest		3,953	4,245
Total equity		29,563	30,152

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

Greening Australia Ltd and controlled entities
Statement of changes in equity
For the financial year ended 30 June 2024

Consolidated	Specific purpose fund $'000	Capital profit reserve $'000	Other reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2022	1,797	-	201	17,510	211	19,719
Deficit after income tax expense for the financial year	-	-	-	(1,903)	(663)	(2,566)
Other comprehensive income for the financial year, net of tax	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	(1,903)	(663)	(2,566)
Contributions of equity, net of transaction costs	-	-	-	-	4,697	4,697
Revaluation increments upon sale of shares in a subsidiary	-	8,302	-	-	-	8,302
Transfers to/(from) specific purpose fund	18	-	-	(18)	-	-
Transfers to/(from) other reserves	-	-	(201)	201	-	-
Balance at 30 June 2023	1,815	8,302	-	15,790	4,245	30,152

Consolidated	Specific purpose fund $'000	Capital profit reserve $'000	Other reserves $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2023	1,815	8,302	-	15,790	4,245	30,152
Deficit after income tax benefit for the financial year	-	-	-	(476)	(292)	(768)
Other comprehensive income for the financial year, net of tax	-	-	-	179	-	179
Total comprehensive income for the financial year	-	-	-	(297)	(292)	(589)
Transfers to/(from) specific purpose fund	(729)	-	-	729	-	-
Balance at 30 June 2024	1,086	8,302	-	16,222	3,953	29,563

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

Greening Australia Ltd and controlled entities
Statement of cash flows
For the financial year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		39,790	50,263
Payments to suppliers and employees (inclusive of GST)		(43,365)	(47,082)
		(3,575)	3,181
Interest received		1,424	467
Income tax paid		-	(108)
Interest and other finance costs paid		(161)	(116)
Net cash (used in)/from operating activities	37	(2,312)	3,424
Cash flows from investing activities			
Payments for bearer plants		(221)	(1,176)
Payments for property, plant and equipment		(5,989)	(4,821)
Payments for intangible asset		-	(1)
(Placement of)/proceeds from redemption of financial assets		7,000	(1,203)
Proceeds from disposal of assets		90	66
Net cash from/(used in) investing activities		880	(7,135)
Cash flows from financing activities			
Proceeds from issue of shares in a subsidiary		-	13,000
Proceeds of related party loans		606	6,408
Proceeds from derivative financial liability	25	4,505	-
Repayment of lease liabilities		(601)	(605)
Net cash from financing activities		4,510	18,803
Net increase in cash and cash equivalents		3,078	15,092
Cash and cash equivalents at the beginning of the financial year		26,355	11,263
Cash and cash equivalents at the end of the financial year	8	29,433	26,355

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

Note 1. General information

The financial statements cover Greening Australia Ltd and controlled entities as a consolidated entity consisting of Greening Australia Ltd and the entities it controlled at the end of, or during, the financial year. The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

Greening Australia Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are Level 3, 349 Collins Street, Melbourne VIC 3000.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 October 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current financial year.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The consolidated entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

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

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of certain classes of other financial liabilities, and property, plant and equipment.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 36.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Greening Australia Ltd ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the financial year then ended. Greening Australia Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Material accounting policy information (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the Statement of profit or loss and other comprehensive income, Statement of financial position and Statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
The consolidated entity recognises revenue as follows:

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

Government grants, donations and bequests
When the consolidated entity receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the consolidated entity to further its objectives), it performs an assessment to determine if the contract is ‘enforceable’ and contains ‘sufficiently specific’ performance obligations. In cases where there is an ‘enforceable’ contract with a customer with ‘sufficiently specific’ performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. In all other cases (where the contract is not ‘enforceable’ or the performance obligations are not ‘sufficiently specific’), the transaction is accounted for under AASB 1058 where the consolidated entity:

- recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- considers whether any other financial statement elements should be recognised (‘related amounts’) in accordance with the relevant and applicable Australian Accounting Standard including:
    - contributions by owners (AASB 1004)
    - a lease liability (AASB 16)
    - revenue, or a contract liability arising from a contract with a customer (AASB 15)
    - a financial instrument (AASB 9)
    - a provision (AASB 137)
- recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised

Note 2. Material accounting policy information (continued)

Sale of seeds and plants
Revenue from the sale of seeds and plants is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Carbon credit sales
Revenue from the sale of carbon credits is recognised at the point in time when the certificate of entitlement passes to the customer or the carbon credit is retired from the registry.

Interest income
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Direct expenses
Direct expenses are incurred directly attributable to generating revenue such as on-ground works and vegetation expenses, and changes in inventories and biological assets.

Income tax
The parent entity and a subsidiary, Greening Australia (QLD), are charitable institutions in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, are exempt from paying income tax. Greening Australia Vegetation Management Trust has been assessed as a not for profit tax exempt entity.

Five subsidiaries (Nindethana Seed Service Pty Ltd, Canopy Nature Based Solutions Pty Ltd, SeedX Pty Ltd, Australian Carbon Biosequestration Initiative Ltd and Greening Australia - Sandalwood Australia Co Pty Ltd) are not registered charities and hence the income tax included in the consolidated results relates to the income tax incurred by these entities for the financial year.

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

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

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

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

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

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

Note 2. Material accounting policy information (continued)

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

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Carbon credits
A controlled entity has interests in carbon credits. Carbon credits are stated at the lower of cost and net realisable value.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Associates
Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investment in associate is carried in the Statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Shares received or receivable from associates reduce the carrying amount of the investment.

Financial assets
Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each financial year as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Note 2. Material accounting policy information (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Land and buildings
Land and buildings are carried at fair value, based on periodic valuations, at least every 3 financial years, by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Carbon land sinks
Carbon land sink assets are stated at the lower of historical cost or net realisable value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Impairment assessments are carried out when an impairment indicator has been identified. Carbon land sinks are indefinite life assets and therefore not depreciated.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation
Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-20 years
Plant and equipment	3-30 years
Furniture, fixtures and fittings	4-100 years
Motor vehicles	4-5 years
Computer equipment	2-5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 2. Material accounting policy information (continued)

Bearer plants
Bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer plants are accounted for as property, plant and equipment in accordance with *AASB 116 Property, plant and equipment*, instead of as biological assets in accordance with *AASB 141 Agriculture*. The produce growing on bearer plants continues to be accounted for as biological assets in accordance with *AASB 141 Agriculture*.

The consolidated entity's bearer plants mainly include native seed plants, which are measured at cost less accumulated depreciation and impairment losses. The cost of bearer plants includes the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation will be calculated on a straight-line basis over their estimated useful lives, which range from 6 to 25 years.

The bearer plant is derecognised when they are disposed of or when there is no future economic benefits to the consolidated entity are expected from their use or disposal. The difference between the net disposal proceeds and the carrying amount of the bearer plants is recognised in profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Trademarks
Significant costs associated with trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Biological assets
Biological asset is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

A controlled entity has interests in sandalwood plantations (the biological assets). Net increments or decrements in the fair value less cost to sell of sandalwood are recognised as income or expense in the profit and loss determined as the difference between the fair value at the beginning of the period and the fair value at the reporting date.

Note 2. Material accounting policy information (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Borrowings
Loans are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

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

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

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurement, external values may be used when internal expertise is either not available or when the valuation is deemed to be significant. External values are selected based on market knowledge and reporting. Where there is a significant change in fair value of an asset or liability from one financial year to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Classification and measurement of financial liabilities
Financial liabilities are initially measured at fair value, and where applicable adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value of biological assets
Biological assets are measured at fair value less costs to sell. In estimating fair value, management takes into account the most reliable evidence of market prices at balance date. Historic cost is used as an estimate of fair value where little or no biological transformation has taken place.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives can change significantly as a result of technical innovations or some other event. The depreciation and amortisation charges will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of financial assets
The consolidated entity assesses impairment of financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Derivative financial instruments
Forward foreign exchange contracts, designated as cash flow hedges, are measured at fair value. Reliance is placed on future cash flows and judgement is made on a regular basis, through prospective and retrospective testing, including at the reporting date, that the hedges are still highly effective.

Valuation of land and buildings
When determining the fair value of land and buildings, classified as land, the value of any carbon credits these assets generate or continue to generate into the future are not taken into account.

Valuation of financial liability
In estimating the fair value of a liability, the Group uses market-observable data to the extent it is available. The Group uses a valuation model built by an external valuation modeler to guide in the determination of the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation findings to the Finance, Audit and Risk Committee, and to the Board of Directors regularly to explain the cause of fluctuations in the fair value of the liabilities.

The valuation technique uses the discounted cash flow method utilising key inputs of ACCU prices and units. At 30 June 2024, the fair value of the derivative financial liabilities was $4,505k.

Note 4. Revenue

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

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Timing of revenue recognition		
Goods and services transferred at a point in time	9,124	8,041
Services transferred over time	29,561	29,976
	38,685	38,017

Note 5. Other income

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Interest income	1,424	467
Gain on sale of assets	49	61
Sundry income	148	540
	1,621	1,068

Note 6. Operational and administrative expenses

	Consolidated 2024 $'000	Consolidated 2023 $'000
Legal fees	210	131
Insurance	285	294
Telephone and internet	156	201
Other expenses	700	1,214
	1,351	1,840

Note 7. Income tax

	Consolidated 2024 $'000	Consolidated 2023 $'000
Numerical reconciliation of income tax and tax at the statutory rate		
Deficit before income tax benefit/(expense)	(797)	(2,468)
Tax at the statutory tax rate of 25%	(199)	(617)
Current financial year tax losses not recognised	359	-
Prior financial year tax losses not recognised now recouped	(446)	-
Prior financial year temporary differences not recognised now recognised	331	-
Non-deductible expenses	2	1
Origination and reversal of temporary difference	46	182
Over provision in prior financial year	(25)	(3)
(Profit)/losses associated to non-taxing entities	(97)	535
Income tax	(29)	98

Note 8. Cash and cash equivalents

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Cash on hand	1	1
Cash at bank	19,318	26,354
Cash on deposit	10,114	-
	29,433	26,355

Note 9. Trade and other receivables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Trade receivables	1,931	7,037
Less: Allowance for expected credit losses	(73)	(73)
	1,858	6,964
Work in progress	2,509	1,444
Other receivables	695	126
Prepayments and deposits	618	500
Loans to associate	250	250
Income tax refund due	27	127
GST refundable	141	90
	6,098	9,501

Further information related to loan to associate is set out in note 33.

Note 10. Inventories

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Merchandise, packaging and planting supplies	26	23
Carbon credits	25	46
	51	69

Note 11. Right-of-use assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Land and buildings - right-of-use	5,451	3,889
Less: Accumulated depreciation	(1,221)	(1,243)
	4,230	2,646

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

Consolidated	Land and buildings $'000	Total $'000
Balance at 1 July 2023	2,646	2,646
Additions	2,239	2,239
Depreciation expense	(655)	(655)
Balance at 30 June 2024	4,230	4,230

Note 12. Biological assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Plant stock	137	72
Seed stock	3,781	3,970
Less: Provision for stock obsolescence	(171)	(140)
	3,610	3,830
	3,747	3,902
Non-current assets		
Biological assets	-	106
	3,747	4,008

The harvest of the sandalwood plantations was carried out in May and June 2024.

Note 13. Financial assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Short term bank deposits	6,524	13,524

Note 14. Investment accounted for using the equity method

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Investment in Nature Company Pty Ltd	203	172

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2024 $'000	2023 $'000
Opening carrying amount	172	17
Surplus after income tax	31	155
Closing carrying amount	203	172

Refer to note 35 for further information on interests in associate.

Note 15. Property, plant and equipment

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Non-current assets		
Land and buildings - at valuation	4,665	4,057
Less: Accumulated depreciation	(1,099)	(1,074)
	3,566	2,983
Leasehold improvements - at cost	3,002	2,966
Less: Accumulated depreciation	(1,531)	(1,202)
	1,471	1,764
Plant and equipment - at cost	5,158	4,906
Less: Accumulated depreciation	(1,798)	(1,647)
	3,360	3,259
Furniture, fixtures and fittings - at cost	106	105
Less: Accumulated depreciation	(86)	(84)
	20	21
Motor vehicles - at cost	2,576	2,481
Less: Accumulated depreciation	(1,947)	(1,989)
	629	492
Computer equipment - at cost	786	1,254
Less: Accumulated depreciation	(716)	(1,099)
	70	155
Carbon land sinks - at cost	9,135	4,333
Assets under construction - at cost	84	126
	18,335	13,133

Note 15. Property, plant and equipment (continued)

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

f **Consolidated**	Freehold land and buildings, at valuation $'000	Carbon land sinks $'000	Leasehold improvements $'000	Furniture, fixtures and fittings $'000	Motor vehicles $'000	Plant and equipment $'000	Computer equipment $'000	Assets under construction $'000	Total $'000
Balance at 1 July 2023	2,983	4,333	1,764	21	492	3,259	155	126	13,133
Additions	429	4,802	55	1	317	355	18	12	5,989
Revaluation increments	179	-	-	-	-	-	-	-	179
Disposals	-	-	(19)	-	(11)	(7)	(4)	-	(41)
Transfers to/(from) assets under construction	-	-	-	-	-	54	-	(54)	-
Depreciation expense	(25)	-	(329)	(2)	(169)	(301)	(99)	-	(925)
Balance at 30 June 2024	3,566	9,135	1,471	20	629	3,360	70	84	18,335

Freehold Land and Buildings
Land and buildings are carried at fair value. Management conducted a combination of inhouse and independent valuations. Three land and buildings were independently valued in September 2023, April 2024 and June 2024, by CBRE Valuations Pty Ltd. The external valuers used a market approach that reflects observed prices for recent market transactions for similar properties and incorporate adjustments for factors specific to the land in question, including size, location, covenants and other encumbrances and current use. The most recent valuation done in September 2023 did not consider the valuation of the carbon units that are being generated from one land owned by the consolidated entities and will continue to generate until 2038.

Carbon Land Sinks
This financial year a new category of asset was established; it was determined that those items of land which were being purchased with the main objective to register and generate carbon credits should be classified separately to land and buildings which either had a mixed use or use other than carbon credit generation. Two land assets which were part of land and buildings in FY2023, have been reclassified to Carbon Land Sink assets at their cost.

During the financial year new carbon land sink asset was purchased, this asset has a carrying amount of $4,802k (2023: $nil) and is subject to a mortgage security which is used to secure a loan facility entered by the Group. Under the terms of the loan facilities, the Group is not allowed to pledge this asset as security for other borrowings or to sell them to another entity without consent of the lender.

Note 16. Intangible assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Goodwill	632	632
Trademark - at cost	1	1
	633	633

Note 17. Other assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Prepaid lease	500	500
Less: Accumulated amortisation	(296)	(272)
	204	228

Note 18. Bearer plants

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Bearer plants under construction	1,744	1,523

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

Consolidated	$'000	Total $'000
Balance at 1 July 2023	1,523	1,523
Additions	221	221
Balance at 30 June 2024	1,744	1,744

SeedX Pty Ltd's planting costs are initially recorded in the Bearer Plant under construction account until the seeds are harvested. Once the bearer plants begin to produce seeds, the costs accumulated in this fixed asset work-in-progress account, from planting up to harvest, will be capitalised to property, plant, and equipment.

Note 19. Deferred tax asset

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Deferred tax asset	109	89

Note 20. Trade and other payables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Trade payables	2,079	2,506
Accruals and other payables	1,569	2,112
	3,648	4,618

Note 21. Lease liabilities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Lease liabilities	624	447
Non-current liabilities		
Lease liabilities	3,736	2,275
	4,360	2,722

Reconciliation

	Consolidated 2024 $'000	Consolidated 2023 $'000
Balance at 1 July	2,722	1,874
Add: New leases during the financial year	2,181	1,453
Add: Interest expense	137	88
Less: Lease payments	(680)	(693)
	4,360	2,722

Short term leases not included in lease liabilities (included in rent) amount to $65,000 (2023: $68,000).

The consolidated entity leases various premises. Rental contracts are typically made for periods of 1 to 26 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Note 22. Tax payable

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Income tax payable	-	25

Note 23. Provisions

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Employee benefits	2,314	2,307
Non-current liabilities		
Employee benefits	194	197
Make good provision for leased premises	176	164
	370	361

Note 24. Borrowings

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current liabilities		
Loans from a related party	7,014	6,408
Accrued interest payable to a related party	257	107
	7,271	6,515

Further information relating to loans from related party is set out in note 33.

Note 25. Other financial liability

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Derivative financial liability	173	-
Non-current liabilities		
Derivative financial liability	4,332	-
	4,505	-

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2024	2023
Balance at 1 July	-	-
Drawdown of facility	4,505	-
Balance at 30 June	4,505	-

Note 25. Other financial liability (continued)

During the financial year, a $30 million loan facility was established with an external financing party, Conscious Investment Management, to purchase land to establish carbon sinks. Each purchase will be treated separately with varying commercial terms which stipulate the sharing of future ACCUs generated from each distinct and identifiable carbon sink asset.

The first drawdown of $4.5 million was executed during the financial year to purchase a carbon land sink. Drawdown of this facility is classified as a long-term loan with arrangement on the sharing the proceeds from the sale of the ACCUs generated from the land purchased.

During the financial year, there were no gains or losses recognised.

Recognised fair value measurements of financial liabilities
Financial liabilities measured at fair value are grouped into the following categories based on the level of observable market data used in determining that fair value:

Level 1: The fair value of financial instruments traded in active markets, such as exchange-traded derivatives, is the quoted market price at the end of the reporting year. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market, such as over-the-counter derivatives, is determined using valuation techniques that maximise the use of observable market data. If all significant inputs required to fair value an instrument are observable, either directly (as prices) or indirectly (derived from prices), the instrument is included in level 2.

Level 3: If one or more of the significant inputs required to fair value an instrument is not based on observable market data, the instrument is included in level 3.

As at 30 June 2024	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial liabilities				
Derivative financial liabilities	-	4,505	-	4,505
Total derivative financial liabilities	-	4,505	-	4,505

Note 26. Contract liabilities

	Consolidated	
	2024 $'000	**2023 $'000**
Current liabilities		
Funds received in advance	19,209	25,128

Note 27. Deferred tax liabilities

	Consolidated	
	2024 $'000	**2023 $'000**
Non-current liabilities		
Deferred tax liability	71	53

Note 28. Reserves

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Capital profits reserve	8,302	8,302
Specific purpose fund	1,086	1,815
	9,388	10,117

Specific purpose fund
The Specific purpose fund represents the revenue received from donations, bequests, and government grants, which has been allocated to projects that have an expected duration of greater than 12 months. Amounts will be released from the reserve to accumulated surplus as amounts are expended in future periods.

Capital profit reserve
This reserve represents the gain on the dilution of the shareholding in Nindethana Seed Service Pty Ltd.

Note 29. Key management personnel

	Consolidated	
	2024	**2023**
	$'000	**$'000**
The totals of remuneration paid to the key management personnel of the company during the financial year are as follows:		
Key management personnel compensation	2,482	2,286

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Limited, the auditor of the company:

	Consolidated	
	2024	**2023**
	$	**$**
Audit services - Grant Thornton		
Audit and preparation of the financial statements	96	103
Other services - Grant Thornton		
Tax compliance services and advice	-	68
Review services of acquittals	8	4
Valuation services	-	12
	8	84
	104	187

Note 31. Contingent liabilities

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Bank guarantees	257	163

Note 31. Contingent liabilities (continued)

The parent entity has entered into a put/call option agreement in FY22 with the other shareholder of a subsidiary, SeedX Pty Ltd. This agreement grants the parent entity the right to acquire additional 24% ownership interest in the subsidiary up to 30 April 2026. The other shareholder has a right to exercise a put option to sell an additional 24% to the parent entity during the period from 1 May 2026 to 30 April 2027.

Note 32. Commitments

The consolidated entity has entered into agreements to share the annual sales of carbon units generated from leased lands till 2050.

The parent entity has entered into an uncommitted facility agreement with a lender where the loan repayments are aligned to the proceeds generated by the sale of carbon credits. See note 15. Canopy Nature Based Solutions Pty Ltd, a subsidiary of the consolidated entity, has provided a performance guarantee to undertake the sale of the carbon credits.

When Greening Australia - Sandalwood Australia Co Pty Ltd ("GASAC") established the sandalwood plantation in October 2006 they entered into a management agreement with Spicatum Resources Australia ("SRA") to maintain the plantation. On 30 August 2016, GASAC entered into a settlement to cancel the management agreement whereby Greening Australia Ltd is now responsible for the plantation management. Under the terms of the cancellation agreement, SRA has a future 3.3% entitlement and a related party to SRA has a future 2.2% entitlement to the net revenue from the harvest of the plantation.

Note 33. Related party transactions

Parent entity
Greening Australia Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Associate
Interests in associate are set out in note 35.

Key management personnel
Disclosures relating to key management personnel are set out in note 29.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2024 $'000	2023 $'000
Interest received from associate	46	6
Interest expense to related party	150	107

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

Note 33. Related party transactions (continued)

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2024 $	2023 $
Current receivables:		
Loans to associate	250	250
Non-current borrowings		
Loans from related party	7,014	6,408
Interest payable to related party	257	107

Loans to associate, Nature Company Pty Ltd, is interest bearing at National Australia Bank's 2 year term deposit rate plus 1% margin, and repayable upon demand.

The related party loans lent to the parent entity are payable to another shareholder of a subsidiary, are interest bearing at the greater of two percent per annum or the percentage change in the Consumer Price Index, All Groups, as published by the Australian Bureau of Statistics, measured across the previous twelve months. The principal loan and interest are payable on 30 June 2026. The loan can be extended for a further 12 months by the company, with an interest rate to be agreed at the time. The parent entity has pledged its shares in the subsidiary, SeedX Pty Ltd, as collateral for the loans. In the event of default, the lender may take possession of the shares. As of 30 June 2024, the fair value of these shares is $7.4 million.

The related party loans lent to the subsidiary by another shareholder, are non-interest bearing and are payable on 30 June 2026.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2024 %	2023 %
Greening Australia (QLD)	Australia	100.0%	100.0%
Greening Australia - Sandalwood Australia Co Pty Ltd	Australia	40.0%	40.0%
Nindethana Seed Service Pty Ltd	Australia	67.5%	67.5%
Greening Australia Vegetation Management Trust	Australia	100.0%	100.0%
Australian Carbon Biosequestration Initiative Ltd	Australia	100.0%	100.0%
Canopy Nature Based Solutions Pty Ltd	Australia	100.0%	100.0%
SeedX Pty Ltd	Australia	51.0%	51.0%

The company has entered into a put/call option agreement in FY22 with the other shareholder of its subsidiary, SeedX Pty Ltd. This agreement grants the company the right to acquire an additional 24% ownership interest in the subsidiary and the other shareholder has the right to sell 24% of its ownership interest in the subsidiary to the company.

Note 35. Interests in associate

Interests in associate are accounted for using the equity method of accounting. Information relating to associate that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Nature Company Pty Ltd	Australia	50.0%	50.0%

Note 36. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent 2024 $'000	Parent 2023 $'000
Surplus/(deficit) after income tax	311	(1,338)
Other comprehensive income for the financial year, net of tax	179	-
Total comprehensive income	490	(1,338)

Statement of financial position

	Parent 2024 $'000	Parent 2023 $'000
Total current assets	36,581	42,976
Total non-current assets	20,979	14,502
Total assets	57,560	57,478
Total current liabilities	23,967	30,305
Total non-current liabilities	11,691	5,758
Total liabilities	35,658	36,063
Net assets	21,902	21,415
Equity		
Capital profits reserve	2,572	2,572
Specific purpose fund	1,086	1,815
Retained surpluses	18,244	17,028
Total equity	21,902	21,415

Note 37. Reconciliation of surplus/(deficit) after income tax to net cash from operating activities

	Consolidated	
	2024 $'000	2023 $'000
Deficit after income tax benefit/(expense) for the financial year	(768)	(2,566)
Adjustments for:		
Depreciation and amortisation	1,604	1,433
Net gain on disposal of non-current assets	(49)	(61)
Share of profit - associate	(31)	(155)
Interest expense - loan with related party	150	107
Change in operating assets and liabilities:		
Decrease in trade and other receivables	3,403	7,854
Decrease in inventories	18	9
Increase in deferred tax assets	(20)	-
(Decrease)/increase in biological assets	261	(875)
Decrease in trade and other payables	(970)	(2,697)
Decrease in contract liabilities	(5,919)	(6)
(Decrease)/increase in provision for income tax	(25)	24
Increase in deferred tax liabilities	18	-
Increase in employee benefits	16	357
Net cash (used in)/from operating activities	(2,312)	3,424

Note 38. Information and declaration to be furnished under the Charitable Fundraising Act 1991

	2024 $'000	2023 $'000	Change $'000	Change %
Gross proceeds from fundraising	5,224	4,454	770	17%
Interest income	72	-	72	-
Wages	(509)	(425)	(84)	20%
Consultants	(22)	(79)	57	(72%)
Subscription fees	(2)	(4)	2	(50%)
Promotion materials	(68)	(28)	(40)	143%
Bank fees	(8)	(9)	1	(11%)
Other expenses	(31)	(155)	124	(80%)
Net fundraising revenue	4,656	3,754	902	24%

Note 39. Events after the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Greening Australia Ltd and controlled entities
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors

On behalf of the directors

Stephen Dunne

28 October 2024

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Independent Auditor's Report

To the Members of Greening Australia Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Greening Australia Ltd (the "Company") and controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

In our opinion, the financial report of Greening Australia Ltd 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 Group's financial position as at 30 June 2024 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 Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Group in accordance with 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Group are responsible for the preparation and fair presentation of the financial report 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 ACNC Act, and for such internal control as the Directors 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 Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group's or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group'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 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.

As part of an audit in accordance with the 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 the 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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 October 2024