

ResponsibleSteel Ltd

ABN: 24 610 479 000

Financial Statements

For the Year Ended 31 December 2023

ResponsibleSteel Ltd

ABN: 24 610 479 000

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For the Year Ended 31 December 2023

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

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	4	2,709,739	2,909,230
Foreign exchange gains		26,136	89,692
Contractor's expense		(762,442)	(1,299,517)
Depreciation and amortisation expense		(27,569)	(6,301)
Consulting and professional fees		(1,541,523)	(858,513)
Accounting fees		(13,187)	(12,441)
Legal expenses		(21,754)	(220,563)
Subscriptions		(30,827)	(10,372)
Filing fees		-	-
Software expenses		(21,579)	(19,666)
Account fees		(7,609)	(3,242)
Insurance		(8,111)	(7,349)
Bad debts		(90,466)	(30,301)
Other expenses		(152,950)	(226,268)
Foreign exchange losses		-	-
Surplus before income tax		5,582	304,389
Income tax expense	2(b)	-	-
Surplus for the year		5,582	304,389
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		5,582	304,389

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Statement of Financial Position As At 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	553,022	858,615
Trade and other receivables	6	368,370	247,837
TOTAL CURRENT ASSETS		921,392	1,106,452
NON-CURRENT ASSETS			
Property, plant and equipment		167,954	196
Intangible assets	7	30,775	35,885
TOTAL NON-CURRENT ASSETS		198,729	36,081
TOTAL ASSETS		1,120,121	1,142,533
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	202,799	95,927
Income in advance	9	-	136,238
TOTAL CURRENT LIABILITIES		202,799	232,165
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		202,799	232,165
NET ASSETS		917,322	910,368
EQUITY			
Retained earnings		917,322	910,368
TOTAL EQUITY		917,322	910,368

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2023

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2023	910,368	910,368
Surplus for the year	5,582	5,582
Total other comprehensive income for the period	1,372	1,372
Balance at 31 December 2023	917,322	917,322

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2022	605,979	605,979
Surplus for the year	304,389	304,389
Balance at 31 December 2022	910,368	910,368

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,362,657	2,801,803
Payments to suppliers and employees	(2,472,922)	(2,627,813)
Net cash provided by operating activities	(110,265)	173,990
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	(195,328)	-
Purchase of property, plant and equipment	-	(6,497)
Net cash used in investing activities	(195,328)	(6,497)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by/(used in) financing activities	-	-
Net increase in cash and cash equivalents held	(305,593)	167,493
Cash and cash equivalents at beginning of year	858,615	691,122
Cash and cash equivalents at end of financial year	553,022	858,615

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Notes to the Financial Statements

For the Year Ended 31 December 2023

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

The principal activities of the Company for the year ended 31 December 2023 was the certification of steel products.

The functional and presentation currency of ResponsibleSteel Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Revenue from donations are recognised on receipt.

Revenue from membership is recognised in the period that the membership relates. Membership income received for a future period is recognised as income in advance.

Project revenue is recognised when the Company satisfies the performance obligations with respect to the project.

(b) Income Tax

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

(c) Goods and services tax (GST)

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Receivables and payable are stated inclusive of GST.

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

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Financial instruments

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

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Notes to the Financial Statements

For the Year Ended 31 December 2023

2 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Intangible assets

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

(h) Cash and cash equivalents

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

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - receivables

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

Notes to the Financial Statements

For the Year Ended 31 December 2023

Revenue and Other Income

	2023	2022
	\$	\$
4 Revenue		
Revenue recognised at a point in time		
- Membership fees	1,830,349	1,461,069
- Corporate donations	-	1,033,774
- Certification fees	290,844	102,901
- Project revenue/Grants	588,546	311,486
	2,709,739	2,909,230
5 Cash and Cash Equivalents		
Cash at bank and in hand	553,022	858,615
6 Trade and Other Receivables		
Trade receivables	455,196	244,171
Provision for Bad Debt	(88,946)	
GST receivable	2,121	3,666
	368,370	247,837
7 Intangible Assets		
Trademarks		
Cost	15,649	13,198
Formation costs		
Cost	15,126	22,687
	30,775	35,885

(a) Movements in carrying amounts of intangible assets

	Trademarks	Formation costs	Total
	\$	\$	\$
Year ended 31 December 2022			
Opening balance	13,198	22,687	35,885
Additions	2487	-	2,487
Amortisation	-	(7,597)	(7,597)
Closing balance	15,649	15,125	30,775

Notes to the Financial Statements

For the Year Ended 31 December 2023

8 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	19,791	96
GST payable	-	
Accrued expenses	183,008	95,831
	202,799	95,927

9 Other Financial Liabilities

CURRENT		
Amounts received in advance	-	136,238

10 Financial Risk Management

Financial assets

Held at amortised cost

Cash and cash equivalents	553,202	858,615
Trade and other receivables	457,317	247,837

Total financial assets

1,010,519	1,106,452
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Financial liabilities

Financial liabilities at amortised cost

202,799	95,927
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11 Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstanding obligations of the Company. At 31 December 2023 the number of members was 133 (2022: 133).

12 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ Nil (2022: \$ Nil).

13 Auditors' Remuneration

Remuneration of the auditor for:

- auditing the financial statements	6,500	6,000
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14 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 31 December 2023 (31 December 2022: None).

Notes to the Financial Statements

For the Year Ended 31 December 2023

15 Related Parties

No transactions occurred with related parties.

16 Events after the end of the Reporting Period

The financial report was authorised for issue on xxxxxx by those charged with governance.

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

17 Statutory Information

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

ResponsibleSteel Ltd
755 Hunter St
Newcastle West, NSW, 2302

Responsible Persons' Declaration

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

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

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

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Dated

Independent Audit Report to the members of ResponsibleSteel Ltd