ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

FINANCIAL REPORT FOR THE YEAR 30 JUNE 2022

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ENVIRONMENTAL DEFENDERS OFFICE LTD

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Directors' Report for the year ended 30 June 2022

Your directors present this report on the Entity for the financial year ended 30 June 2022.

Directors

The following persons held the office of director during the year and up to report date:

Dr Bronwyn Darlington
Dr Kate Galloway
The Hon. Michael Barker
Mr Pepe Clarke
Ms Catherine Hathaway
Prof Jan McDonald
Mr Joe Morrison
Mr Phillip Vernon
Mr Brent Wallace
Ms Rachel Eberhard
Ms Sasha Purcell

Principal Activities

The principal activity of the Entity during the financial year was the Provision of Environmental Law Services. There have been no significant changes in the nature of these activities during the year.

Short-term and Long-term Objectives

The Entity's short-term objectives are:

- Effective legal protection of the environment
- An empowered community
- Leadership & influence
- A dynamic sustainable organisation

The Entity's long-term objective is to contribute to a sustainable environment protected through the rule of law.

Strategies

To achieve its stated objectives, the Entity has adopted the following strategies:

- Public interest lawyering
- Policy and law reform
- Community legal education
- Multi-disciplinary approach supported by sound science
- Communications and media.

Information on Directors

Dr Bronwyn Darlington, Chairperson
Founder and CEO, Agscent Pty Ltd
Appointed 23/10/2013

Ms Catherine Hathaway
Chief People & Transformation Officer, Graincorp
Appointed 29/06/2018

Mr Joe Morrison
Director, Six Seasons Pty Ltd
Appointed 07/06/2019, Stepped Down 25/11/2021

Prof Jan McDonald, Secretary
Professor of Environmental and Climate Law, University of Tasmania
Appointed 07/06/2019

The Hon. Michael Barker
Former judge of the Federal Court of Australia
Appointed 03/09/2019

Dr Kate Galloway, Deputy Chairperson
Associate Professor of Law at Griffith University
Appointed 03/09/2019

Mr Pepe Clarke
Oceans Practice Leader of WWF
Appointed 04/09/2019

Mr Phillip Vernon
Consultant and former Managing Director of Australian Ethical Super
Appointed 06/09/2019

Mr Brent Wallace
Co-founder of Galileo Kaleidoscope (GALKAL)
Appointed 21/05/2020

Ms Rachel Eberhard
Environmental Consultant and Researcher at Queensland University of Technology
Appointed 17/12/2020

Ms Sasha Purcell
Consultant
Appointed 25/11/2021; Stepped Down 25/01/2022

Directors' Report (continued)
for the year ended 30 June 2022

Meetings of Directors

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

Director	Number eligible to attend	Number attended
Dr Bronwyn Darlington (Chair)	5	5
Ms Catherine Hathaway	5	3
Mr Joe Morrison	3	1
Prof Jan McDonald	5	5
The Hon. Michael Barker	5	4
Mr Pepe Clarke	5	4
Dr Kate Galloway	5	4
Mr Phillip Vernon	5	4
Mr Brent Wallace	5	4
Ms Rachel Eberhard	5	5
Ms Sasha Purcell	1	0

Key Performance Measures

The Entity measures its performance through the use of both qualitative and quantitative indicators which are identified in the Strategic Plan of the organisation and accompanying dashboards. These are approved and monitored through verbal and written reports to the Board of Directors. Copies of the plan and dashboards are available to members on request.

After Balance Date Events

No other known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Entity's operations, the results of those operations or the state of affairs of the Entity in subsequent financial years.

Future Developments

The Entity expects to maintain the present status and a similar level of operations. EDO Ltd has been largely dependent on grants as its major source of income. Although the level of income from grants from the Public Purpose Fund and from the Commonwealth Government has decreased to zero since 2012, a range of alternative grants have been secured for its activities until 30 June 2022. At the same time, EDO Ltd has and continues to increase the proportion of its income from alternative independent sources such as philanthropy, donations and fees; it has significant contributions secured for 2022-2023.

Environmental Issues

The Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

The Memorandum of Association of the Entity prohibits the Entity from paying dividends and, accordingly, no dividends have been declared or paid during the financial year.

Options

No options over issued shares or interests in the Entity were granted during or since the end of the financial year. Furthermore, there were no options outstanding at the date of this report.

Liability of Members

The Entity is registered with the Australian Securities and Investments Commission as well as the Australian Charities and Not-for-profits Commission and is a company limited by guarantee. If the Entity is wound up, the constitution states that each member may be required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Entity. As at 30 June 2022, the total amount that members of the Entity are liable to contribute if the Entity is wound up is $560 (2021: $510).

Auditor's Independence Declaration

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

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Responsible Entities of Environmental Defenders Office 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 Environmental Defenders Office Ltd for the year ended 30 June 2022, 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey
Partner – Audit & Assurance

Sydney, 4 November 2022

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENED 30 JUNE 2022

	Note	2022 $	2021 $
Revenue from ordinary activities	2	11,764,481	9,487,550
Expenses from ordinary activities	3	11,901,409	8,916,758
(Loss) / surplus from ordinary activities		(136,928)	570,792
Income tax expense		-	-
(Loss) / surplus from ordinary activities		(136,928)	570,792
Total comprehensive (deficit) / income for the year		(136,928)	570,792
Total comprehensive (deficit) / income attributable to members of the Entity		**(136,928)**	**570,792**

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,564,703	8,797,942
Accounts receivable and other debtors	5	411,690	247,616
Other current assets	6	389,277	460,204
TOTAL CURRENT ASSETS		**8,365,670**	**9,505,762**
NON-CURRENT ASSETS			
Property, plant and equipment	7	229,031	176,386
Right of use assets	8	1,025,520	48,941
TOTAL NON-CURRENT ASSETS		**1,254,551**	**225,327**
TOTAL ASSETS		**9,620,221**	**9,731,089**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	794,920	702,487
Contract liabilities	10	663,537	1,980,405
Lease liabilities	8	171,427	46,288
Employee provisions	11	1,210,993	890,285
TOTAL CURRENT LIABILITIES		**2,840,877**	**3,619,465**
NON-CURRENT LIABILITIES			
Lease liabilities	8	887,173	8,593
Employee provisions	11	142,514	216,447
TOTAL NON-CURRENT LIABILITIES		**1,029,687**	**225,040**
TOTAL LIABILITIES		**3,870,564**	**3,844,505**
NET ASSETS		**5,749,657**	**5,886,584**
FUNDS			
Accumulated funds		5,749,657	5,886,585
TOTAL FUNDS		**5,749,657**	**5,886,585**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENED 30 JUNE 2022

	Accumulated Funds $	Total $
Balance at 1 July 2020	5,315,793	5,315,793
Comprehensive income		
Surplus for the year attributable to members of the Entity	570,792	570,792
Total comprehensive income attributable to members of the Entity for the year	570,792	570,792
Balance at 30 June 2021	**5,886,585**	**5,886,585**
Comprehensive income		
Deficit for the year attributable to members of the Entity	(136,928)	(136,928)
Total comprehensive income attributable to members of the Entity for the year	(136,928)	(136,928)
Balance at 30 June 2022	**5,749,657**	**5,749,657**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions, grants and receipts from operations		10,341,421	8,920,561
Interest received		13,045	22,462
Payments to suppliers and employees		(11,225,679)	(8,127,234)
Net cash generated from operating activities	16	**(871,213)**	**815,789**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(169,924)	(86,143)
Net cash used in investing activities		**(169,924)**	**(86,143)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Leases		(192,102)	(278,565)
Net cash used in financing activities		**(192,102)**	**(278,565)**
Net increase in cash held		(1,233,239)	451,081
Cash on hand at beginning of the financial year		8,797,942	8,346,862
Cash on hand at end of the financial year	4	**7,564,703**	**8,797,942**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The financial statements cover Environmental Defenders Office Ltd as an individual entity, incorporated and domiciled in Australia limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The 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 reporting period.

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 Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue recognition

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue when (or as) the performance obligations are satisfied.

Revenue is recognised when performance obligations under the contract are passed to the customer at an amount which reflects the expected consideration. The timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations. Revenue can be recognised over a period of time or at a point in time depending on when the performance obligation is satisfied.

- Over a period of time – if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.

- At a point in time – if the performance obligation is satisfied at a point in time, for example, services are delivered, or goods are transferred to customers, revenue is recognised at this point.

Where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. AASB 15 Revenue from contracts with customers ("AASB 15") requires presentation of the following items separately in the statement of financial position:

i. Contract asset for the right to consideration in exchange for services that have transferred to a customer;

ii. Contract liability for the obligation to transfer services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer; and

iii. Receivable for the right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due).

Revenue recognition from contracts is subject to assessment of the extent of specificity of performance obligations.

Income streams recognised under AASB 15 include grant funding, service fees and any other income agreements that are enforceable and carry specific performance obligations.

Grant Funding

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when or as each performance obligation is satisfied. Such funds if received in advance will be deferred as contract liabilities until recognised as income.

Within certain grant agreements there may be some performance obligations where control of the good or service transfers at a point in time and others which have continuous transfer of control of the good or service over the life of the contract. Where control transfers at a point in time, revenue is recognised at this point. Where control transfers over the life of the contract, revenue is recognised based on either cost incurred or time whichever better reflects the transfer of control.

Service fees

Service fees are recognised as revenue as services are performed by the Entity.

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Grant income for which there are not sufficiently specific performance obligations is brought to account when received in accordance with AASB 1058.

Donations

Monetary donations are recognised as revenue when the Entity gains control of the contribution or the right to receive the contribution. Non-monetary donations are not recognised as revenue where they cannot be reliably measured.

Bequests

Bequests are recognised when the group is notified of an impending distribution or the bequest is received, whichever occurs earlier. Revenue from bequests comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the group becomes legally entitled to the shares or property.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

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

Revenue from the rendering of a service was recognised upon the delivery of the service to the member.

Disbursements

The Entity incurs and on-charges disbursements as part of its services. The Entity does not influence the rates and charges and does not recognise any margin on these transactions. The Entity is an agent for disbursements and therefore records the inflow and outflow of these disbursements on a net basis in the statement of financial position. Disbursements unpaid at year-end are recognised as a receivable and a provision for non-recoverable disbursements is recognised to the extent that recovery of the outstanding receivable balance is unlikely. Where disbursements are specifically covered by grant funding, the Entity recognises a liability if amounts are received in advance of the disbursements being incurred. Grant funding which is directed for internal payroll disbursements is recognised as revenue or income in accordance with AASB 15 and AASB 1058 as applicable.

b. **Fair Value of Assets and Liabilities**

The Entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. **Property, Plant and Equipment**

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

d. **Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The expected useful life used for each class of depreciable assets is:

Class of Fixed Asset	Expected Useful Life
Plant and equipment	3-5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

e. **Leases**

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

f. **Financial Instruments**

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking;
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship); or
- any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one- time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit-impaired (not on acquisition or originations), the Entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment has been recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- Where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Entity assumes that the credit risk has not increased significantly since initial recognition and accordingly the Entity can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g. **Impairment of Assets**

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

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

h. **Employee Provisions**

Short-term employee provisions

Provision is made for the Entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, rostered days off and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

i. **Cash and Cash Equivalents**

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly

j. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

k. **Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. **Income Tax**

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

m. **Provisions**

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

n. **Comparative Figures**

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

When the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

o. **Critical Accounting Estimates and Judgements**

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

Key estimates and judgements – revenue recognition

Under AASB 15, the Entity makes judgements in determining when it has satisfied the performance obligations and thereby when it is able to recognise revenue from any of its contracts where it may have sufficiently specific performance obligations. Similarly, under AASB 1058, where the consideration for the asset being received is significantly less than fair value (principally to further the Entity's objectives), income is recognised as the residual of the difference between the fair value of the asset recognised and the consideration for that asset, after deducting any other related amounts. In such circumstances, the Entity assesses and makes a judgement of the fair value of any consideration provided.

Key estimates and judgements – lease terms and borrowing rate

The Entity's lease portfolio includes leased premises. These leases have an average of 4 years as their lease term. An option to extend or terminate are contained in several of the property leases of the Entity. These clauses provide the Entity opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Entity. The extension options or termination options which were probable to be exercised have been included in the calculation of the right of use asset.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Entity estimates it would have to pay a third party to borrow funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Key estimates and judgements - employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2022	2021
	$	$
NOTE 2: REVENUE AND OTHER INCOME		
Revenue from contracts with customers		
- Rendering services	405,600	241,024
- Grants received	1,611,810	2,928,221
- Revenue from Trusts and Foundations	165,716	1,155.235
	2,183,126	**4,324,480**
Income under AASB 1058 (Income of not-for-profit entities)		
- Grants received	1,767,683	586,157
- Revenue from Trusts and Foundations	2,981,404	-
- Donation and bequests	4,813,713	3,964,741
- Government subsidies	-	561,536
- Other revenue	5,510	28,173
	9,568,310	**5,140,607**
Non-operating revenue:		
- Interest received	13,045	22,462
	13,045	**22,462**
Total revenue and other income	**11,764,481**	**9,487,550**

	2022	2021
	$	$
NOTE 3: EXPENSES		
- Employee benefits expense	9,734,168	7,291,717
- Depreciation - right of use assets	219,242	238,886
- Depreciation - plant and equipment	111,022	38,753
- Interest	49,496	11,473
- Rent	191,178	97,764
- Auditor's remuneration	65,371	28,445
- Bad and doubtful debts	11,222	-
- Accountancy and bookkeeping	3,970	21,730
- Other expenses	1,515,740	1,187,990
	11,901,409	**8,916,758**

NOTE 4: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash on hand	-	70
National Australia Bank	2,123,696	1,231,120
National Australia Bank Trust Account	13,652	20,460
Credit Union Australia	1,978,966	1,553,145
Credit Union Australia - Term Deposits	1,036,960	1,028,570
Credit Union Australia - Environmental Defenders' Fund	2,411,429	4,964,577
	7,564,703	**8,797,942**

Reconciliation of cash and cash equivalents

Cash on hand Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2022 $	2021 $
Cash on hand	-	70
Cash at bank	7,564,703	8,797,872
	7,564,703	**8,797,942**

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2022 $	2021 $
Accounts receivable	175,138	250,913
Less allowance for credit loss	(5,000)	(5,000)
	170,138	245,913
Contract asset	241,552	1,703
Balance 30 June 2022	**411,690**	**247,616**

Credit risk

The Entity does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the Entity's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Entity. The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

Contract assets represent costs incurred on client services that are in progress and have not yet been invoiced at reporting date. Contract assets are valued at net realizable value after providing for any expected credit losses (nil at 30 June 2022).

			Past due but not impaired (days overdue)				
	Gross Amount	**Past Due and Impaired**	**< 30**	**31-60**	**61-90**	**> 90**	**Within Initial Trade Terms**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2022 Trade and term receivables	175,138	0	175,121	17	0	0	175,138
Total	**175,138**	**0**	**175,121**	**17**	**0**	**0**	**175,138**
2021 Trade and term receivables	250,913	0	250,913	0	0	0	250,913
Total	**250,913**	**0**	**250,913**	**0**	**0**	**0**	**250,913**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	$	$
NOTE 6: OTHER CURRENT ASSETS		
Prepayments and sundry debtors	208,826	326,729
Deposits on property leases	180,451	133,475
	389,277	**460,204**

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment	Total
	$	$
2021		
Balance at the beginning of the year	290,745	290,745
Additions at cost	86,143	86,143
Accumulated depreciation	(161,749)	(161,749)
Depreciation expense	(38,753)	(38,753)
Carrying amount at the end of the year	**176,386**	**176,386**
2022		
Balance at the beginning of the year	376,889	376,889
Additions at cost	83,891	83,891
Accumulated depreciation	(120,727)	(120,727)
Depreciation expense	(111,022)	(111,022)
Carrying amount at the end of the year	**229,031**	**229,031**

NOTE 8: LEASES

i) Right of use assets

	2022 $	2021 $
Leased properties		
- Sydney office	777,485	943,925
- Brisbane office	418,336	279,130
- Hobart office	-	24,360
- Canberra office	21,730	21,730
Property – right of use	1,217,551	1,269,145
Accumulated depreciation	(192,031)	(1,220,204)
Net carrying amount	**1,025,520**	**48,941**

ii) Lease liabilities

	2022 $	2021 $
Leased Premises		
- Sydney office	675,077	-
- Brisbane office	374,928	37,281
- Hobart office	-	2,999
- Canberra office	8,595	14,601
	1,058,600	**54,881**
Analysis of Lease Liabilities		
Current:	171,427	46,288
Non-Current:	887,173	8,593
	1,058,600	**54,881**

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

	2022 $	2021 $
Depreciation charge related to right of use assets	219,242	238,886
Interest expense on lease liabilities	49,496	11,473
Short-term leases expense	8,076	6,882

iv) AASB 16 related amounts recognised in the statement of cash flows

	2022 $	2021 $
Cash outflow for leases (AASB 16) – financing activity	192,102	278,565
Cash outflow for leases – operating activity	145,765	87,553

	2022	2021
	$	**$**
NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES		
Accounts payable and accrued expenses	419,155	444,245
ATO Payable	263,827	173,894
Superannuation payable	111,938	84,348
	794,920	**702,487**

NOTE 10: CONTRACT LIABILITY

	2022	2021
Income received in advance under AASB 15	663,537	1,980,405
	663,537	**1,980,405**

NOTE 11: EMPLOYEE PROVISIONS	**$**
Opening balance at 1 July 2021	1,106,732
Additional provisions raised during the year, net of provision utilised	246,776
Balance at 30 June 2022	**1,353,508**

	2022	**2021**
	$	**$**
Current:		
Annual leave entitlements	818,863	677,287
Long service leave entitlements	219,797	137,208
RDO entitlements	172,333	75,790
Total current employee provisions	1,210,993	890,285
Non-current:		
Long service leave entitlements	142,515	216,447
Total non-current employee provisions	142,515	216,447
	1,353,508	**1,106,732**

Employee Provisions

Employee provisions represent amounts accrued for annual leave, rostered days off and long service leave.

The current portion for this provision includes the total amount accrued for annual leave and rostered days off entitlements, and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

	2022	2021
NOTE 12: CAPITAL AND LEASING COMMITMENTS	**$**	**$**
(a) Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments:		
not later than 12 months	23,185	29,498
between 12 months and five years	-	-
later than five years	-	-
	23,185	**29,498**

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with 12 months term. Increases in lease commitments may occur in line with the consumer price index (CPI).

(b) Capital Expenditure Commitments

The Entity has capital commitments of $180,451 (2021: $133,475) to various landlords in the form of bank guarantees. No material losses are anticipated from these guarantees. There are no other commitments for capital expenditure.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Entity's operations, the results of those operations, or the Entity's state of affairs in future financial years.

NOTE 14: FINANCIAL RISK MANAGEMENT

The Entity's financial instruments consist mainly of deposits with banks, local money market instruments, short- term and long-term investments, accounts receivable and payable, and lease liabilities. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

NOTE 14: FINANCIAL RISK MANAGEMENT

	Note	2022 $	2021 $
Financial assets			
Financial assets at amortised cost:			
Cash and cash equivalents	4	7,564,703	8,797,942
Accounts receivable and other debtors	5	411,690	247,616
Total Financial Assets		**7,976,393**	**9,045,558**
Financial liabilities			
Financial liabilities at amortised cost:			
Accounts payable and other payables	9	794,920	702,487
Total Financial Liabilities		**794,920**	**702,487**

The finance committee is responsible for monitoring and managing the Entity's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the Entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Entity.

The Entity does not have any material credit risk exposures as its major source of revenue is the receipt of interest from financial institutions and dividends from companies listed on the ASX.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The Entity has no significant concentrations of credit risk exposure to any single counterparty or entity of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA–. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings:

	Note	2022	2021
		$	$
Cash and cash equivalents			
- AA rated	4	7,564,703	8,797,942

b. **Liquidity Risk**

Liquidity risk arises from the possibility that the Entity might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Entity does not hold any derivative financial liabilities directly. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Accounts payable and other payables (excluding estimated annual leave and deferred income)	794,920	702,487	0	0	0	0	794,920	702,487
Lease liabilities	171,427	46,288	887,173	8,593	0	0	1,058,600	54,881
Total expected outflows	966,347	748,775	887,173	8,593	0	0	1,853,519	757,368
Financial assets – cash flows realisable								
Cash and cash equivalents	7,564,703	8,797,942	0	0	0	0	7,564,703	8,797,942
Accounts receivable and other debtors	411,690	247,616	0	0	0	0	411,690	247,616
Total anticipated inflows	7,976,393	9,045,558	0	0	0	0	7,976,393	9,045,558
Net (outflow)/inflow expected on financial instruments	**7,010,047**	**8,296,783**	**887,173**	**8,593**	**0**	**0**	**6,122,874**	**8,288,190**

c. **Foreign Exchange Risk**

The Entity is not exposed to fluctuations in foreign currency.

d. **Market Risk**

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Entity is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Entity to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

The Entity also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The Entity is exposed to other price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations

Sensitivity analysis

The following table illustrates sensitivities to the Entity's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus	**Equity**
	$	**$**
Year ended 30 June 2021		
+/– 1% in interest rates	11,004	11,004
Year ended 30 June 2022		
+/– 1% in interest rates	75,647	75,647

No sensitivity analysis has been performed on foreign exchange risk as the Entity has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Entity. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Entity

	2022 Carrying Amount $	2022 Fair Value $	2021 Carrying Amount $	2021 Fair Value $
Financial assets				
Cash and cash equivalents	7,564,703	7,564,703	8,797,942	8,797,942
Accounts receivable and other debtors	411,690	411,690	247,616	247,616
Total Financial Assets at amortised cost	**7,976,393**	**7,976,393**	**9,045,558**	**9,045,558**

	2022 Carrying Amount $	2022 Fair Value $	2021 Carrying Amount $	2021 Fair Value $
Financial liabilities				
Accounts payable and other payables	794,920	794,920	702,487	702,487
Total Financial Liabilities at amortised cost	**794,920**	**794,920**	**702,487**	**702,487**

Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

NOTE 15: CAPITAL MANAGEMENT

Management controls the capital of the Entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance, audit and risk committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Entity's capital by assessing the Entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

NOTE 16: RECONCILIATION OF OPERATING CASH FLOWS

	2022 $	2021 $
Net (deficit) /surplus	(136,928)	570,792
Non cash flows in operating surplus		
Depreciation - Right of Use Assets	219,242	238,886
Depreciation - Plant and Equipment	111,022	38,753
Loss on Disposal of Asset	6,258	-
Changes in assets and liabilities		
Change in employee entitlements	246,776	372,882
Change in accounts receivable and other debtors	(93,147)	212,255
Change in accounts payable and other payables	92,433	139,003
Change in income in advance	(1,316,868)	(756,782)
Net cash generated from operating activities	**(871,213)**	**815,789**

NOTE 17: REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provide by Joe Pien Chartered Accountant and Grant Thornton

	2022 $	2021 $
Audit Services – Joe Pien Chartered Accountant		
Audit of financial statements	19,921	28,445
Audit Services – Grant Thornton		
Audit of financial statements	45,450	-
Total Remuneration of Auditors	**65,371**	**28,445**

NOTE 18: CONTINGENT LIABILITIES

The Entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

NOTE 19: DISCLOSURES IN ACCORDANCE WITH THE CHARITABLE FUNDRAISING ACT NSW 1991

The Entity is registered under the Charitable Fundraising Act NSW, 1991 and is required to include details of fundraising activities and the application of funds from fundraising in its financial statements. The Entity's revenue from operations, disclosed at Note 2, includes amounts received from non-government, corporate and institutional funders and donations to be used and distributed for the charitable purposes for which the Entity operates. The application of the Entity's funds is disclosed in the Statement of Profit and Loss and Other Comprehensive Income. The Statement of Financial Position indicates accumulated Funds held by the Entity at year end for future use by the Entity in its charitable purposes.

NOTE 20: RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Key management personnel of the Entity include the Board members, the CEO and the Executive team. Board members act in an honorary capacity and receive no compensation for their service. Board members may receive reimbursement for direct expenses they incur in meeting their duties as Directors. The Entity paid the following amounts to other key management personnel:

	2022 $	2021 $
Short-term employee benefits	945,562	838,164
Post-employment benefits	92,375	79,240
Long-term benefits	80,688	55,355
Total Key Management Personnel Remuneration	**1,118,625**	**972,759**

Transactions with related parties

There were no transactions with other related parties during the current and previous financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

There were no loans to or from other related parties at the current and previous reporting date.

NOTE 21: MEMBERS' GUARANTEE

The Entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of $10.00 each towards meeting any outstanding obligations of the Entity. As at 30 June 2022, the number of members was 56.

NOTE 22: REGISTERED OFFICE AND PLACE OF BUSINESS

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

Environmental Defenders Office Ltd, Suite 8.02, 6 O'Connell Street, Sydney NSW 2000

ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

INTERNATIONAL AID AND DEVELOPMENT INCOME STATEMENT

	Note	2022	2021
REVENUE		$	$
Donations and gifts			
Monetary	1	31,387	26,123
Non-monetary	2	101,135	255,284
Grants			
DFAT		23,305	22,671
Overseas		562,859	327,303
Other income	3	81,713	21,570
TOTAL REVENUE		800,399	652,951
EXPENSES			
International Programs			
Monetary expenses		660,347	377,137
Non-monetary expenses		101,135	255,284
Community Education		-	-
Fundraising Costs	4	-	-
Accountability and Administration		38,917	20,530
TOTAL EXPENSES		800,399	652,951
SURPLUS OF REVENUE OVER EXPENSES		-	-

Notes

1. Funds gifted as domestic, community-based grants – only expended amount listed.
2. This includes barristers' fees valued at $58,750, volunteers services valued at $14,584 and EDO oversight and support valued at $27,800.
3. EDO invested a portion of fees income into the program in FY22 subsidising program costs while grant agreements were finalised.
4. EDO Ltd incurred fundraising expenses of $318,379 during the 2021-22 year. Most of these expenses related to communication and appeals to the public, regular giving and the major gifts program. None of these was directed specifically to funding the International Program. Consequently, it was determined that there were no materially significant fundraising expenses related to the international program and therefore no fundraising costs are reported on the International Aid and Development Income Statement.

ENVIRONMENTAL DEFENDERS OFFICE LTD

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INTERNATIONAL AID AND DEVELOPMENT
TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at end of financial year
Rainforest Foundation of Norway	19,534	243,784	365,482	-102,164
Nia Tero	175,779	102,591	175,779	102,591
Fiji Environmental Law Association	0	97,086	35,438	61,648
Greenpeace Australia-Pacific	6,387	0	6,387	0
Anonymous Grant	79,087	200,000	123,762	155,325
DFAT - Solomon Is. Justice Program	23,305	0	23,305	0
Morris Family Foundation	25,000	25,000	4,548	45,452
Total for other non-designated purposes	8,468,850	9,686,005	10,853,004	7,301,851
TOTAL	**8,797,942**	**10,354,466**	**11,587,705**	**7,564,703**

Declaration

This International Aid & Development Income Statement has been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code, please refer to the ACFID Code of Conduct Implementation Guidance available www.acfid.asn.au.

RESPONSIBLE ENTITIES' DECLARATION

In accordance with a resolution of the Directors of Environmental Defenders Office Ltd, the Directors of the Registered Entity declare that:

1. The financial statements and notes thereon, as set out on pages 7 to 37, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a. comply with Australian Accounting Standards applicable to the registered Entity; and

    b. give a true and fair view of the financial position of the registered Entity as at 30 June 2022 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the registered Entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

B Darlington

Director

Director

Dated this 4th day of ~~October~~ November 2022

ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

DECLARATION BY THE PRINCIPAL OFFICER IN ACCORDANCE WITH THE CHARITABLE FUNDRAISING ACT 1991

I, David Morris, Chief Executive Officer of Environmental Defenders Office Ltd, declare that in my opinion:

a) the Entity is able to pay all of its debts as and when the debts become due and payable,

b) the financial statement satisfies the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021,

c) the contents of the financial statement are true and fair,

d) the Entity has appropriate and effective internal controls.

David Morris
Chief Executive Officer

Sydney

Dated this 4th day of ~~October 022~~ November 2022

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Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Environmental Defenders Office Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Environmental Defenders Office Ltd (the "Registered Entity") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the financial report of Environmental Defenders Office Ltd has been prepared in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:

a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in 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.

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Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the Declaration by the Principal Officer in accordance with the Charitable Fundraising Act 1991 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 Responsible Entities for the financial report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the Charitable Fundraising Act 1991, and for such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Responsible Entities are responsible for overseeing the Registered Entity'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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.

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- Conclude on the appropriateness of the Responsible Entities' 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 Registered Entity'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 Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

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Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey
Partner – Audit & Assurance

Sydney, 4 November 2022

ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

DETAILED STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
INCOME	**$**	**$**
Northern Territory of Australia Government Grant	175,000	100,000
Legal Practitioners Fidelity Fund (Northern Territory) Grant	80,627	17,142
Other State and Territory Government Grants	956,437	1,010,870
EPLA Research Grant	5,000	5,000
Fundraising, Memberships & Philanthropic Grants	7,962,856	5,122,269
Programs Income	2,162,428	2,381,367
Professional Fees	405,600	241,025
Interest Received	13,045	22,462
Government Subsidies	-	561,536
Miscellaneous Income	3,487	25,880
TOTAL INCOME	**11,764,481**	**9,487,550**
EXPENDITURE		
Amortisation - Right of Use Assets	219,242	238,886
Auditor's Remuneration	65,371	28,445
Accountancy & Bookkeeping	3,970	21,730
Bad Debts Written Off	11,222	-
Bank & Government Charges	7,574	5,118
Board Expenses	25,096	46,876
Consultants Fees	22,371	40,372
Depreciation	111,022	38,753
Disbursements - non recoverable	31,125	16,190
Employee Entitlement Provisions	150,232	297,092
Employee Expenses	99,197	39,607
Fundraising & Marketing Expenses	318,379	305,882
Information Technology	264,452	100,853
Insurance Premiums	56,096	28,570
Interest - Lease Liabilities	49,496	11,473
Lease Payments	8,076	6,882
Light & Power	20,179	19,405
Loss on Disposal of Fixed Assets	6,258	-
Motor Vehicle Expenses	4,853	4,059
Office Relocation Cost	54,403	-
Office Services & Equipment	30,857	20,016
Organisational Development	62,475	50,360
Postage & Couriers	5,897	6,693
Printing & Stationery	9,788	10,062
Program Direct Expenses	547,697	514,919
Rent - Office	191,178	97,764
Repairs & Maintenance	6,219	1,416
Salaries & Wages	8,461,352	6,235,565
Staff Training & Development	92,439	58,335
Staff Amenities	1,915	3,943
Staff Recruitment	62,636	29,669
Subscriptions & Library	50,725	30,838
Superannuation Contributions	811,900	570,831
Telecommunications	21,657	24,807
Travel Expenses	16,062	11,348
TOTAL EXPENDITURE	**11,901,410**	**8,916,758**
OPERATING SURPLUS FOR THE YEAR	**(136,928)**	**570,792**

ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

SUPPLEMENTAL REPORT FOR COMPLIANCE WITH
QUEENSLAND GOVERNMENT GRANT (LASF014-2020-25)
FOR THE YEAR ENDED 30 JUNE 2022

	2022 $
PROGRAM INCOME	
Service delivery funding (DJAG) - State	221,265
Other funding (DES) - State	170,000
TOTAL INCOME	**391,265**
PROGRAM EXPENSES	
Salaries	284,084
Superannuation	28,169
On Costs	12,243
Rent	45,600
Repairs and Maintenance	2,107
Other Premises Costs	3,678
Staff Training	93
Communications	3,488
Office Overheads	4,788
Finance, Audit and Accounting Fees	200
Library, Resources & Subscriptions	2,291
Travel	82
Programming & Planning	3993
Client Disbursements	231
Assets/Minor Equipment	217
TOTAL EXPENSES	**391,265**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**-**

ENVIRONMENTAL DEFENDERS OFFICE LTD

ABN 72 002 880 864

SUPPLEMENTAL REPORT FOR COMPLIANCE WITH
AUSTRALIAN CAPITAL TERRITORY GOVERNMENT GRANT
FOR THE YEAR ENDED 30 JUNE 2022

	2022 $
PROGRAM INCOME	
Grant Amount	149,505
TOTAL INCOME	**149,505**
PROGRAM EXPENSES	
Salaries	120,839
Superannuation	12,021
On Costs	4,389
Rent	1,158
Repairs and Maintenance	339
Other Premises Costs	3,850
Communications	602
Office Overheads	2,499
Finance, Audit and Accounting Fees	56
Programming & Planning	3,070
Client Disbursements	37
Assets/Minor Equipment	646
TOTAL EXPENSES	**149,505**
NET SURPLUS/(DEFICIT) FOR THE YEAR	**-**

Declaration

The financial accounts in relation to the grant funding received from the Australian Capital Territory Government are complete and accurate.