ENVIRONMENTAL DEFENDERS OFFICE

ABN: 72 002 880 864

Financial Report For The Year Ended
30 June 2023

Environmental Defenders Office

ABN: 72 002 880 864

Financial Report For The Year Ended 30 June 2023

CONTENTS **Page**

Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration Independent	26
Principal Officer's Declaration	27
Independent Auditor's Report to the Members	28
International Aid & Development Income Statement	31
Independent Auditor's Report on ACFID Code Compliant Statement	32
Detailed Statement of Income and Expenditure	33
Supplemental Report for Compliance with Queensland Government Grant	34
Supplemental Report for the Compliance with Australian Capital Territory Government Grant	35

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2023.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr Bronwyn Darlington appointed 23/10/2013
Mr Brent Wallace appointed 21/05/2020
Ms Deborah Nesbitt appointed 24/11/2022
Dr Kate Galloway appointed 3/09/2019
Ms Lesley Hughes appointed 24/11/2022
The Hon. Michael Barker appointed 3/09/2019
Mr Phillip Vernon appointed 6/09/2019
Ms Rachel Eberhard appointed 17/12/2020
Ms Sarah Southwell appointed 15/02/2023
Mr Scott Franks appointed 2/12/2022
Ms Catherine Hathaway retired 6/10/2022
Prof Jan McDonald retired 24/11/2022
Mr Pepe Clarke retired 24/11/2022

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.

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
DIRECTORS' REPORT

Information on Directors

Dr Bronwyn Darlington	—	Chairperson
	—	Founder and CEO, Agscent Pty Ltd
Mr Brent Wallace	—	Board Member
	—	Co-founder of Galileo Kaleidoscope (GALKAL)
Ms Deborah Nesbitt	—	Board Member
	—	Independent Journalist and former EDO ACT Deputy and Public Officer
Dr Kate Galloway	—	Deputy Chairperson
	—	Associate Professor of Law at Griffith University
Ms Lesley Hughes	—	Board Member
	—	Professor Emerita & Pro-Chancellor at Macquarie University
The Hon. Michael Barker	—	Board Member
	—	Former judge of the Federal Court of Australia
Mr Phillip Vernon	—	Board Member
	—	Consultant and former Managing Director of Australian Ethical Super
Ms Rachel Eberhard	—	Board Member
	—	Environmental Consultant and Researcher at Queensland University of Technology
Ms Sarah Southwell	—	Board Member
	—	General Manager, HR GrainCorp
Mr Scott Franks	—	Board Member
	—	Native Title & Environmental Services Consultant and CEO of Yarrawalk Pty Ltd
Ms Catherine Hathaway	—	Board Member
	—	Chief People & Transformation Officer, Graincorp
Prof Jan McDonald	—	Former Secretary
	—	Professor of Environmental and Climate Law, University of Tasmania
Mr Pepe Clarke	—	Board Member
	—	Oceans Practice Leader of WWF

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
DIRECTORS' REPORT

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Bronwyn Darlington	6	6
Mr Brent Wallace	6	6
Ms Deborah Nesbitt	3	3
Dr Kate Galloway	6	6
Ms Lesley Hughes	2	2
The Hon. Michael Barker	6	5
Mr Phillip Vernon	6	4
Ms Rachel Eberhard	6	6
Ms Sarah Southwell	2	2
Mr Scott Franks	2	-
Ms Catherine Hathaway	2	-
Prof Jan McDonald	4	4
Mr Pepe Clarke	4	3

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 historically been largely dependent on grants as its major source of income. The Commonwealth Government has re-commenced funding after ceasing funding from FY2013 to FY2022, inclusive. The Commonwealth Government funding, together with a range of domestic and international grants, will support activities through 30 June 2024. EDO has significant philanthropic funding secured for FY24 with philanthropy being EDO's primary income stream projected for the year. At the same time, EDO has and continues to increase the proportion of its income from additional alternative sources including donations and fees.

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 2023, the total amount that members of the Entity are liable to contribute if the Entity is wound up is $570 (2022: $560).

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

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 2023, 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

B Narsey
Partner – Audit & Assurance

Sydney, 11 October 2023

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue from ordinary activities	2	13,306,308	11,751,436
Other income	2	43,152	13,045
		13,349,460	11,764,481
Expenses from ordinary activities	3	14,239,563	11,901,409
(Loss) / surplus from ordinary activities		(890,103)	(136,928)
Income Tax expense		-	-
(Loss) / surplus from ordinary activities		(890,103)	(136,928)
Total comprehensive (deficit) / income attributable to members of the Entity		**(890,103)**	**(136,928)**

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	8,533,921	6,527,743
Trade and other receivables	5	335,702	411,690
Financial assets	7	1,056,485	1,036,960
Other current assets	6	581,697	389,277
TOTAL CURRENT ASSETS		10,507,805	8,365,670
NON-CURRENT ASSETS			
Property, plant and equipment	8	219,903	229,031
Right-of-use assets	9	1,238,679	1,025,520
TOTAL NON-CURRENT ASSETS		1,458,582	1,254,551
TOTAL ASSETS		11,966,387	9,620,221
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	901,302	794,920
Contract liabilities	11	3,144,921	663,537
Lease liabilities	9	263,964	171,427
Employee provisions	12	1,567,261	1,210,993
TOTAL CURRENT LIABILITIES		5,877,448	2,840,877
NON-CURRENT LIABILITIES			
Lease liabilities	9	1,071,606	887,173
Employee provisions	12	157,780	142,515
TOTAL NON-CURRENT LIABILITIES		1,229,386	1,029,688
TOTAL LIABILITIES		7,106,834	3,870,564
NET ASSETS		4,859,554	5,749,657
EQUITY			
Retained surplus		4,859,554	5,749,657
TOTAL EQUITY		4,859,554	5,749,657

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated Funds	Total
	$	**$**
Balance at 1 July 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 owners of the entity	(136,928)	(136,928)
Balance at 30 June 2022	5,749,657	5,749,657
Balance at 1 July 2022	5,749,657	5,749,657
Comprehensive Income		
Deficit for the year attributable to members of the entity	(890,103)	(890,103)
Total comprehensive income attributable to members of the entity	(890,103)	(890,103)
Balance at 30 June 2023	4,859,553	4,859,553

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions, grants and receipts from operations		15,671,261	10,341,421
Payments to suppliers and employees		(13,358,783)	(11,225,679)
Interest received		23,626	4,656
Net cash generated from operating activities	19	2,336,104	(879,602)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(111,980)	(169,924)
Net cash used in investing activities		(111,980)	(169,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for Leases		(217,946)	(192,102)
Net cash used in financing activities		(217,946)	(192,102)
Net increase in cash held		2,006,178	(1,241,629)
Cash on hand at beginning of the financial year		6,527,743	7,769,372
Cash on hand at end of the financial year	4	8,533,921	6,527,743

The accompanying notes form part of these financial statements.

The financial statements cover Environmental Defenders Office as an individual Entity, incorporated and domiciled in Australia. Environmental Defenders Office is a company limited by guarantee.

The financial statements were authorised for issue on 11 October 2023 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The Entity is a not-for-profit Entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

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 are in Australian Dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 11 October 2023 by the directors of the company.

Accounting Policies

(a) Revenue and Other Income

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Entity is required to consider whether any other financial statement elements should be recognised (for example, financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

Operating Grants, Donations and Bequests

When the Entity receives operating grant funding, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises revenue in accordance with the recognition requirements of accounting standard AASB 1058;
- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Service fees

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

Contributed Assets
The Entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116, AASB 138 and AASB 1058).

On initial recognition of an asset, the Entity recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Entity recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Capital Grant
When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

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.

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) 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 a 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 in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

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

Depreciation
The depreciable amount of all fixed assets, including buildings and plant and equipment 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 held ready 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 depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	10% - 33%

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. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(c) 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 (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an 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
- 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 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.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the relief under AASB 2019-8 and measures the right of use assets at cost on initial recognition.

(d) 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 the date that the Entity commits itself to either the purchase or sale of the asset (i.e. 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 as "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 a significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

— amortised cost; or
— fair value through profit or loss.

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

— a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations 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 over 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; or
— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

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.

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 or loss.

Measurement is on the basis of two primary criteria:

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

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

— 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 that meets the following conditions is subsequently measured fair value through other comprehensive income:

— 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 measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

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

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "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 is documented appropriately, so the performance of the financial liability that is 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 financial instruments to measure at fair value through profit or 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 can make an irrevocable election to measure any subsequent changes in fair value of 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 company'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 the following criteria need to be satisfied for the 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. has no practical ability to make unilateral decision 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 the Entity elected to classify 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 recognised 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 recognised a loss allowance for expected credit losses on:

- 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
- if there is 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 at 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 was 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 financial assets that are considered to be credit-impaired (not on acquisition or originations), the Entity measured 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 is 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);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood 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 assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Entity applied 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 a 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 and 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. The 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.

(e) 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.

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.

(f) Employee Benefits

Short-term employee benefits

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the company's obligation for other long-term employee benefits, which 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 classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities 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 liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Entity receive defined contribution superannuation entitlements, for which the Entity pays the fixed superannuation guarantee contribution (currently 10.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(g) Cash and Cash Equivalents

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

(h) Trade and Other Debtors

Trade 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(e) for further discussion on the determination of impairment losses.

(i) 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.

(j) 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.

(k) 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 reporting period.

(l) Comparative Figures

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

(m) 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

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Entity will make. The Entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Entity.

(iii) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(n) Economic Dependence

The Entity is dependent on grants and donations for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe grants and donations will not continue to support the Entity.

(o) 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 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). In the absence of such a market, market information is extracted from 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 (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, 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.

(p) New and Amended Accounting Standards Adopted by the Entity

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.
The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2020-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value. The adoption of the amendment did not have a material impact on the financial statements.

Note 2 Revenue and Other Income

	2023 $	2022 $
Revenue from contracts with customers under AASB 15 (recognised over time)		
— Grants received	1,100,033	1,611,810
— Revenue from Trusts and Foundations	257,424	165,716
— Rendering services	638,050	405,600
Total revenue from contracts with customers	1,995,507	2,183,126
Income under AASB 1058 (Income of not-for-profit entities)		
— Grants received	1,508,171	1,767,683
— Revenue from Trust and Foundations	6,720,878	2,981,404
— Donations and bequests	3,059,487	4,813,713
— Other revenue	22,265	5,510
Total Income under AASB 1058	11,310,801	9,568,310
Non-operating revenue		
— Interest received	43,152	13,045
Total non-operating revenue	43,152	13,045
Total revenue and other income	13,349,460	11,764,481

Note 3 Expenses

	2023 $	2022 $
a. Expenses		
— Interest	74,025	49,496
— Employee benefits expense	11,729,592	9,734,168
— Rent expense	156,981	191,178
— Audit fees	62,020	65,371
— Accounting and bookkeeping	1,995	3,970
— Depreciation - Plant and equipment	121,108	111,022
— Depreciation - Right of use assets	281,757	219,242
— Bad and doubtful debtrs	-	11,222
— Other expenses	1,812,085	1,515,740
	14,239,563	11,901,409

Note 4 Cash and Cash Equivalents

	2023 $	2022 $
CURRENT		
Cash at bank	8,533,921	6,527,743
Cash on hand	-	-
	8,533,921	6,527,743

Note 5 Trade and Other Receivables

	2023 $	2022 $
Trade receivables	219,715	170,138
Other receivables	34,250	-
Contract asset	81,737	241,552
Total current accounts receivable and other debtors	335,702	411,690

The Entity's normal credit term is 14 days.

Note 6 Other Assets

	2023 $	2022 $
Prepayments	300,855	208,826
Deposits on office leases	280,842	180,451
	581,697	389,277

Note 7 Financial Assets

	2023 $	2022 $
CURRENT		
Financial assets at amortised cost	1,056,485	1,036,960
Total current assets	1,056,485	1,036,960
a. **Financial assets at amortised cost**		
Fixed interest securities	1,056,485	1,036,960

Note 8 Property, Plant and Equipment

	2023 $	2022 $
Plant and equipment:		
At cost	490,001	460,779
Less accumulated depreciation	(270,098)	(231,748)
	219,903	229,031

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment $	Total $
2023		
Balance at the beginning of the year	460,779	460,779
Additions at cost	111,980	111,980
Disposals	(82,758)	(82,758)
Accumulated depreciation	(148,990)	(148,990)
Depreciation expense	(121,108)	(121,108)
Carrying amount at the end of the year	219,903	219,903

Note 9 Leases

The Entity's lease portfolio includes equipment and buildings. These leases have an average of 5 years as their lease term.

(a) Options to Extend or Terminate

The options to extend or terminate are contained in several of the property leases of the Entity. There were no extension options for equipment leases. 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 reasonably certain to be exercised have been included in the calculation of the right-of-use asset.

i) AASB 16 related amounts recognised in the balance sheet

Right-of-use assets	2023 $	2022 $
Leased properties		
Property - right of use	1,712,467	1,217,551
Accumulated depreciation	(473,788)	(192,031)
Net carrying amount	1,238,679	1,025,520

Lease Liabilities		
Leased properties		
Current liabilities	263,964	171,427
Non-current liabilities	1,071,606	887,173
Total Lease Liabilities	1,335,570	1,058,600

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

Interest expense on lease liabilities	74,025	49,496
Short-term leases expense	7,996	8,076
Depreciation charge related to right of use assets	281,757	219,242

iii) Total future lease payments at the end of the reporting period

No later than 1 year	355,563	246,342
Between 1 year and 5 years	1,021,221	953,248
Greater than 5 years	158,535	-
Total future lease payments	1,535,319	1,199,590

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

Cash outflow for leases (AASB 16) – financing activity	217,946	192,102
Cash outflow for leases – operating activity	80,658	145,765

Note 10 Trade and Other Payables

	2023 $	2022 $
Trade payables	107,310	209,234
Other current payables	272,135	209,921
ATO payable	427,813	263,827
Superannuation payable	94,044	111,938
	901,302	794,920

Note 11 Contract Liability

	2023 $	2022 $
Income received in advance under AASB 15	3,144,921	663,537
	3,144,921	663,537

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

Note 12 Provisions

	2023 $	2022 $
CURRENT		
Provision for employee benefits: annual leave	1,075,016	818,863
Provision for employee benefits: long service leave	315,542	219,797
RDO entitlements	176,702	172,334
	1,567,261	1,210,993
NON-CURRENT		
Provision for employee benefits: long service leave	157,780	142,515
	1,725,041	1,353,508

Analysis of total provisions:	**Employee Benefits**	**Total**
Opening balance at 1 July 2022	1,353,508	1,353,508
Additional provisions raised during the year	1,416,263	1,416,263
Amounts used	(1,044,730)	(1,044,730)
Balance at 30 June 2023	1,725,041	1,725,041

Provision for employee benefits

Provision for employee benefits represents 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 entitlements 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.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

Note 13 Capital and Leasing Commitments

		2023	2022
		$	$
a	**Lease Commitments**		
	— Short-term	44,686	23,185
b	**Capital Expenditure Commitments**		
	Capital commitments to various landlords in the form of bank guarantees	280,842	180,451

Note 14 Contingent Liabilities and Contingent Assets

The Entity had no contingent liabilities or Contingent Assets as at 30 June 2023 and 30 June 2022

Note 15 Events After the Reporting Period

No matter or circumstance has arisen since 30 June 2023 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 16 Key Management Personnel Compensation

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 aggregate compensation made to directors and other members of key management personnel of the Entity is set out below:

	2023	2022
	$	$
Aggregate compensation:	1,224,663	1,118,625

Note 17 Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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

Note 18 Auditor's Remuneration

	2023	2022
Remuneration of the auditor:	$	$
Audit services - Joe Pien Chartered Accountant		
— reviewing audit work papers year ended 30 June 2021	2,985	19,921
Audit services - Grant Thornton		
— audit of the financial statements	56,635	45,450
	59,620	65,371

Note 19 Reconciliation of Cash Flows from Operating Activities with Net Current Year (Deficit) / Surplus

	2023 $	2022 $
Net current year (deficit)/surplus	(890,103)	(136,928)
Non cash flows in operating surplus		
Depreciation - Right of Use Assets	281,757	219,242
Depreciation - Plant and Equipment	121,108	111,022
Loss on Disposal of Asset	-	6,258
Changes in assets and liabilities		
Change in fixed interest securities	(19,525)	(8,390)
Change in employee entitlements	371,533	246,776
Change in accounts receivable and other debtors	(116,431)	(93,147)
Change in accounts payable and other payables	106,381	92,433
Change in income in advance	2,481,384	(1,316,868)
	2,336,104	(879,602)

Note 20 Entity Details

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

Environmental Defenders Office
Suite 8.02, Level 8
6 O'Connell Street
Sydney NSW 2000
Australia

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 $570 towards meeting any outstanding obligations of the Entity. At 30 June 2023 the number of members was 57.

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Environmental Defenders Office, the directors of the entity declare that:

1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

   (a) comply with Australian Accounting Standards - Simplified Disclosures applicable to the entity; and

   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2023 and of its performance for the year ended on that date.

2. In the directors' opinion 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 subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022.

B Darlington

Director

Director

Dated this 11th day of October 2023

ENVIRONMENTAL DEFENDERS OFFICE
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

Dated this 11th day of October 2023

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

T +61 2 8297 2400

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 2023, 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 Directors' (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 2023 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, the Detailed Statement of Income and Expenditure, the Supplemental Report for Compliance with Queensland Government Grant and the Supplemental Report for Compliance with ACT Government Grant 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 Persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, 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.
- 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B Narsey

B Narsey
Partner – Audit & Assurance

Sydney, 11 October 2023

ENVIRONMENTAL DEFENDERS OFFICE
ABN: 72 002 880 864
INTERNATIONAL AID AND DEVELOPMENT INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
REVENUE		$	$
Donations and gifts			
Monetary		2,620,363	4,813,713
Bequests and Legacies		439,125	-
Grants			
Department of Foreign Affairs and Trade		-	23,305
Other Overseas		3,732,180	3,280,995
Other Australian		5,854,325	3,222,313
Investment Income		43,152	13,045
Commercial Activities Income		638,050	405,600
Other income		22,265	5,510
TOTAL REVENUE		13,349,460	11,764,482
EXPENDITURE			
International Aid and Development Program Expenditure			
International Programs			
Funds to International Programs		-	-
Program Support Costs		653,850	660,347
Fundraising Costs	1	-	-
Accountability and Administration		42,591	38,916
Total International Aid and Development Programs Expenditure		696,441	699,263
Domestic Programs Expenditure		13,543,123	11,202,146
Other Expenditure		-	-
TOTAL EXPENDITURE	2	14,239,562	11,901,410
NET SURPLUS/(DEFICIT) OF REVENUE OVER EXPENDITURE		(890,103)	(136,927)

1. EDO Ltd incurred fundraising expenses of $387,401 during the 2022-23 year. Most of these expenses related to communication and appeals to the public, regular giving and the major gifts program. 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 Summary Income Statement above.

2. Total expenditure identified in the Summary Income Statement above is derived from our 2022–23 audited Financial Report. Certain types of expenditure have been categorised in line with the requirements of the ACFID Code of Conduct. These allocations are supplementary information intended for the purpose of the users of the Summary Financial Report and are not specifically derived from our 2022–23 audited Financial Report.

The Summary Income Statement above includes volunteer pro-bono services (non-monetary income and expenses) valued at $358.32.

This Summary Financial Report 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 at www.acfid.asn.au.

This Financial Report is a summarised version of our Financial Report. Our 2022-23 audited Financial Report is available at www.edo.org.au.

Grant Thornton

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Independent Auditor's Report

To the Members of Environmental Defenders Office Ltd

Report on the audit of summary financial report

Opinion

In our opinion, the accompanying summary financial report which comprises the statement of financial position as at 30 June 2023, income statement, the statement of profit or loss and other comprehensive income and statement of changes in funds for the year then ended, derived from the audited financial report of Environmental Defenders Office Ltd (the "Registered Entity") for the year ended 30 June 2023:

a) is consistent, in all material respects, with the audited financial report of the Registered Entity for the year ended 30 June 2023, in accordance with the basis of preparation described in the summary financial report.

b) complies, in all material respects, with the disclosure requirements of Australian Council for International Development (ACFID) Code of Conduct.

Summary financial report

The summary financial report does not contain all the disclosures required by the *Australian Charities and Not-for-profits Commission Act 2012*. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial report.

The audited financial report and our report thereon

We expressed an unmodified audit report on the financial report dated 11 October 2023.

Management's Responsibility for the summary financial report

The Management of the Registered Entity is responsible for the preparation of the summary financial report in accordance with the basis of preparation as described in audited financial report of the Registered Entity.

Auditor's responsibilities for the audit of the financial report

Our responsibility is to express an opinion on whether the summary financial report is consistent, in all material respects with the audited financial report and complies, in all material respects, with the ACFID Code of Conduct based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

Grant Thornton

Grant Thornton Audit Pty Ltd

Chartered Accountants

B Narsey

B Narsey
Partner – Audit & Assurance

Sydney, 11 October 2023

DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
INCOME	$	$
Northern Territory of Australia Government Grant	100,000	175,000
Legal Practitioners Fidelity Fund (Northern Territory) Grant	17,143	80,627
Other State and Territory Government Grants	1,096,917	956,437
EPLA Research Grant	-	5,000
Fundraising, Memberships & Philanthropic Grants	10,039,990	7,962,856
Programs Income	1,367,745	2,162,428
Professional Fees	667,358	405,600
Interest Received	43,152	13,045
Miscellaneous Income	17,155	3,487
TOTAL INCOME	**13,349,460**	**11,764,481**
EXPENDITURE		
Amortisation - Right of Use Assets	281,757	219,242
Auditor Fees	62,020	65,371
Accountancy & Bookkeeping	1,995	3,970
Bad Debts Written Off	-	11,222
Bank & Government Charges	7,170	7,574
Board Expenses	17,546	25,096
Consultants Fees	-	22,371
Depreciation	121,108	111,022
Disbursements - non recoverable	99,839	31,125
Employee Entitlement Provisions	509,616	150,232
Employee Expenses	84,486	99,197
Fringe Benefits Expense	9,392	-
Fundraising & Marketing Expenses	387,401	318,379
Information Technology	409,925	264,452
Insurance Premiums	67,331	56,096
Interest - Lease Liabilities	74,025	49,496
Lease Payments	7,996	8,076
Light & Power	22,886	20,179
Loss on Disposal of Fixed Assets	-	6,258
Motor Vehicle Expenses	3,679	4,853
Office Relocation Cost	26,311	54,403
Office Services & Equipment	36,519	30,857
Organisational Development	249,070	62,475
Postage & Couriers	7,767	5,897
Printing & Stationery	8,809	9,788
Program Direct Expenses	315,660	547,697
Rent - Office	156,981	191,178
Repairs & Maintenance	10,193	6,219
Salaries & Wages	10,006,405	8,461,352
Staff Training & Development	56,349	92,439
Staff Amenities	1,640	1,915
Staff Recruitment	18,386	62,636
Subscriptions & Library	55,693	50,725
Superannuation Contributions	1,013,042	811,900
Telecommunications	9,688	21,657
Travel Expenses	98,877	16,062
TOTAL EXPENDITURE	**14,239,563**	**11,901,410**
OPERATING SURPLUS FOR THE YEAR	**(890,103)**	**(136,928)**

SUPPLEMENTAL REPORT FOR COMPLIANCE WITH QUEENSLAND GOVERNMENT GRANT (LASF014-2020-25) FOR THE YEAR ENDED 30 JUNE 2023

	2023 $
PROGRAM INCOME	
Service delivery funding (DJAG) - State	231,627
Other funding (DES) - State	170,000
TOTAL INCOME	**401,627**
PROGRAM EXPENSES	
Salaries	279,795
Superannuation	29,101
On Costs	8,014
Rent	58,862
Repairs and Maintenance	2,639
Other Premises Costs	3,965
Staff Training	221
Communications	2,419
Office Overheads	6,895
Library, Resources & Subscriptions	858
Travel	4,192
Programming & Planning	3,029
Office Equipment Leases	473
Assets/Minor Equipment	1,165
TOTAL EXPENSES	**401,627**
NET SURPLUS/(DEFICIT) FOR THE YEAR	-

Prepared in accordance with QLD State Government Grant reporting requirements

SUPPLEMENTAL REPORT FOR COMPLIANCE WITH AUSTRALIAN CAPITAL TERRITORY GOVERNMENT GRANT FOR THE YEAR ENDED 30 JUNE 2023

	2023
	$
PROGRAM INCOME	
Grant Amount	156,062
TOTAL INCOME	**156,062**
PROGRAM EXPENSES	
Salaries	128,885
Superannuation	13,229
On Costs	4,637
Rent	1,123
Repairs and Maintenance	73
Other Premises Costs	3,706
Communications	1,053
Office Overheads	1,921
Finance, Audit and Accounting Fees	90
Travel Expenses	300
Programming & Planning	862
Assets/Minor Equipment	184
TOTAL EXPENSES	**156,062**
NET SURPLUS/(DEFICIT) FOR THE YEAR	-

Prepared in accordance with ACT State Government Grant reporting requirements