

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

FINANCIAL REPORT FOR THE YEAR ENDED
30TH JUNE 2013

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

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ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

The Directors present this report on the company for the financial year ended 30th June 2013.

Directors

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

The Hon. Murray Wilcox AO QC, Chairperson
Appointed 24/10/2007
Retired Judge
Attended 7 of 8 meetings

Ms Barbara Adams, PSM, Vice-Chair
Appointed 29/10/2002
Retired Senior Public Servant
Attended 6 of 8 meetings

Mr Andrew Burke, Secretary
Appointed 23/6/2010
Solicitor
Attended 5 of 8 meetings

Ms Helen Gillam, Treasurer
Appointed 28/10/2008
Lecturer (Accounting, University of Technology, Sydney)
Attended 4 of 8 meetings

Mr John Connor
Appointed 1/12/2010
Chief Executive Officer, The Climate Institute
Attended 8 of 8 meetings

Dr Ronnie Harding
Appointed 21/10/2009
Retired Academic (Environmental Studies, University of NSW)
Attended 8 of 8 meetings

Mr Frank Hubbard
Appointed 30/01/1996
Principal, Worthwhile Projects Pty Ltd
Attended 4 of 8 meetings

Prof. Michael Jeffery QC
Appointed 26/11/2002, deceased 15/7/2013
Queens Counsel and Professor (Environmental Law, University of Western Sydney)
Attended 7 of 8 meetings

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30TH JUNE 2013

Mr Michael Kennedy
Appointed 24/1/2011, ceased 17/10/2012
Campaign Director, Humane Society International (Australia)
Attended 1 of 4 meetings

The Hon. Kevin Rozzoli AM
Appointed 2 May 2013
Consultant
Attended 6 of 8 meetings

Ms Kate Smillie
Appointed 2/12/2009
Manager Revolving Funds, Nature Conservation Trust of NSW
Attended 8 of 8 meetings

Net Surplus After Income Tax

The net surplus of the company for the financial year was \$81,579 (2012 – \$34,098).

Review of Operations

A review of the company operations during the financial year and the results of those operations are as follows:

The company's operations during the year performed as expected in the opinion of the directors.

Significant Changes in State of Affairs

There have been no significant changes in the state of the company's affairs during the financial year.

Principal Activities

The principal activities of the company during the course of the year were:

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

DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30TH JUNE 2013

The short-term objectives are:

- Effective Legal Protection of the Environment
- Empowered community
- Leadership & influence
- Dynamic sustainable organisation

Strategies

The company's strategies are:

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

Key Performance Measures

The company measures its performance through the use of both qualitative and quantitative indicators which are identified in the Strategic and Operational Plans of the organisation. These are approved and monitored through written reports to the Board of Directors. Copies of the Plans are available to members on request.

After Balance Date Events

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

Future Developments

The company expects to maintain the present status and level of operations. EDO NSW is largely dependent on grants as its major source of income and this is secure until 30 June 2014. If all its grants are not secured beyond 30 June 2014, it is working to increase its income from alternative independent sources such as donations and fees and will continue to operate but will reduce the level of staff, outgoings and service provision to meet the available income if necessary.

Environmental Issues

The company'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 company prohibits the company from paying dividends and, accordingly, no dividends have been declared or paid during the financial year.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30TH JUNE 2013

Options

No options over issued shares or interests in the company 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 company is incorporated under the Corporations Act 2011 and is a company limited by guarantee. If the company is wound up, the Articles state that each member may be required to contribute a maximum of \$10.00 towards meeting any obligations of the company. At 30th June 2013, the total amount that members of the company are liable to contribute if the company winds up is \$560.00.

Indemnities Granted

There have been no indemnities granted or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

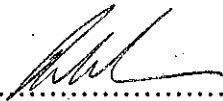
Actions

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The company was not a party to such proceedings during the year.

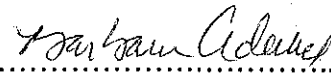
A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the next page.

This statement is made in accordance with a resolution of the Board of Directors and is signed for an on behalf of the directors by:


.....

Director

Name: ANDREW STEWART BURKE


.....

Director

Name: BARBARA ADAMS

Dated this 11th day of September 2013

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307c OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ENVIRONMENTAL DEFENDERS OFFICE LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30th June 2013, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contravention of any applicable code of professional conduct in relation to the audit.



JOSEPH PIEN
Chartered Accountant
J. Pien CA
Registered Company Auditor

Sydney, ~~12th~~ September 2013

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2013

	Note	2013 \$	2012 \$
Revenue from Ordinary Activities	2	2,218,744	2,286,693
Expenses from Ordinary Activities excluding Borrowing Costs	3	<u>2,137,165</u>	<u>2,252,595</u>
Profit from Ordinary Activities before Income Tax		81,579	34,098
Income tax relating to Ordinary Activities		-	-
Profit from Ordinary Activities		<u>81,579</u>	<u>34,098</u>
Total Comprehensive Income for the year net of tax		<u>81,579</u>	<u>34,098</u>
Total Comprehensive Income attributable to members of the entity		<u>81,579</u>	<u>34,098</u>

The accompanying notes form part of these financial statements
and should be read in conjunction herewith.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	987,983	796,035
Accounts Receivable and Other Debtors	6	47,620	59,748
Other Current Assets	7	68,394	80,379
TOTAL CURRENT ASSETS		<u>1,103,997</u>	<u>936,162</u>
NON CURRENT ASSETS			
Property Plant & Equipment	8	54,042	74,783
TOTAL NON CURRENT ASSETS		<u>54,042</u>	<u>74,783</u>
TOTAL ASSETS		<u>1,158,039</u>	<u>1,010,945</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Other Payables	9	274,225	250,333
Employee Provisions	10	190,110	148,487
TOTAL CURRENT LIABILITIES		<u>464,335</u>	<u>398,820</u>
TOTAL LIABILITIES		<u>464,335</u>	<u>398,820</u>
NET ASSETS		<u>693,704</u>	<u>612,125</u>
EQUITY			
Retained Surplus		693,704	612,125
TOTAL EQUITY		<u>693,704</u>	<u>612,125</u>

The accompanying notes form part of these financial statements
and should be read in conjunction herewith.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013

	Retained Surplus \$	Total \$
Balance 1st July 2011	578,027	578,027
Net Surplus for the year	<u>34,098</u>	<u>34,098</u>
Balance 30th June 2012	<u>612,125</u>	<u>612,125</u>
Balance 1st July 2012	612,125	612,125
Net Surplus for the year	<u>81,579</u>	<u>81,579</u>
Balance 30th June 2013	<u>693,704</u>	<u>693,704</u>

The accompanying notes form part of these financial statements
and should be read in conjunction herewith.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions, grants and receipts from customers	2,181,441	2,271,198
Interest received	43,325	69,523
Payments to suppliers and employees	(2,028,838)	(2,385,215)
Net cash provided by Operating Activities	<u>195,928</u>	<u>(44,494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, Plant and Equipment	(3,980)	(33,343)
Net cash used in investing activities	<u>3,980</u>	<u>33,343</u>
Net Increase/(decrease) in cash held	191,948	(77,837)
Cash at the beginning of Financial Year	<u>796,035</u>	<u>873,872</u>
Cash at End of Financial Year	<u><u>987,983</u></u>	<u><u>796,035</u></u>

The accompanying notes form part of these financial statements
and should be read in conjunction herewith.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013

2013 2012
 \$ \$

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand	500	500
Cash at bank	<u>987,483</u>	<u>795,535</u>
	<u><u>987,983</u></u>	<u><u>796,035</u></u>

Reconciliation of Net Cash provided by Operating Activities to Net Surplus after Income Tax

Net Surplus after Income Tax	81,579	34,098
Non cash flows in Operating Profit		
Depreciation	22,902	22,563
Loss on Disposal of Fixed Assets	1,819	-
(Decrease)/Increase in Employee Entitlements	41,623	(32,784)
Impairment of current assets	(1,399)	1,095
Changes in Assets and Liabilities		
(Increase)/Decrease in receivables and other financial assets	25,729	80,861
Increase/(Decrease) in Creditors and Borrowings	18,194	(159,842)
Increase/(Decrease) in Income in Advance	<u>5,481</u>	<u>9,515</u>
Net Cash provided by Operating Activities	<u><u>195,928</u></u>	<u><u>(44,494)</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Environmental Defenders Office Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report 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 this financial report are presented below and have been consistently applied unless otherwise stated.

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

(a) Cash

For the purpose of the statement of cash flows, cash includes all cash on hand, at call deposits with banks or financial institutions and investments in money market instruments which are readily convertible to cash net of bank overdraft.

(b) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 costs of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The depreciable amount of all fixed assets 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	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserved relating to that asset are transferred to retained earnings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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 company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised costs using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised costs is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Impairment of Assets

At each reporting date, the entity reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(f) Provisions

Provisions are recognised when the company 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 reporting date.

(g) Revenue and Other Income

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenues recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(h) 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 Tax Office. In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

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

(j) Expenses

Operating Lease Payments

Payments made under operation leases are recognised in the income statement on a straight-line basis over the term of the lease.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Act 1997.

(l) Accounts Receivable and Other Debtors

Accounts Receivable and other debtors represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 company.

(n) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(o) Economic Dependence

Environmental Defenders Office Limited is dependent on Grants received from the Commonwealth and NSW Governments and the Public Purpose Fund administered by the Law Society of NSW for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors have been advised that the Public Purpose Fund and the Commonwealth and NSW governments have approved \$1.8 million for 2014 financial year.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Operating Revenue:-		
Rendering Services	130,504	163,544
Grants Received	1,856,244	2,030,950
Donations and Memberships	181,248	20,900
	<u>2,167,996</u>	<u>2,215,394</u>
Non-operating Revenue		
Interest Received	43,325	69,523
Other Revenue	7,423	1,776
	<u>50,748</u>	<u>71,299</u>
	<u>2,218,744</u>	<u>2,286,693</u>
3. EXPENSES FROM ORDINARY ACTIVITIES		
Employee Benefits Expense	1,558,441	1,732,435
Depreciation - Office Furniture and Equipment	22,902	22,563
Rent	172,038	153,618
Auditor remuneration	12,895	8,628
Doubtful debts	(1,399)	1,095
Accountancy	35,162	37,442
Other Expenses	337,126	296,814
	<u>2,137,165</u>	<u>2,252,595</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
4. NET SURPLUS		
Net surplus from ordinary activities before income tax expense has been determined after accounting for:		
Charging as Expense		
Movements in Provisions		
Depreciation - Office Furniture and Equipment	22,902	22,563
Employee Entitlement Provisions	41,624	(32,784)
	<u>64,526</u>	<u>(10,221)</u>
Bad & Doubtful Debts		
Doubtful Debts	(1,399)	1,095
Remuneration of the Auditor		
Financial Services	12,895	8,628
Other Services	-	-
	<u>12,895</u>	<u>8,628</u>
Crediting as Income:		
Interest from - Other Corporations	44,323	69,523
	<u>44,323</u>	<u>69,523</u>
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	500	500
Cash at Bank - National Australia Bank	3,530	3,343
Credit Union of Australia - MacArthur	28,814	48,998
Credit Union of Australia	99,083	207,872
National Australia Bank	49,996	36,177
Credit Union of Australia - Term Deposit	600,000	400,000
Credit Union of Australia - Cash Management	206,060	99,145
	<u>987,983</u>	<u>796,035</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
6. ACCOUNTS RECEIVABLE		
Accounts Receivable	47,113	54,133
Less Provisions for Impairment	<u>(2,996)</u>	<u>(3,517)</u>
	44,117	50,616
Client reimbursable expenses	3,503	10,227
Less Provision for Impairment	<u>(0)</u>	<u>(1,095)</u>
	3,503	9,132
	 <u>47,620</u>	 <u>59,748</u>
Provision for Impairment		
Balance 30 June 2012	4,612	4,618
Charge for year	<u>(1,616)</u>	<u>(6)</u>
Provision for Impairment as at 30 June 2013	<u>2,996</u>	<u>4,612</u>

Credit risk

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

The following table details the company'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 company 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 company.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2013							
Trade and term receivables	47,113	2,996	-	0	-	10,290	33,827
Total	47,113	2,996	-	0	-	10,290	33,827
2012							
Trade and term receivables	54,133	3,517	-	3,082	-	24,231	23,303
Total	54,133	3,517	-	3,082	0	24,231	23,303

	2013 \$	2012 \$
7. OTHER - CURRENT ASSETS		
Prepayments & Sundry Debtors	11,438	23,423
Deposits on Office Leases	<u>56,956</u>	<u>56,956</u>
	<u><u>68,394</u></u>	<u><u>80,379</u></u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	\$
8. PROPERTY PLANT AND EQUIPMENT	
Plant and Equipment	
Cost	
Balance 1 July 2011	91,921
Additions	33,343
Disposals	<u>(0)</u>
Balance 30 June 2012	<u>125,264</u>
Balance 1 July 2012	125,264
Additions	3,980
Disposals	<u>(29,299)</u>
Balance 30 June 2013	<u>99,945</u>
Plant and Equipment	
Depreciation and Impairment Losses	
Balance 1 July 2011	27,918
Depreciation for Year	22,563
Disposals	<u>(0)</u>
Balance 30 June 2012	<u>50,481</u>
Balance 1 July 2012	50,481
Depreciation for Year	22,902
Disposals	<u>(27,480)</u>
Balance 30 June 2013	<u>45,903</u>
Carrying Amount	
30 June 2012	<u>74,783</u>
30 June 2013	<u>54,042</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
9. ACCOUNTS PAYABLE		
Accounts Payable & Accruals	81,157	67,683
Income in Advance	144,022	138,541
GST Owing	29,116	13,895
PAYG owing	19,930	30,214
	<u>274,225</u>	<u>250,333</u>
10. EMPLOYEE PROVISIONS		
Provision for Employee Entitlements	<u>190,110</u>	<u>148,487</u>
Opening Balance at 1 July 2012	148,487	181,270
Provisions raised/(reduced) during the year	<u>41,623</u>	<u>(32,783)</u>
Balance 30th June 2013	<u>190,110</u>	<u>148,487</u>
Analysis of Total Provisions		
Current	190,110	148,487
Non Current	<u>-</u>	<u>-</u>
	<u>190,110</u>	<u>148,487</u>

11. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

A provision has been recognised for employee entitlements relating to long service leave. 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
12. CONTINGENT LIABILITIES/LEASE COMMITMENTS		
OPERATING LEASE		
Amounts payable on operating leases of premises and equipment		
Due with 1 year	159,199	158,629
Due within 1-5 years	334,680	464,432
Due after 5 years	-	-
	<u>493,879</u>	<u>623,061</u>

13. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans, bills and leases.

The totals for each category of financial instruments, measured in accordance with ASSB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2013	2012
		\$	\$
Financial assets			
Cash and cash equivalents	5	987,983	796,035
Loans and receivables	6	47,620	59,748
		<u>1,035,603</u>	<u>855,783</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- Accounts payable	9	274,225	250,333
		<u>274,225</u>	<u>250,333</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

a. Interest rate risk

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

b. Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from a variety of sources;
- 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 tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

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 reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL RISK MANAGEMENT (cont'd)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and other payables (excluding est. annual leave)	274,225	250,333	-	-	-	-	274,225	250,333
Total contractual outflows	274,225	250,333	-	-	-	-	274,225	250,333
Total expected outflows	274,225	250,333	-	-	-	-	274,225	250,333

	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets cash flows realisable								
Cash and cash equivalents	987,983	796,035	-	-	-	-	987,983	796,035
Trade, term and loan receivables	47,620	59,748	-	-	-	-	47,620	59,748
Total anticipated inflows	1,035,603	855,783	-	-	-	-	1,035,603	855,783
Net (outflow)/inflow on financial instruments	761,378	605,450	-	-	-	-	761,378	605,450

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL RISK MANAGEMENT (cont'd)

c. Foreign exchange risk

The company is not exposed to fluctuations in foreign currency.

d. 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 to the company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. It includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board of Directors has otherwise cleared as being financially sound. Where the company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet. There are no material amounts of collateral held as security at 30 June 2013.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. The trade receivables balances at 30 June 2013 and 30 June 2011 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL RISK MANAGEMENT (cont'd)

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

	2013	2012
	\$	\$
Cash and cash equivalents		
- AA rated	987,983	796,035
	987,983	796,035

e. Net Fair Values

Fair value estimation

The fair value of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values 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 company. Most of these instruments which are carried at amortised cost (ie term receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL RISK MANAGEMENT (cont'd)

	2013		2012	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents	987,983	987,983	796,035	796,035
Trade and other receivables	<u>47,620</u>	<u>47,620</u>	<u>59,748</u>	<u>59,748</u>
Total financial assets	<u>1,035,603</u>	<u>1,035,603</u>	<u>855,783</u>	<u>855,783</u>

	2013		2012	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial liabilities				
Trade and other payables	<u>274,225</u>	<u>274,225</u>	<u>250,333</u>	<u>250,333</u>
Total financial liabilities	<u>274,225</u>	<u>274,225</u>	<u>250,333</u>	<u>250,333</u>

The fair values disclosed in the above table have been determined based on the following methodologies.

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual leave which is not considered a financial instrument.
- (ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at reporting date for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.
- (iii) For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used. The directors have determined that the fair values of unlisted available-for-sale financial assets at reporting date can be reliably measured, as there is an active market for these investments.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013

FINANCIAL RISK MANAGEMENT (cont'd)

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates, commodity and equity prices. The table indicates the impact on how profit and equity values reported at balance date 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.

	Profit		Equity
	\$		\$
Year ended 30 June 2013			
+/- 2% in interest rates	+/- 16,000	+/-	16,000
	Profit		Equity
	\$		\$
Year ended 30 June 2012			
+/- 2% in interest rates	+/- 17,000	+/-	17,000

14. FUTURE DEVELOPMENTS

As at the date of this report, EDO NSW has confirmation of the continuation of funding from the Public Purpose Fund, the major source of income for EDO NSW, until 30 June 2014 and it is not known if funding will continue beyond that date. Other grants for core operations are confirmed to the end of the year and EDO NSW will continue to derive income from other sources such as fees and fundraising.

If funding from the Public Purpose Fund does not continue beyond 30 June 2014, EDO NSW will continue to operate but will reduce staff, outgoings and service provision to meet the available income.

15. BUSINESS DETAILS

The principal place of business is:
Environmental Defenders Office Limited
Level 5, 263 Clarence Street, Sydney, NSW, 2000

The principal activities of the business include:
Provision of Environmental Law Services

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

INTERNATIONAL AID AND DEVELOPMENT INCOME STATEMENT

	Note	2013 \$	2012 \$
REVENUE			
Donations and gifts			
Monetary	1	30,000	30,000
Non-monetary	2	111,614	40,825
Grants - AusAid		25,439	28,453
- Overseas		22,049	38,390
Other income	3	<u>2,782</u>	<u>10,000</u>
TOTAL REVENUE		191,884	147,668
EXPENDITURE			
International Programs		191,884	147,831
Community Education		-	-
Fundraising Costs		-	-
Accountability and Administration		-	-
TOTAL EXPENSES		<u>191,884</u>	<u>147,831</u>
(SHORTFALL) OF REVENUE OVER EXPENDITURE		<u>0</u>	<u>(163)</u>

Notes

- 1 Funds allocated from unrestricted donations to the Environmental Defender's Fund operated by EDO NSW
- 2 This includes volunteers services valued at \$5,599 and pro bono services valued at \$106,015
- 3 Balance of funding for International Program taken from investment income of EDO NSW

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.

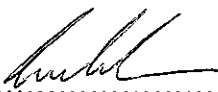
ENVIRONMENTAL DEFENDERS OFFICE LIMITED
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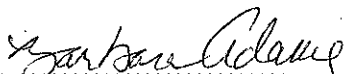
DIRECTORS DECLARATION
FOR THE YEAR ENDED 30TH JUNE 2013

The directors of the entity declare that:-

1. The financial statements and notes, as set out on pages 6 to 30, are in accordance with the Corporations Act 2001:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.


.....
Director
Name: ANDREW STEWART BURKE


.....
Director
Name: BARBARA ADAMS

Dated this 11th day of September 2013.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENVIRONMENTAL DEFENDERS OFFICE LIMITED**

Report on the Financial Report

I have audited the accompanying financial report of the Environmental Defenders Office Limited, which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies, other explanatory information, International Aid & Development Income Statement and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Environmental Defenders Office Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of a financial report which gives a true and fair view, and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements, and that I plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report which gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Environmental Defenders Office Limited on 11th September 2013, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENVIRONMENTAL DEFENDERS OFFICE LIMITED**

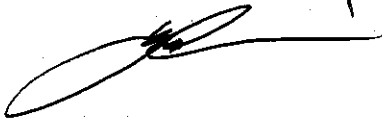
Auditor's Opinion

In my opinion:

- a. the financial report of Environmental Defenders Office is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

I draw attention to Note 14 to the financial statements, Future Developments, which describes the uncertainty relating to future Public Purpose Fund grants for the company beyond 30 June 2014. My opinion is not modified in respect of this matter.



Joe Pien

Chartered Accountant

Dated in Sydney on 12th day of September 2013

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
INCOME		
Public Purpose Fund Grant	1,421,064	1,642,127
Commonwealth CLSP Grant	87,813	95,525
NSW CLSP Grant	174,945	188,824
NSW Environmental Trust Grants	119,327	115,810
AusAid Grants	24,545	28,454
EPLA Research Grant	5,000	5,000
Commonwealth GVESHO Grant	1,500	0
MacArthur Grant	22,049	38,390
Donations, Memberships & Fundraising	181,248	20,900
Conferences, Publications & Workshops	1,750	3,536
Professional Fees	128,754	78,321
Interest Received	43,325	68,030
Miscellaneous Income	7,424	1,776
	<u>2,218,744</u>	<u>2,286,693</u>
EXPENDITURE		
Auditor's Remuneration - Financial Statements	12,895	8,628
Accountancy and Bookkeeping	35,162	37,442
Bad Debts Written Off	0	-
Bank and Government Charges	3,320	4,276
Board Costs	2,146	1,917
Casual Staff	0	1,348
Conferences, Publications & Workshops	50,205	55,609
Consultants Fees	45,798	500
Depreciation	22,902	22,563
Disbursements - non recoverable	1,445	2,448
Doubtful Debts	-1,339	1,095
Employees Entitlement Provision	41,623	-32,784
Employee Expenses	5,701	10,747
Fundraising	20,758	910
Information Technology Expenses	36,651	15,849
Insurance	13,009	13,525
Light & Power	12,014	13,066
Loss on Disposal - Fixed Assets	1,819	-
MacArthur Expenses	22,604	30,032
Office Costs	18,915	17,729
	<u>345,628</u>	<u>204,900</u>
Carried Forward	<u>345,628</u>	<u>204,900</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
ABN 72 002 880 864

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
EXPENDITURE (Continued)		
Brought Forward	345,628	204,900
Organisational Development	48,559	44,771
Postage & Couriers	3,407	5,699
Printing & Stationery	14,161	18,640
Rent - Office	172,038	153,618
Repairs & Maintenance - General Repairs & Maintenance	1,522	4,215
Salaries & Wages	1,373,435	1,596,480
Staff Training & Welfare	7,952	14,105
Staff Amenities	4,114	8,258
Staff Recruitment	362	2,084
Subscriptions	15,386	24,669
Superannuation Contributions	118,533	135,955
Telephone & Internet	17,990	18,042
Travelling Expenses	14,078	21,159
	<u>2,137,165</u>	<u>2,252,595</u>
OPERATING PROFIT BEFORE INCOME TAX	<u>81,579</u>	<u>34,098</u>