

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

FINANCIAL REPORT FOR THE YEAR ENDED
30TH JUNE 2011

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

CONTENTS

Directors Report	1
Auditor's Independence Declaration	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cashflows	7
Notes to the Financial Statements	9
Directors Declaration	29
Independent Audit Report	30
Additional Information	32

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH JUNE 2011

The Directors present this report on the company for the financial year ended 30th June 2011.

Directors

The following persons held office of director as at balance date:

Barbara Adams
Andrew Burke
John Connor
Helen Gillam
Ronnie Harding
Frank Hubbard
Michael Jeffery
Michael Kennedy
Kate Smillie
Murray Wilcox

Net Profit After Income Tax

The net profit of the company for the financial year was \$9,916 (2010 – \$134,934).

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.

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.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 30TH JUNE 2011

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

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.

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.

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.

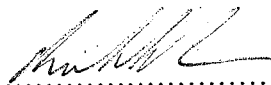
Actions

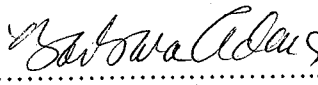
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The company was not a party to any 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 BURKE


.....
Director
Name: Barbara Adams

Dated this 7th day of September 2011

**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 2011 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 2011

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2011

	Note	This year \$	Last year \$
Revenue from Ordinary Activities	2	2,344,051	2,400,195
Expenses from Ordinary Activities excluding Borrowing Costs	3	<u>2,334,135</u>	<u>2,265,261</u>
Profit from Ordinary Activities before Income Tax		9,916	134,934
Income tax relating to Ordinary Activities		-	-
Profit from Ordinary Activities		<u>9,916</u>	<u>134,934</u>
Total Comprehensive Income for the year		<u>9,916</u>	<u>134,934</u>

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

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2011

	Note	This year \$	Last year \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	873,872	706,788
Trade and Other Receivables	6	135,017	150,348
Other Financial Assets	7	87,063	52,650
TOTAL CURRENT ASSETS		<u>1,095,952</u>	<u>909,786</u>
NON CURRENT ASSETS			
Property Plant & Equipment	8	64,003	56,541
TOTAL NON CURRENT ASSETS		<u>64,003</u>	<u>56,541</u>
TOTAL ASSETS		<u>1,159,955</u>	<u>966,327</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	400,658	230,711
Short Term Provisions	10	122,182	132,284
TOTAL CURRENT LIABILITIES		<u>522,840</u>	<u>362,995</u>
NON CURRENT LIABILITIES			
Long Term Provisions	11	59,088	35,221
TOTAL NON CURRENT LIABILITIES		<u>59,088</u>	<u>35,221</u>
TOTAL LIABILITIES		<u>581,928</u>	<u>398,216</u>
NET ASSETS		<u>578,027</u>	<u>568,111</u>
EQUITY			
Retained Earnings		<u>578,027</u>	<u>568,111</u>
TOTAL EQUITY		<u>578,027</u>	<u>568,111</u>

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

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2011

	Retained Earnings \$	Total \$
Balance 1st July 2009	433,176	433,176
Profit from Ordinary Activities	134,935	134,935
Transfer to and from Reserves General Reserves	<u>-</u>	<u>-</u>
Balance 30th June 2010	<u>568,111</u>	<u>568,111</u>
Balance 1st July 2010	568,111	568,111
Profit from Ordinary Activities	<u>9,916</u>	<u>9,916</u>
Balance 30th June 2011	<u>578,027</u>	<u>578,027</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2011

	This year \$	Last year \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,258,805	2,148,950
Interest received	74,569	51,484
Payments to Suppliers and Employees	<u>-2,100,496</u>	<u>-2,196,148</u>
Net cash provided by Operating Activities	<u>232,878</u>	<u>4,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, Plant and Equipment	-33,833	-32,859
Repayment of deposit on leased property	23,875	-
Payment of deposit on leased property	<u>-55,836</u>	<u>-</u>
Net cash used in investing activities	<u>-65,794</u>	<u>-32,859</u>
Net Increase/(decrease) in cash held	167,084	-28,573
Cash at the beginning of Financial Year	<u>706,788</u>	<u>735,361</u>
Cash at End of Financial Year	<u><u>873,872</u></u>	<u><u>706,788</u></u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2011

	This year \$	Last year \$
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>873,372</u>	<u>706,288</u>
	<u>873,872</u>	<u>706,788</u>
Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating Profit after Income Tax	9,916	134,934
Non cash flows in Operating Profit		
Depreciation	25,707	22,412
Loss on Disposal of Fixed Assets	664	656
Employee entitlements	13,765	42,189
Bad debts written off	3	-
Impairment of current assets	987	3,856
Changes in Assets and Liabilities		
(Increase)/Decrease in trade debtors	(10,680)	45,589
(Increase) /Decrease in Prepayments	(2,452)	(15,518)
(Increase) /Decrease in Reimbursable expenses	25,249	(28,250)
Increase/(Decrease) in Creditors and Borrowings	132,104	(43,324)
Increase/(Decrease) in Income in Advance	<u>37,615</u>	<u>(158,258)</u>
Net Cash by Operating Activities	<u>232,878</u>	<u>4,286</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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 Account 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 bases 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.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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.

(c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to the entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the consolidated group will obtain ownership of the asset or cover the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 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 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

(f) 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.

(g) 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.

(h) 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.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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).

(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 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.

(j) Comparative Figures

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

(k) 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.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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.

(m) Trade and Other Payables

Trade and other payables 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.

(n) 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.

(o) 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.

(p) Economic Dependence

Environmental Defenders Office Limited is dependent on Grants received from Commonwealth, State and Public Purpose Funds of 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 has no reason to believe these Departments will not continue to support Environmental Defenders Office Limited.

(q) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Environmental Defenders Office Limited.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES		
Operating Revenue:-		
Rendering Services	178,186	334,091
Grants Received	2,026,189	2,002,165
Donations and Memberships	64,825	12,453
	<u>2,269,200</u>	<u>2,348,709</u>
Non-operating Revenue		
Interest Received	74,569	51,484
Other Revenue	282	2
	<u>74,851</u>	<u>51,486</u>
	<u>2,344,051</u>	<u>2,400,195</u>
3. EXPENSES FROM ORDINARY ACTIVITIES		
Employee Benefits Expense	1,613,022	1,590,044
Depreciation - Office Furniture and Equipment	25,707	22,412
Rent	133,964	117,660
Auditor remuneration	12,420	13,785
Doubtful debts	986	3,856
Bad debts - Trade Debtors	3	-
Accountancy	31,938	34,100
Leasing	8,791	6,205
Other Expenses	507,304	477,199
	<u>2,334,135</u>	<u>2,265,261</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
4. OPERATING PROFIT		
Profit from ordinary activities before income tax expense has been determined after accounting for:		
Charging as Expense		
Movements in Provisions		
Depreciation - Office Furniture and Equipment	25,707	22,412
Employee Entitlement Provisions	<u>13,765</u>	<u>42,189</u>
	<u>39,472</u>	<u>64,601</u>
Bad & Doubtful Debts		
Bad Debts Written Off	3	-
Doubtful Debts	<u>986</u>	<u>3,856</u>
	<u>989</u>	<u>3,856</u>
Remuneration of the Auditor		
Financial Services	12,420	13,785
Other Services	<u>-</u>	<u>-</u>
	<u>12,420</u>	<u>13,785</u>
Crediting as Income:		
Interest from - Other Corporations	<u>74,569</u>	<u>51,484</u>
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	500	500
Cash at Bank - National Australia Bank	1,089	1,415
Credit Union of Australia - MacArthur	40,058	18,465
Credit Union of Australia	254,199	42,101
National Australia Bank	72,692	39,837
Credit Union of Australia - Term Deposit	400,000	466,746
Credit Union of Australia - Cash Management	105,334	118,314
Credit Union of Australia - Prime Account	<u>-</u>	<u>19,410</u>
	<u>873,872</u>	<u>706,788</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
6. TRADE AND OTHER RECEIVABLES - CURRENT		
Trade Debtors	108,158	97,478
Less Provisions for Impairment	<u>4,618</u>	<u>3,631</u>
	103,540	93,847
Client reimbursable expenses	31,477	56,726
Less Provision for Impairment	<u>-</u>	<u>225</u>
	31,477	56,501
	<u>135,017</u>	<u>150,348</u>
Provision for Impairment		
Balance 30 June 2010	3,631	-
Charge for year	<u>987</u>	<u>3,631</u>
Provision for Impairment as at 30 June 2011	<u><u>4,618</u></u>	<u><u>3,631</u></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
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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 \$	
2011							
Trade and term receivables	108,158	4,618	-	58,225	598	10,544	34,173
Total	108,158	4,618	-	58,225	598	10,544	34,173
2010							
Trade and term receivables	97,478	3,631	617	34,910	-	48,306	10,014
Total	97,478	3,631	617	34,910	-	48,306	10,014

	2011 \$	2010 \$
7. OTHER - CURRENT		
Prepayments & Sundry Debtors	30,107	27,655
Deposits on Office Leases	<u>56,956</u>	<u>24,995</u>
	<u>87,063</u>	<u>52,650</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

	\$
8. PROPERTY PLANT AND EQUIPMENT	
Plant and Equipment	
Cost	
Balance 1 July 2009	166,822
Additions	32,859
Disposals	<u>-3,130</u>
Balance 30 June 2010	<u>196,551</u>
Balance 1 July 2010	196,551
Additions	33,833
Disposals	<u>-138,463</u>
Balance 30 June 2011	<u>91,921</u>
Plant and Equipment	
Depreciation and Impairment Losses	
Balance 1 July 2009	120,072
Depreciation for Year	22,412
Disposals	<u>-2,474</u>
Balance 30 June 2010	<u>140,010</u>
Balance 1 July 2010	140,010
Depreciation for Year	25,707
Disposals	<u>-137,799</u>
Balance 30 June 2011	<u>27,918</u>
Carrying Amount	
30 June 2010	<u>56,541</u>
30 June 2011	<u>64,003</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
9. TRADE AND OTHER PAYABLES		
Trade Creditors & Accruals	183,001	122,244
Income in Advance	119,266	81,442
GST (Refundable)/Owing	62,719	(10,726)
PAYG owing	<u>35,672</u>	<u>37,751</u>
	<u>400,658</u>	<u>230,711</u>
10. SHORT TERM PROVISIONS		
Provision for Employee Entitlements	<u>122,182</u>	<u>132,284</u>
11. LONG TERM PROVISIONS		
Provision for Employee Entitlements	<u>59,088</u>	<u>35,221</u>
Opening Balance at 1 July 2010	167,505	125,316
Additional Provisions raised during the year	13,765	42,189
Amounts charged against Provisions	<u>-</u>	<u>-</u>
Balance 30th June 2011	<u>181,270</u>	<u>167,505</u>
Analysis of Total Provisions		
Current	<u>122,182</u>	<u>132,284</u>
Non Current	<u>59,088</u>	<u>35,221</u>
	<u>181,270</u>	<u>167,505</u>

12. 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.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
13. CONTINGENT LIABILITIES/LEASE COMMITMENTS		
OPERATING LEASE		
Amounts payable on operating leases of premises and equipment		
Due with 1 year	140,204	131,747
Due within 1-5 years	623,061	23,028
Due after 5 years	-	-
	763,265	154,775

14. 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	2011	2010
		\$	\$
Financial assets			
Cash and cash equivalents	5	873,872	706,788
Loans and receivables	6	135,017	150,348
		1,008,889	857,136
Financial liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	9	400,658	230,711
		400,658	230,711

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables (excluding est. annual leave)	400,658	230,711	-	-	-	-	400,658	230,711
Total contractual outflows	400,658	230,711	-	-	-	-	400,658	230,711
Total expected outflows	400,658	230,711	-	-	-	-	400,658	230,711

	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Cash and cash equivalents	873,872	706,788	-	-	-	-	873,872	706,788
Trade, term and loan receivables	135,017	150,348	-	-	-	-	135,017	150,348
Total anticipated inflows	1,008,889	857,136	-	-	-	-	1,008,889	857,136
Net (outflow)/inflow on financial instruments	1,008,889	857,136	-	-	-	-	1,008,889	857,136

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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 2011.

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 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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.

	2011	2010
	\$	\$
Cash and cash equivalents		
- AA rated	873,872	706,788
	<u>873,872</u>	<u>706,788</u>

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
A.C.N. 002 880 764

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

FINANCIAL RISK MANAGEMENT (cont'd)

	2011		2010	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents	873,872	873,872	706,788	706,788
Trade and other receivables	<u>135,017</u>	<u>135,017</u>	<u>150,348</u>	<u>150,348</u>
Total financial assets	<u>1,008,889</u>	<u>1,008,889</u>	<u>857,136</u>	<u>857,136</u>

	2011		2010	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial liabilities				
Trade and other payables	<u>400,658</u>	<u>400,658</u>	<u>230,711</u>	<u>230,711</u>
Total financial liabilities	<u>400,658</u>	<u>400,658</u>	<u>230,711</u>	<u>230,711</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
A.C.N. 002 880 764

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011

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 2011			
+/- 2% in interest rates	+/- 17,000	+/-	17,000
	Profit		Equity
	\$		\$
Year ended 30 June 2010			
+/- 2% in interest rates	+/- 14,000	+/-	14,000

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
A.C.N. 002 880 764

DIRECTORS DECLARATION
FOR THE YEAR ENDED 30TH JUNE 2011

The directors of the entity declare that:-


1. The financial statements and notes, as set out on pages 4 to 27, 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 2011 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 BURKE



Director

Name: Barbara Adams

Dated this 7th day of September 2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ENVIRONMENTAL DEFENDERS OFFICE LIMITED A.C.N. 002 880 864**

We have audited the accompanying financial report of Environmental Defenders Office Limited (the company), which comprises the statement of financial position as at 30 June 2011, statement of comprehensive income, statement of change in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Environmental Defenders Office Limited on 12th September 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

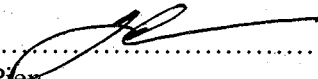
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ENVIRONMENTAL DEFENDERS OFFICE LIMITED A.C.N. 002 880 864**

Auditor's Opinion

In our opinion:

- a. the financial report of Environmental Defenders Office Limited 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 2011 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Joe Pien Chartered Accountant


.....
Joseph Pien

Suite 503, Level 5, 276 Pitt Street, Sydney, NSW, 2000

Dated this.....12th.....day of.....September.....2011

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
INCOME		
Grants Received	1,956,684	2,002,165
MacArthur	69,505	113,304
Donations and Memberships	64,825	12,453
Conferences, Publications & Workshops	82,999	48,029
Professional Fees	95,469	172,760
Interest Received	74,569	51,484
	<u>2,344,051</u>	<u>2,400,195</u>
EXPENDITURE		
Auditor's Remuneration - Financial Statements	12,420	13,785
Accountancy and Bookkeeping	31,938	34,100
Bad Debts Written Off	3	-
Bank and Government Charges	3,029	2,005
Board Costs	1,495	1,189
Casual Staff	7,514	-
Conferences, Publications & Workshops	93,952	109,326
Consultants Fees	12,107	-
Depreciation	25,707	22,412
Doubtful Debts	986	3,856
Employees Entitlement Provision	13,765	42,189
Employee Expenses	10,117	8,900
Insurance	12,583	12,560
Legal Fees	6,938	3,698
Light & Power	7,863	5,804
Loss on Disposal - Fixed Assets	664	656
MacArthur Expenses	57,103	116,406
Equipment Lease	8,791	6,205
Office Costs	<u>26,442</u>	<u>18,529</u>
Carried Forward	<u>333,417</u>	<u>401,620</u>

ENVIRONMENTAL DEFENDERS OFFICE LIMITED
A.C.N. 002 880 864

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2011

	2011	2010
	\$	\$
EXPENDITURE (Continued)		
Brought Forward	333,417	401,620
Organisational Development	79,853	27,498
Postage & Couriers	3,955	1,115
Printing & Stationery	17,714	23,104
Rent - Office	133,964	117,660
Repairs & Maintenance - General Repairs & Maintenance	45,833	2,766
Salaries & Wages	1,483,316	1,462,103
Staff Training & Welfare	14,942	14,179
Staff Amenities	6,314	3,522
Staff Recruitment	3,129	1,290
Subscriptions	22,851	22,824
Superannuation Contributions	129,706	127,941
Telephone & Internet	31,862	36,147
Travelling Expenses	27,279	23,492
	<u>2,334,135</u>	<u>2,265,261</u>
OPERATING PROFIT BEFORE INCOME TAX	<u>9,916</u>	<u>134,934</u>