

Environmental Defenders Office Ltd

ABN 72 002 880 864

Financial Report - 30 June 2024

Environmental Defenders Office Ltd

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30 June 2024

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Environmental Defenders Office Ltd
Corporate Information Statement
30 June 2024

The financial statements cover Environmental Defenders Office Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Environmental Defenders Office Ltd's functional and presentation currency.

Environmental Defenders Office Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 December 2024. The directors have the power to amend and reissue the financial statements.

Environmental Defenders Office Ltd
Corporate information statement
30 June 2024

Directors

The following persons were directors of Environmental Defenders Office Ltd ('the Entity' or 'the EDO') during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Bronwyn Darlington	(resigned 20/06/2024)
Mr Brent Wallace	(appointed 21/05/2020)
Ms Deborah Nesbitt	(appointed 24/11/2022)
Dr Kate Galloway	(appointed 3/09/2019)
Ms Lesley Hughes	(appointed 24/11/2022)
The Hon. Michael Barker	(resigned 11/10/2023)
Mr Phillip Vernon	(appointed 6/09/2019)
Ms Rachel Eberhard	(appointed 17/12/2020)
Ms Sarah Southwell	(appointed 15/02/2023)
Mr Scott Franks	(appointed 2/12/2022)
Mr Ganur Maynard	(appointed 23/11/2023)
Ms Talei Richards	(appointed 23/11/2023)
The Hon Alan Wilson	(appointed 05/07/2024)

Principal activities

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

Short-term and long-term objectives

The Entity's short-term objectives are:

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

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

Strategies

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

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

Information on directors

Name: Mr Brent Wallace
Title: Board Chair
Experience and expertise: Co-founder of Galileo Kaleidoscope (GALKAL)

Name: Ms Deborah Nesbitt
Title: Board Member
Experience and expertise: Independent Journalist and former EDO ACT Deputy and Public Officer

Name: Dr Kate Galloway
Title: Deputy Chairperson
Experience and expertise: Associate Professor of Law at Griffith University

Name: Ms Lesley Hughes
Title: Board Member
Experience and expertise: Professor Emerita & Pro-Chancellor at Macquarie University

**Environmental Defenders Office Ltd
Corporate Information Statement
30 June 2024**

Name: Mr Phillip Vernon
Title: Board Member
Experience and expertise: Consultant and former Managing Director of Australian Ethical Super

Name: Ms Rachel Eberhard
Title: Board Member
Experience and expertise: Environmental Consultant and Researcher at Queensland University of Technology

Name: Ms Sarah Southwell
Title: Board Member
Experience and expertise: General Manager, HR GrainCorp

Name: Mr Scott Franks
Title: Board Member
Experience and expertise: Native Title & Environmental Services Consultant and CEO of Yarrawalk Pty Ltd

Name: Mr Ganur Maynard
Title: Board member
Experience and expertise: Lawyer with the Northern Australian Aboriginal Justice Agency

Name: Ms Talei Richards
Title: Board member
Experience and expertise: Former criminal defence lawyer with Victoria Legal Aid and general civil law practitioner within the Victorian community legal sector

Name: The Hon Alan Wilson
Title: Board member
Experience and expertise: Former Justice of the Supreme Court of Queensland and was named a Queen's Council in 1999

Meetings of directors

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

	Number eligible to attend	Number attended
Dr Bronwyn Darlington	6	6
Mr Brent Wallace	6	5
Ms Deborah Nesbitt	6	6
Dr Kate Galloway	6	5
Ms Lesley Hughes	6	5
The Hon. Michael Barker	2	-
Mr Phillip Vernon	6	5
Ms Rachel Eberhard	6	4
Ms Sarah Southwell	6	5
Mr Scott Franks	6	4
Mr Ganur Maynard	4	4
Ms Talei Richards	4	4

Key performance measures

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

Liability of members

The Entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Entity. At 30 June 2024 the number of members was 55 (2023: 57).

Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of Environmental Defenders Office Ltd

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Environmental Defenders Office Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B Narsey
Partner – Audit & Assurance

Sydney, 18 December 2024

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Environmental Defenders Office Ltd
Statement of comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue and income	3	17,751,226	13,306,308
Other income	4	113,367	43,152
Expenses			
Employee benefits expense		(13,737,677)	(11,729,592)
Depreciation and amortisation expense	5	(423,664)	(402,865)
Rent expenses		(154,108)	(156,981)
IT-related expenses		(542,558)	(419,614)
Other expenses		(2,469,811)	(1,456,486)
Finance costs	5	(69,157)	(74,025)
Profit/(loss) before legal settlement expense		467,618	(890,103)
Legal settlement expense		(9,042,093)	-
Loss before income tax expense		(8,574,475)	(890,103)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Environmental Defenders Office Ltd		(8,574,475)	(890,103)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Environmental Defenders Office Ltd		<u>(8,574,475)</u>	<u>(890,103)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Environmental Defenders Office Ltd
Statement of financial position
As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	9,453,086	8,533,921
Trade and other receivables	7	751,012	335,702
Financial assets	8	1,103,018	1,056,485
Other assets	9	577,583	581,697
Total current assets		<u>11,884,699</u>	<u>10,507,805</u>
Non-current assets			
Property, plant and equipment	10	144,582	219,903
Right-of-use assets	11	928,163	1,238,679
Total non-current assets		<u>1,072,745</u>	<u>1,458,582</u>
Total assets		<u>12,957,444</u>	<u>11,966,387</u>
Liabilities			
Current liabilities			
Trade and other payables	12	653,275	901,302
Contract liabilities	13	3,994,330	3,144,921
Lease liabilities	14	293,351	263,964
Employee benefits	15	1,473,136	1,390,558
Provisions	16	9,245,109	176,702
Total current liabilities		<u>15,659,201</u>	<u>5,877,447</u>
Non-current liabilities			
Lease liabilities	14	758,700	1,071,606
Employee benefits	15	254,464	157,780
Total non-current liabilities		<u>1,013,164</u>	<u>1,229,386</u>
Total liabilities		<u>16,672,365</u>	<u>7,106,833</u>
Net (liabilities)/assets		<u>(3,714,921)</u>	<u>4,859,554</u>
Funds			
Accumulated funds		<u>(3,714,921)</u>	<u>4,859,554</u>
Total (deficiency)/equity		<u>(3,714,921)</u>	<u>4,859,554</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Environmental Defenders Office Ltd
Statement of changes in equity
For the year ended 30 June 2024

	Accumulated funds \$
Balance at 1 July 2022	5,749,657
Loss after income tax expense for the year	(890,103)
Other comprehensive income for the year, net of tax	<u>-</u>
Total comprehensive loss for the year	<u>(890,103)</u>
Balance at 30 June 2023	<u><u>4,859,554</u></u>
	Accumulated funds \$
Balance at 1 July 2023	4,859,554
Loss after income tax expense for the year	(8,574,475)
Other comprehensive income for the year, net of tax	<u>-</u>
Total comprehensive loss for the year	<u>(8,574,475)</u>
Balance at 30 June 2024	<u><u>(3,714,921)</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Environmental Defenders Office Ltd
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Contributions, grants and receipts from operations		18,185,326	15,671,261
Payments to suppliers and employees		(16,942,492)	(13,358,783)
Interest received		44,210	23,626
		<u>1,287,044</u>	<u>2,336,104</u>
Net cash from operating activities			
Cash flows from investing activities			
Payments for investments		(46,533)	-
Payments for property, plant and equipment	10	(26,874)	(111,980)
		<u>(73,407)</u>	<u>(111,980)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Repayment of lease liabilities		(294,472)	(217,946)
		<u>(294,472)</u>	<u>(217,946)</u>
Net cash used in financing activities			
Net increase in cash and cash equivalents		919,165	2,006,178
Cash and cash equivalents at the beginning of the financial year		<u>8,533,921</u>	<u>6,527,743</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>9,453,086</u></u>	<u><u>8,533,921</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for-profits oriented entities.

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

For the year ended 30 June 2024, the EDO had recorded a total comprehensive loss for the year of \$8,574,475 and at year end, was in a net liability position of \$3,714,921 and a net current liability position of \$3,774,502. As described below, the EDO was subject to a court action during the 2024 financial year for which a 'legal settlement expense' of \$9,042,093 has been recognised. Excluding this expense, the EDO would have recorded a surplus of \$467,618.

During the 2024 financial year, the EDO was subject to a court action (legal matter) against it by Santos NA Barossa Pty Ltd (the claimant). In April 2024, Santos NA Barossa Pty Ltd sought an order against the EDO for the costs that it had incurred in a Federal Court case in which the EDO had acted for clients.

On 28 November 2024, the Federal Court made consent orders that EDO pay Santos NA Barossa Pty Ltd's costs on an indemnity basis in the amount of \$9,042,093, in full and final resolution of the legal matter. Under the requirements of AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the EDO has recognised, at balance date, a 'provision for legal settlement' for this amount, as disclosed in Note 16 of the financial statements.

The liability, which is required to settle by 26 December 2024, will be met through a combination of funds from a working capital facility, insurance recovery and existing cash reserves. At the date of signing the financial statements, the liability had not been settled.

Note 1. Material accounting policy information (continued)

Subsequent to balance date, the EDO entered into an interest free working capital facility agreement with a third-party which provides the EDO access to \$6,500,000. The EDO intends to utilise this facility to pay a portion of the settlement amount to the claimant. The amounts drawn down from this facility will need to be repaid by August 2027. At the date of signing the financial statements, the EDO had confirmed its access to the facility and a request had been made by the EDO to the lender for the drawdown of the full \$6,500,000. The lender has confirmed that arrangements are being made for the payment of the loan.

This legal matter also crystallised the EDO's Professional Indemnity insurance. In February 2024, the insurer accepted the claim though the amount to be recovered was not known till post balance date. As disclosed in Note 19, the insurance recovery for this matter was, at balance date, contingent on the final claim amount being approved by the insurer. Subsequent to the reporting period, the insurer approved the claim amount of \$1,377,955 (recovery net of defence costs). The EDO has confirmed that claim amount will be paid by the insurer directly into the EDO's solicitor's trust account and that transfer is expected before 20 December 2024.

On 6 December 2024, the EDO transferred \$1,164,138 into the EDO's solicitor's trust account to cover the remaining portion of the legal settlement amount following the expected drawdown and utilisation of \$6,500,000 from the working capital facility and \$1,377,955 insurance recovery.

The Directors are expecting to achieve an operating surplus in the 12 months to December 2025, however, are cognisant of the broader potential financial impact of the legal matter on the EDO.

Having considered this, the Directors have done the following:

- assessed the likelihood of revenue funding contracts due for renewal in the next 12 months;
- assessed the potential impact on general donations;
- considered the macro-economic environment and political landscape;
- considered the resilience of the goodwill and support of the community toward the EDO;
- considered potential cost reduction responses to potential loss of revenue; and
- engaged the services of a professional accounting firm to assist in scenario modelling.

EDO plays a significant role in the provision of access to justice for Australians seeking environmental and climate justice and in 2025 it will be celebrating its 40-year anniversary. It is regarded as an important community stakeholder and receives support from a considerable range of diverse sources. Directors are appreciative of this support and, based on the current outlook and conversations with donors and supporters are confident that it will continue.

By utilising the working capital facility, the EDO would assume a \$6,500,000 debt obligation, repayable by August 2027. The drawdown on the facility will keep the EDO in a net liability position. Subsequently returning to a net asset position and meeting this debt obligation by its due date, will depend on the EDO raising sufficient unrestricted revenue over this timeframe and or potentially refinancing the facility. This will depend on a range of factors including those listed above and continued philanthropic and community funding support over an extended period.

Having regard to the factors above, there is a material uncertainty regarding the Entity's future financial performance and its ability to refinance and or repay the \$6,500,000 expected debt by the due date. Given the circumstances described, a material uncertainty exists that may cast significant doubt on the EDO's ability to continue as a going concern.

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities by the Entity and the realisation of its assets and settlement of its liabilities in the ordinary course of business at the amounts stated in this financial report.

Should the Entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying value amounts or the amounts of liabilities that might result should the Entity be unable to continue as a going concern and meet its debts as and when they fall due.

Note 1. Material accounting policy information (continued)

Revenue recognition

The Entity recognises revenue as follows:

Revenue

The Entity is first required to determine whether amounts received are accounted for as revenue per AASB 15: Revenue from contracts with customers or income per AASB 1058: Income of not-for-profit entities.

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

Operating grants, donations and bequests

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

When both these conditions are satisfied, the Entity:

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

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

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

Service fees

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

Contributed assets

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

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

Interest income

Interest income is recognised using the effective interest method.

Capital grant

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

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

Dividend income

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established. All revenue is stated net of the amount of goods and services tax.

Note 1. Material accounting policy information (continued)

Disbursements

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

Income tax

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

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 days.

The Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Note 1. Material accounting policy information (continued)

Impairment of financial assets

The Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Plant and equipment	10% - 50%

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Material accounting policy information (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Entity has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, rostered days off (RDO), annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition

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

Lease term and option to extend under AASB 16

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

Employee benefits

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

Environmental Defenders Office Ltd
Notes to the financial statements
30 June 2024

Note 3. Revenue and income

	2024	2023
	\$	\$
Revenue recognised under AASB 15		
Grants received	3,633,448	1,100,033
Revenue from Trusts and Foundations	341,518	257,424
Rendering services	2,063,584	638,050
Total revenue recognised under AASB 15	<u>6,038,550</u>	<u>1,995,507</u>
Income under AASB 1058 (Income of not-for-profit entities)		
Grants received	1,725,204	1,505,262
Revenue from Trust and Foundations	5,795,241	6,720,878
Donations and bequests	4,142,015	3,057,287
Other revenue	50,216	27,374
Total income under AASB 1058	<u>11,712,676</u>	<u>11,310,801</u>
Total revenue and income	<u>17,751,226</u>	<u>13,306,308</u>
	2024	2023
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>6,038,550</u>	<u>1,995,507</u>

Note 4. Other income

	2024	2023
	\$	\$
Interest received	<u>113,367</u>	<u>43,152</u>

Note 5. Expenses

	2024	2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation expense</i>		
Plant and equipment	102,195	121,108
Right-of-use assets	321,469	281,757
Total depreciation and amortisation expense	<u>423,664</u>	<u>402,865</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>69,157</u>	<u>74,025</u>
<i>Leases</i>		
Short-term and low-value assets lease payments	<u>5,705</u>	<u>7,996</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>1,278,898</u>	<u>1,013,042</u>

Environmental Defenders Office Ltd
Notes to the financial statements
30 June 2024

Note 6. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	9,453,086	8,533,921

Note 7. Trade and other receivables

	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	587,874	224,715
Less: Allowance for expected credit losses	(5,000)	(5,000)
	<u>582,874</u>	<u>219,715</u>
Other receivables	68,319	34,250
Contract asset	99,819	81,737
	<u>168,138</u>	<u>115,987</u>
	<u>751,012</u>	<u>335,702</u>

Note 8. Financial assets

	2024	2023
	\$	\$
<i>Current assets</i>		
Financial assets at amortised cost	1,103,018	1,056,485

Note 9. Other assets

	2024	2023
	\$	\$
<i>Current assets</i>		
Prepayments	346,596	300,855
Deposits on office leases	230,987	280,842
	<u>577,583</u>	<u>581,697</u>

Note 10. Property, plant and equipment

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	513,616	490,001
Less: Accumulated depreciation	(369,034)	(270,098)
	<u>144,582</u>	<u>219,903</u>

Environmental Defenders Office Ltd
Notes to the financial statements
30 June 2024

Note 10. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment
	\$
Balance at 1 July 2023	219,903
Additions	26,874
Depreciation expense	<u>(102,195)</u>
Balance at 30 June 2024	<u><u>144,582</u></u>

Note 11. Right-of-use assets

	2024	2023
	\$	\$
<i>Non-current assets</i>		
Property - right-of-use	1,697,286	1,712,467
Less: Accumulated depreciation	<u>(769,123)</u>	<u>(473,788)</u>
	<u><u>928,163</u></u>	<u><u>1,238,679</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Property
	\$
Balance at 1 July 2023	1,238,679
Additions	10,953
Depreciation expense	<u>(321,469)</u>
Balance at 30 June 2024	<u><u>928,163</u></u>

i) Lease related amounts recognised in the statement of profit or loss

	2024	2023
	\$	\$
Interest expense on lease liabilities	69,157	74,025
Property expenses	5,705	7,996
Depreciation charge related to right-of-use assets	<u>321,469</u>	<u>281,757</u>
	<u><u>396,331</u></u>	<u><u>363,778</u></u>

Environmental Defenders Office Ltd
Notes to the financial statements
30 June 2024

Note 12. Trade and other payables

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	90,730	107,310
Superannuation payable	112,511	94,044
ATO payable	96,286	427,813
Other current payables	353,748	272,135
	<u>653,275</u>	<u>901,302</u>

Note 13. Contract liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Income received in advance	2,382,179	2,664,953
Other amounts deferred	1,612,151	479,968
	<u>3,994,330</u>	<u>3,144,921</u>

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

Note 14. Lease liabilities

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>293,351</u>	<u>263,964</u>
<i>Non-current liabilities</i>		
Lease liability	<u>758,700</u>	<u>1,071,606</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	372,494	355,563
One to five years	699,978	1,021,221
More than five years	113,068	158,535
	<u>1,185,540</u>	<u>1,535,319</u>

Environmental Defenders Office Ltd
Notes to the financial statements
30 June 2024

Note 15. Employee benefits

	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,235,466	1,075,016
Long service leave	237,670	315,542
	<u>1,473,136</u>	<u>1,390,558</u>
<i>Non-current liabilities</i>		
Long service leave	<u>254,464</u>	<u>157,780</u>

Note 16. Provisions

	2024	2023
	\$	\$
<i>Current liabilities</i>		
RDO entitlements	203,016	176,702
Provision for legal settlement	9,042,093	-
	<u>9,245,109</u>	<u>176,702</u>

Provision for legal settlement

During the 2024 financial year, the EDO was subject to a court action (legal matter) against it by Santos NA Barossa Pty Ltd (the claimant). In April 2024, Santos NA Barossa Pty Ltd sought an order against the EDO for the costs that it had incurred in a Federal Court case in which the EDO had acted for clients.

On 28 November 2024, the Federal Court made consent orders that EDO pay Santos NA Barossa Pty Ltd's costs on an indemnity basis in the amount of \$9,042,093, in full and final resolution of the matter. Under the requirements of AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the Entity has recognised, at balance date, a 'provision for legal settlement' for this amount.

The liability, which is required to settle by 26 December 2024, will be met through a combination of funds from a working capital facility, insurance recovery and existing cash reserves. At the date of signing the financial statements, the liability had not been settled.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

2024	RDO	Provision for
	entitlements	legal
	\$	settlement
	\$	\$
Carrying amount at the start of the year	176,702	-
Additional provisions raised during the year	26,314	9,042,093
	<u>203,016</u>	<u>9,042,093</u>
Carrying amount at the end of the year	<u>203,016</u>	<u>9,042,093</u>

Environmental Defenders Office Ltd
Notes to the financial statements
30 June 2024

Note 17. Key management personnel compensation

Compensation

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

	2024	2023
	\$	\$
Aggregate compensation	<u>1,698,159</u>	<u>1,224,663</u>

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Entity, and its network firms:

	2024	2023
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements and acquittal reports	<u>70,500</u>	<u>56,635</u>
<i>Other services - Grant Thornton Australia Limited</i>		
Assistance in the compilation of financial statements	<u>7,500</u>	<u>-</u>
	<u>78,000</u>	<u>56,635</u>

Note 19. Contingent liabilities and assets

The Entity had at balance date, an insurance recovery claim, the amount for which, was contingent on the claim being approved by the insurer. Subsequent to the reporting period, the insurer approved the claim amount of \$1,377,955 (recovery net of defence costs). The EDO has confirmed that claim amount will be paid by the insurer directly into the EDO's solicitor's trust account and that transfer is expected before 20 December 2024.

The Entity has given bank guarantees as at 30 June 2024 of \$230,987 (2023: \$280,842) to various landlords.

The Entity has no other contingent liabilities or assets as at 30 June 2024 (2023: nil).

Note 20. Capital and leasing commitments

	2024	2023
	\$	\$
<i>Capital expenditure commitments</i>		
Short term lease commitments	41,773	44,686

Note 21. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 22. Members' Guarantee

The Entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Entity is wound up, the constitution states that each member is required to contribute a maximum of 550 (2023: \$570) towards meeting any outstanding obligations of the Entity. At 30 June 2024 the number of members was 55 (2023: 57).

Note 23. Economic dependency

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

Note 24. Events after the reporting period

Events after the reporting period related to the legal matter (note 16).

- On 28 November 2024, the Federal Court made consent orders that EDO pay Santos NA Barossa Pty Ltd's costs on an indemnity basis in the amount of \$9,042,093, in full and final resolution of the legal matter. Under the requirements of AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the Entity has recognised, at balance date, a 'provision for legal settlement' for this amount, as disclosed in note 16 of the financial statements.
- Subsequent to balance date, the EDO entered into an interest free working capital facility agreement with a third-party which provides the EDO access to \$6,500,000. The EDO intends to utilise this facility to pay a portion of the settlement amount to the claimant. The amounts drawn down from this facility will need to be repaid by August 2027. At the date of signing the financial statements, the EDO had confirmed its access to the facility and a request had been made by the EDO to the lender for the drawdown of the full \$6,500,000, though no amounts had been received.
- The Entity had at balance date, an insurance recovery claim, the amount for which, was contingent on the claim being approved by the insurer. Subsequent to the reporting period, the insurer approved the claim amount of \$1,377,955 (recovery net of defence costs). The EDO has confirmed that claim amount will be paid by the insurer directly into the EDO's solicitor's trust account and that transfer is expected before 20 December 2024.
- On 6 December 2024, the EDO transferred \$1,164,138 into the EDO's solicitor's trust account to cover the remaining portion of the legal settlement amount following the expected drawdown and utilisation of \$6,500,000 from the working capital facility and \$1,377,955 insurance recovery.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Entity's operations, the results of those operations, or the Entity's state of affairs in future financial years.

Note 25. Disclosures in accordance with the Charitable Fundraising Act NSW

The Company is registered under the Charitable Fundraising Act 1991, NSW. The Company's revenue from operations, disclosed at Note 3, includes amounts received from government and institutional funders and donations to be used and distributed for the charitable purposes for which the Company operates. The application of the Company's funds is disclosed in the Statement of Comprehensive Income. The Statement of Financial Position indicates accumulated Funds held by the Company at year end for future use by the Company in its charitable purposes.

Any donations received where the use of those funds is restricted under the conditions of the contribution to specific purposes are applied for those specific purposes. Costs of fundraising include all direct fundraising costs in accordance with the Act. The costs also include costs for processing unsolicited donations and the planning and development of future fundraising activities. Any surplus arising from fundraising appeals is applied to the charitable purposes of the Company.

Environmental Defenders Office Ltd
Directors' declaration
30 June 2024

In the opinion of the Directors of Environmental Defenders Office Ltd:

1. The financial statements of Environmental Defenders Office Ltd are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:

- (a) giving a true and fair view of its financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- (b) complying with Australian Accounting Standards — Simplified Disclosure and the Australian Charities and Not-for-profits Commission Regulation 2022.

2. There are reasonable grounds to believe that Environmental Defenders Office Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board:



Mr Brent Wallace
Director



Mr Phillip Vernon
Director

18 December 2024

Environmental Defenders Office Ltd
Declaration by the Principal Officer in Accordance with the Charitable Fundraising Act 1991
30 June 2024

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

- (a) the Entity is able to pay all of its debts as and when the debts become due and payable,
- (b) the financial statement satisfies the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021,
- (c) the contents of the financial statements are true and fair,
- (d) the Entity has appropriate and effective internal controls.



David Morris
Chief Executive Officer

18 December 2024

Grant Thornton Audit Pty Ltd

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Independent Auditor's Report

To the Members of Environmental Defenders Office Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Environmental Defenders Office Ltd (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the Directors' declaration.

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

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

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

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

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Material uncertainty related to going concern

We draw attention to Note 1 to the financial report, which indicates that the Registered Entity recorded a total comprehensive loss of \$8,574,475 during the year ended 30 June 2024 and, as of that date, the Registered Entity's liabilities exceeded its assets by \$3,714,921 and current liabilities exceeded its current assets by \$3,774,502. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Registered Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The Directors are responsible for the other information. The other information comprises the Declaration by the Principal Officer in accordance with the Charitable Fundraising Act 1991, the International Aid and Development Income Statement, the Detailed Statement of Income and Expenditure, the Supplemental Report for Compliance with Queensland Government Grant and the Supplemental Report for Compliance with ACT Government Grant but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the ACNC Act and the Charitable Fundraising Act 1991, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B Narsey
Partner – Audit & Assurance

Sydney, 18 December 2024

Environmental Defenders Office Ltd
International Aid and Development Income Statement
30 June 2024

REVENUE	2024	2023
	\$	\$
Donations and gifts		
Monetary	4,142,015	2,620,363
Bequests and Legacies	-	439,125
Grants		
Other Overseas	6,190,915	3,732,180
Other Australian	5,304,496	5,854,326
Investment Income	113,367	43,152
Commercial Activities Income	2,063,584	638,050
Other income	50,216	22,265
	<hr/>	<hr/>
TOTAL REVENUE	17,864,593	13,349,461
EXPENDITURE		
<i>International Aid and Development Program Expenditure</i>		
International Programs		
Program Support Costs	(576,209)	(653,850)
Accountability and Administration	(19,608)	(42,591)
	<hr/>	<hr/>
Total International Aid and Development Programs Expenditure	(595,817)	(696,441)
Operating surplus	17,268,776	12,653,020
Domestic Programs Expenditure	(25,843,251)	(13,543,123)
	<hr/>	<hr/>
TOTAL EXPENDITURE	(26,439,068)	(14,239,564)
	<hr/>	<hr/>
Deficit for the year	<u>(8,574,475)</u>	<u>(890,103)</u>

1. EDO Ltd incurred fundraising expenses of \$461,886 during the 2023-24 year. Most of these expenses related to communication and appeals to the public, regular giving and the major gifts program. It was determined that there were no materially significant fundraising expenses related to the international program and therefore no fundraising costs are reported on the Summary Income Statement above.

2. Total expenditure identified in the Summary Income Statement above is derived from our 2023–24 audited Financial Report. Certain types of expenditure have been categorised in line with the requirements of the ACFID Code of Conduct. These allocations are supplementary information intended for the purpose of the users of the Summary Financial Report and are not specifically derived from our 2023–24 audited Financial Report.

The Summary Income Statement above excludes pro-bono services (non-monetary income and expenses) including: barristers fees valued at \$165,913 and volunteers services valued at \$1,171.

This Summary Financial Report has been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guidance available at www.acfid.asn.au.

This Financial Report is a summarised version of our Financial Report. Our 2023-24 audited Financial Report is available at www.edo.org.au.

Independent Auditor's Report

To the Members of Environmental Defenders Office Ltd

Report on the audit of summary financial report

Opinion

In our opinion, the accompanying summary financial report which comprises the statement of financial position as at 30 June 2024, international aid and development income statement, the statement of comprehensive income and statement of changes in equity for the year then ended, derived from the audited financial report of Environmental Defenders Office Ltd (the "Registered Entity") for the year ended 30 June 2024:

- a is consistent, in all material respects, with the audited financial report of the Registered Entity for the year ended 30 June 2024, in accordance with the basis of preparation described in the summary financial report.
- b complies, in all material respects, with the disclosure requirements of Australian Council for International Development (ACFID) Code of Conduct.

Summary financial report

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

The audited financial report and our report thereon

We expressed an unmodified audit report on the financial report dated 18 December 2024.

Management's Responsibility for the summary financial report

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

Auditor's responsibilities for the audit of the financial report

Our responsibility is to express an opinion on whether the summary financial report is consistent, in all material respects with the audited financial report and complies, in all material respects, with the ACFID Code of Conduct

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based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

The logo for Grant Thornton, featuring the company name in a stylized, cursive script.

Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature in black ink, appearing to read 'B Narsey'.

B Narsey
Partner – Audit & Assurance

Sydney, 18 December 2024

Environmental Defenders Office Ltd
Detailed Statement of Income and Expenditure
30 June 2024

	2024	2023
	\$	\$
INCOME		
Northern Territory of Australia Government Grant	100,000	100,000
Legal Practitioners Fidelity Fund (Northern Territory) Grant	20,000	17,143
Other State and Territory Government Grants	3,518,617	1,096,917
Fundraising, Memberships & Philanthropic Grants	10,280,893	10,039,990
Programs Income	1,720,035	1,367,745
Professional Fees	2,063,584	667,358
Interest Received	113,367	43,152
Miscellaneous Income	48,097	17,155
TOTAL INCOME	<u>17,864,593</u>	<u>13,349,460</u>
EXPENDITURE		
Amortisation - Right-of-use Assets	(321,469)	(281,757)
Auditor Fees	(68,771)	(62,020)
Accountancy & Bookkeeping	(11,377)	(1,995)
Bank & Government Charges	(9,760)	(7,170)
Board Expenses	(33,459)	(17,546)
Depreciation	(102,195)	(121,108)
Disbursements - non recoverable	(753,745)	(99,839)
Employee Entitlement Provisions	(171,506)	(509,616)
Employee Expenses	(166,978)	(84,486)
Fringe Benefits Expense	(4,198)	(9,392)
Fundraising & Marketing Expenses	(461,886)	(387,401)
Information Technology	(535,213)	(409,925)
Insurance Premiums	(140,172)	(67,331)
Interest - Lease Liabilities	(69,157)	(74,025)
Lease Payments	(5,705)	(7,996)
Legal Settlement Expense	(9,042,093)	-
Light & Power	(26,321)	(22,886)
Motor Vehicle Expenses	(4,138)	(3,679)
Office Relocation Cost	(2,863)	(26,311)
Office Services & Equipment	(36,713)	(36,519)
Organisational Development	(271,774)	(249,070)
Postage & Couriers	(6,260)	(7,767)
Printing & Stationery	(9,594)	(8,809)
Program Direct Expenses	(527,990)	(315,660)
Rent - Office	(154,108)	(156,981)
Repairs & Maintenance	(7,779)	(10,193)
Salaries & Wages	(11,952,219)	(10,006,405)
Staff Training & Development	(64,684)	(56,349)
Staff Amenities	(2,003)	(1,640)
Staff Recruitment	(52,464)	(18,386)
Subscriptions & Library	(72,175)	(55,693)
Superannuation Contributions	(1,278,898)	(1,013,042)
Telecommunications	(7,345)	(9,688)
Travel Expenses	(64,056)	(98,878)
TOTAL EXPENDITURE	<u>(26,439,068)</u>	<u>(14,239,563)</u>
Loss for the year	<u>(8,574,475)</u>	<u>(890,103)</u>

Environmental Defenders Office Ltd
Supplemental Report for Compliance with Queensland Government Grant (LASF014-2020-25)
30 June 2024

	2024
	\$
PROGRAM INCOME	
Service delivery funding (DJAG) - State	243,574
Other funding (DES) - State	110,000
Additional State Funding	110,000
	<hr/>
TOTAL INCOME	463,574
	<hr/>
PROGRAM EXPENSES	
Salaries	328,219
Superannuation	36,092
On Costs	9,317
Rent	66,858
Repairs and Maintenance	1,520
Other Premises Costs	4,519
Staff Training	51
Communications	4,758
Office Overheads	5,270
Library, Resources & Subscriptions	961
Travel	1,522
Programming & Planning	3,078
Client Disbursements	183
Office Equipment Leases	463
Assets/Minor Equipment	765
	<hr/>
TOTAL EXPENSES	463,576
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SURPLUS FOR THE YEAR	0
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Prepared in accordance with QLD State Government Grant reporting requirements

**Environmental Defenders Office Ltd
Supplemental Report for Compliance with Australian Capital Territory Government Grant
30 June 2024**

	2024
	\$
PROGRAM INCOME	
Grant Amount	164,868
TOTAL INCOME	<u>164,868</u>
PROGRAM EXPENSES	
Salaries	128,159
Superannuation	13,080
On Costs	6,830
Rent	6,843
Repairs and Maintenance	205
Other Premises Costs	4,560
Staff Training	551
Communications	1,074
Office Overheads	2,156
Travel Expenses	722
Programming and Planning	531
Leases	157
TOTAL EXPENSES	<u>164,868</u>
SURPLUS FOR THE YEAR	<u><u>0</u></u>

Prepared in accordance with ACT State Government Grant reporting requirements