

**ENVIRONMENTAL DEFENDER'S
OFFICE WA (INC.)**

FINANCIAL STATEMENTS

30 JUNE 2006

Dry Kirkness
Chartered Accountants
West Perth Western Australia 6005

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)

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30 JUNE 2006

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ENVIRONMENTAL DEFENDER'S OFFICE (WA) INCORPORATED

STATEMENT BY THE MANAGEMENT COMMITTEE

The Management Committee has determined that the association is not a reporting entity.

The Management Committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Management, the financial report as set out on pages 3 to 13 presents fairly the financial position of the Environmental Defender's Office (WA) Inc as at 30 June 2006 and its performance for the year ended on that date, in accordance with the accrual basis of accounting described in Note 1 to the Financial Statements.

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:

.....

COMMITTEE MEMBER

.....

COMMITTEE MEMBER

Dated this day of 2006

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)**

Scope

We have audited the attached financial statements, being a special purpose financial report, of Environmental Defender's Office WA (Inc.) for the year ended 30 June 2006 as set out on pages 3 to 13.

The Environmental Defender's Office WA (Inc.) is responsible for the financial statements and have determined that the accounting policies used and described in Note 1 to the financial statements are consistent with the financial reporting requirements of the Associations Incorporation Act 1987 (WA), the Constitution of Environmental Defender's Office WA (Inc.), and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion to the members of Environmental Defender's Office WA (Inc.). No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial statements have been prepared for distribution to the members for the purpose of fulfilling the Environmental Defender's Office WA (Inc.) financial reporting requirements under the Associations Incorporation Act 1987 (WA) and the Constitution of Environmental Defender's Office WA (Inc.). We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. These policies do not require the application of all Accounting Standards and UIG Interpretations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements present fairly in accordance with the accounting policies described in Note 1 to the financial statements the financial position of Environmental Defender's Office WA (Inc.) as at 30 June 2006 and the results of its operations for the year then ended.

Dry Kirkness
Chartered Accountants

Dated:-
West Perth, Western Australia

J Lamprell-Jarrett
Partner

**ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)
BALANCE SHEET
AS AT 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
CURRENT ASSETS			
Cash at bank - General		26,192	4,788
- Fund		12,266	8,077
Undeposited Funds		3,040	-
Cash on hand		100	100
Accounts Receivable		88	1,057
Sundry debtors and Prepayments		2,240	12,060
Term Deposit - Fund		-	26,149
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		43,926	52,231
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	5,200	14,082
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		5,200	14,082
		<hr/>	<hr/>
TOTAL ASSETS		49,126	66,313
		<hr/>	<hr/>
CURRENT LIABILITIES			
Payables	3	10,030	9,189
Unearned Income	4	1,254	10,567
Provisions		1,837	6,133
		<hr/>	<hr/>
TOTAL LIABILITIES		13,121	25,889
		<hr/>	<hr/>
NET ASSETS		\$ 36,005	\$ 40,424
		<hr/>	<hr/>
EQUITY			
Accumulated surplus - Opening Balance		40,424	41,934
Net Surplus/(Deficiency)		(4,419)	(1,510)
		<hr/>	<hr/>
Accumulated Surplus - Closing Balance		\$ 36,005	\$ 40,424
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
INCOME FROM ORDINARY ACTIVITIES		235,369	270,464
LESS EXPENSES:			
Employee expenses		156,758	187,951
Occupancy		18,107	15,263
Overheads		15,232	17,957
Depreciation		8,882	9,305
Client disbursements		728	7,945
Other		40,081	28,640
		<hr/>	<hr/>
TOTAL EXPENSE		239,788	267,061
		<hr/>	<hr/>
Leave expense relating to previous year	6	-	4,913
		<hr/>	<hr/>
		239,788	271,974
		<hr/>	<hr/>
SURPLUS/(DEFICIENCY)		\$ (4,419)	\$ (1,510)
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The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	Total
	\$
Balance at 1 July 2004	41,934
Surplus/(Deficit) attributable to equity holders	(1,510)

Balance at 30 June 2005	40,424
Surplus/(Deficit) attributable to equity holders	(4,419)

Balance at 30 June 2006	\$ 36,005
	=====

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$ Inflow (Outflow)	2005 \$ Inflow (Outflow)
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions and other member income		226,367	273,831
Interest received		658	887
Payments to suppliers and employees		(224,541)	(258,284)
Interest paid		-	-
		-----	-----
Net cash provided by operating activities	7(b)	2,484	16,434
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant & equipment		-	(8,000)
Proceeds from sale of plant & equipment		-	-
		-----	-----
Net cash applied to investing activities		-	(8,000)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
		-----	-----
Net cash provided from financing activities		-	-
		-----	-----
Net increase/(decrease) in cash held		2,484	8,434
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		39,114	30,680
		-----	-----
CASH AT THE END OF THE FINANCIAL YEAR	7(a)	\$ 41,598	\$ 39,114
		-----	-----

The accompanying notes form part of these financial statements.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

These financial statements are "Special Purpose Financial Reports" and not "General Purpose Financial Reports". Environmental Defender's Office WA (Inc.) is of a type identified in Statement of Accounting Concepts 1 as a non-reporting entity, because in the opinion of the members of the Environmental Defender's Office WA (Inc.), there is unlikely to exist users who are unable to command the preparation of financial statements tailored so as to satisfy all of their information needs. Therefore there is no requirement to apply Australian Accounting Standards in the preparation and presentation of these financial statements, and none have been adopted.

The financial statements are prepared in order to satisfy the requirements of the Associations Incorporation Act 1987 (WA) and the Environmental Defender's Office WA (Inc.), and have been prepared in accordance with the historical cost convention and the accruals basis.

The following is a summary of the significant accounting policies adopted by Environmental Defender's Office WA (Inc.) in the preparation of the financial statements:-

(a) Property Plant & Equipment

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its expected useful life to the entity.

(b) Deferred Expenditure

All expenditure incurred on projects for the following financial year is deferred as a prepayment in the current year.

(c) Deferred Income

Unspent grant income received in relation to specific projects and events is not brought to account as revenue in the current year but deferred as a liability in the financial statements until spent for the purpose received.

(d) Capital Grants

Grant income received relating to the purchase of capital items is shown as Unamortised Capital Grant and brought to account over the expected life of the asset in proportion to the related depreciation charge.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont.)

(e) Grant Income

Grant income received, other than for specific purposes, is brought to account for the period to which the grant relates.

(f) Membership subscription income

Revenue from membership subscriptions is brought to account in the year to which the subscriptions relates. Subscriptions received for future years are carried forward as a liability.

(g) Employee Benefits

Provisions for employee entitlements in relation to annual leave are brought to account, based upon employees pro-rata entitlement calculated at current rates of pay.

(h) Income Tax

Environmental Defender's Office WA (Inc.) is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997, as amended.

(i) Goods and Services Tax (GST)

Revenues, expense and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost 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) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS)

As from the 1st January 2005, all entities which are required to prepare general purpose financial statements are required to comply with Australian equivalents to International Financial Reporting Standards (AIFRS). As the Association is not a reporting entity, no specific accounting standards have been adopted. Consequently, the impact of the introduction of AIFRS on the Association has been limited to changes in format, and there has been no material financial impact on the results or state of affairs of the Association for the year ending 30 June 2006.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
NOTE 2: PROPERTY PLANT & EQUIPMENT		
Furniture & Fittings - at cost	8,161	8,161
Accumulated depreciation	(6,531)	(4,956)
	1,630	3,205
Office Equipment - at cost	21,942	21,942
Accumulated depreciation	(18,372)	(11,065)
	3,570	10,877
Total Property Plant & Equipment	\$ 5,200	\$ 14,082

Movement	Furniture & Fittings	Office Equipment	Total
	\$	\$	\$
Written down value 1 July 2005	3,205	10,877	14,082
Additions	-	-	-
Disposals	-	-	-
Depreciation	(1,575)	(7,307)	(8,882)
Written down value 30 June 2006	\$ 1,630	\$ 3,570	\$ 5,200

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
NOTE 3: CURRENT LIABILITIES - PAYABLES		
Trade creditors	4,838	1,500
Accruals	2,500	-
Group Tax	2,742	2,940
GST Payable	826	1,996
Superannuation	(876)	2,753
	\$ 10,030	\$ 9,189
 NOTE 4: UNEARNED INCOME		
Income in advance	\$ 1,254	\$10,567
 NOTE 5: LEASE COMMITMENT		
<p>Operating lease commitment contracted for but not capitalised in the accounts. An option exists at the end of the 5 year term ending 1 April 2007 to renew the lease for an additional 5 years.</p>		
	2006	2005
	\$	\$
- not longer than one year	6,886	8,810
- longer than 1 year but not longer than 2 years	-	6,607
	\$ 6,886	\$ 15,417
 NOTE 6: LEAVE EXPENSE RELATING TO PRIOR YEAR		
<p>Last year the Association brought to account leave entitlements in order to fully comply with the basis of accrual accounting adopted by the association. The balance at the beginning of the previous year which had not previously been brought into account was charged as an expense last year amounting to \$4,913.</p>		

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

NOTE 7: CASH FLOW INFORMATION

	2006	2005
	\$	\$
(a) Reconciliation of Cash		
<p>For the purposes of the statement of cash flows, the Association considers cash to include cash on hand, in banks and deposits. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-</p>		
Cash at bank – General	26,192	4,788
Cash at bank – Fund	12,266	8,077
Undeposited Funds	3,040	-
Cash on hand	100	100
Term Deposit	-	26,149
	-----	-----
	41,598	39,114
	=====	=====

(b) Reconciliation of Net Cash Used in Operating Activities to Net Surplus/(Deficit) for the year.

Net surplus/(deficit) for the year	(4,419)	(1,510)
Depreciation	8,882	9,305
Net (Profit)/Loss on sale of assets	-	-
(Increase)/Decrease in receivables	969	2,805
(Increase)/Decrease in sundry debtors and prepayments	9,820	342
Increase/(Decrease) in payables	841	(2,090)
Increase/(Decrease) in unearned income	(9,313)	1,449
Increase/(Decrease) in provisions	(4,296)	6,133
	-----	-----
Net Cash Provided by/(used in) Operating Activities	2,484	16,434
	=====	=====

(c) Non-cash activities

There were no non-cash financing or investing activities during the period.

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
INCOME		
Grants		
- Commonwealth	83,352	81,556
- State	79,102	77,092
- State Outreach set-up	5,780	9,570
- CLSP	1,000	-
- Lotteries	3,636	3,636
- NHT	-	1,937
- PPT	40,000	40,000
- RIRDC	-	18,842
- Other	350	1,965
Bank Interest	658	887
Donations - Fund	9,701	7,120
Fundraising	-	588
Publications	658	1,210
Seminars	3,866	5,090
Client disbursements recovered	419	7,945
Legal Education Income – Other	1,492	10,308
Membership Subscriptions	5,347	2,718
Miscellaneous Income	8	-
	_____	_____
TOTAL INCOME	\$ 235,369	\$ 270,464
	_____	_____

ENVIRONMENTAL DEFENDER'S OFFICE WA (INC)

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
EXPENSES		
Salaries	139,750	169,815
Superannuation	13,129	15,295
On-costs	1,332	1,620
Leave provision expense	-	1,221
Staff training	885	1,900
Staff recruitment	1,662	1,544
Occupancy	18,107	15,263
Communications	5,275	5,121
Overheads	15,232	17,957
Contents insurance	2,005	1,827
Finance, audit & accounting charges	7,210	2,734
Practice certificates	2,560	1,120
Reference material	5,321	4,823
Subscriptions	1,470	1,600
Travel	2,786	3,234
Legal education expenses	12,143	3,198
Promotions	1,303	451
Minor Equipment	-	770
Depreciation	8,882	9,305
Sundry expenses	8	-
Client disbursements	728	7,945
Fundraising expenses	-	318
	<hr/>	<hr/>
TOTAL EXPENSE	239,788	267,061
	<hr/>	<hr/>
Leave expense relating to previous year	-	4,913
	<hr/>	<hr/>
	\$ 239,788	\$ 271,974
	<hr/>	<hr/>
SURPLUS/(DEFICIENCY)	\$ (4,419)	\$ (1,510)
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