

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

**FINANCIAL STATEMENTS**

**30 JUNE 2007**

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

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**30 JUNE 2007**

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

**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 Management Committee, the financial report as set out on pages 4 to 16 presents fairly the financial position of the Environmental Defender's Office WA (Inc.) as at 30 June 2007 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 17<sup>th</sup> day of October 2007

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)**

#### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Environmental Defender's Office WA (Inc.), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies, and other explanatory notes.

#### ***Management Committee's Responsibility for the Financial Report***

The Management Committee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the constitution and are appropriate to meet the needs of the members. The Management Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is 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 report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 report is free from material misstatement.

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the Management Committee's financial reporting requirements under the constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Australian professional accounting bodies.

***Auditor's Opinion***

In our opinion, the financial report presents fairly, in all material respects, the financial position of Environmental Defender's Office WA (Inc.) as of 30 June 2007 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

**DRY KIRKNESS  
Chartered Accountants**

Dated: 17<sup>th</sup> October 2007  
West Perth

**J LAMPRELL-JARRETT  
Partner**

**ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)  
BALANCE SHEET  
AS AT 30 JUNE 2007**

	NOTE	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash at bank - General		1,068	26,192
- Fund		24,401	12,266
- Online saver		31,348	-
Cash on hand		69	100
Accounts Receivable		4,245	88
Sundry debtors and Prepayments		2,962	2,240
Rental Bond		1,760	-
Undeposited Funds		-	3,040
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		65,853	43,926
		<hr/>	<hr/>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	2	17,254	5,200
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		17,254	5,200
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		83,107	49,126
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Payables	3	13,929	10,030
Unearned Income	4	2,100	1,254
Provisions		4,153	1,837
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		20,182	13,121
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>\$ 62,925</b>	<b>\$ 36,005</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Accumulated surplus - Opening Balance		36,005	40,424
Net Surplus/(Deficiency)		26,919	(4,419)
		<hr/>	<hr/>
<b>Accumulated Surplus - Closing Balance</b>		<b>\$ 62,925</b>	<b>\$ 36,005</b>
		<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 2007**

	NOTE	2007 \$	2006 \$
INCOME FROM ORDINARY ACTIVITIES		255,784	235,369
LESS EXPENSES:			
Employee expenses		160,250	156,758
Occupancy		21,409	18,107
Overheads		11,854	15,232
Depreciation		5,588	8,882
Client disbursements		6	728
Other		29,758	40,081
		<hr/>	<hr/>
TOTAL EXPENSE		228,865	239,788
		<hr/>	<hr/>
<b>SURPLUS/(DEFICIENCY)</b>		<b>\$ 26,919</b>	<b>\$ (4,419)</b>
		<hr/> <hr/>	<hr/> <hr/>

*The accompanying notes form part of these financial statements.*

**ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)**  
**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	<b>Total</b> <b>\$</b>
<b>Balance at 1 July 2005</b>	<b>40,424</b>
Surplus/(Deficit) attributable to equity holders	(4,419)
<b>Balance at 30 June 2006</b>	<b>\$ 36,005</b>
Surplus/(Deficit) attributable to equity holders	26,919
<b>Balance at 30 June 2007</b>	<b>\$ 62,925</b>

*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 2007**

	NOTE	2007 \$ Inflow (Outflow)	2006 \$ Inflow (Outflow)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions and other member income		248,391	226,367
Interest received		1,600	658
Payments to suppliers and employees		(217,061)	(224,541)
Net cash provided by operating activities	6(b)	----- 32,930 -----	----- 2,484 -----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant & equipment		(17,642)	-
Proceeds from sale of plant & equipment		-	-
Net cash applied to investing activities		----- (17,642) -----	----- - -----
Net increase/(decrease) in cash held		15,288	2,484
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		41,598	39,114
CASH AT THE END OF THE FINANCIAL YEAR	6(a)	----- \$ 56,886 -----	----- \$ 41,598 -----

*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 2007**

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 and Australian Accounting Interpretations 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) Revenue

Grant revenue is recognised in the income statement, when it is received.

Donations are recognised as revenue at the earlier of when received or when the donor can demonstrate they made the donation.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont.)

(d) 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.

(e) 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.

(f) 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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2007**

		<b>2007</b>	<b>2006</b>
		\$	\$
NOTE 2:	<b>PROPERTY PLANT &amp; EQUIPMENT</b>		
	Furniture & Fittings – at cost	18,303	8,161
	Accumulated depreciation	(8,449)	(6,531)
		<hr/>	<hr/>
		9,855	1,630
		<hr/>	<hr/>
	Office Equipment – at cost	29,442	21,942
	Accumulated depreciation	(22,043)	(18,372)
		<hr/>	<hr/>
		7,399	3,570
		<hr/>	<hr/>
	<b>Total Property Plant &amp; Equipment</b>	<b>\$ 17,254</b>	<b>\$ 5,200</b>
		<hr/>	<hr/>

<b>Movement</b>	<b>Furniture &amp; Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
	\$	\$	\$
Written down value 1 July 2006	\$ 1,630	\$ 3,570	\$ 5,200
Additions	\$ 10,142	\$ 7,500	\$ 17,642
Disposals	-	-	-
Depreciation	\$ 1,917	\$ 3,671	\$ 5,588
	<hr/>	<hr/>	<hr/>
<b>Written down value 30 June 2007</b>	<b>\$ 9,855</b>	<b>\$ 7,399</b>	<b>\$ 17,254</b>
	<hr/>	<hr/>	<hr/>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2007**

		<b>2007</b>	<b>2006</b>
		\$	\$
NOTE 3:	<b>CURRENT LIABILITIES – PAYABLES</b>		
	Trade creditors	4,092	4,838
	Accruals	3,116	2,500
	Group Tax	3,531	2,742
	GST Payable	3,190	826
	Superannuation	-	(876)
		<hr/>	<hr/>
		<b>\$ 13,929</b>	<b>\$ 10,030</b>
		<hr/>	<hr/>

NOTE 4:	<b>UNEARNED INCOME</b>		
	Income in advance	<b>\$ 2,100</b>	<b>\$ 1,254</b>
		<hr/>	<hr/>

NOTE 5: **LEASE COMMITMENT**

Operating lease commitment contracted for but not capitalised in the accounts. An option exists at the end of the 3 year term ending 31 January 2010 to renew the lease for an additional 3 years.

	<b>2007</b>	<b>2006</b>
	\$	\$
- not longer than one year	9,600	6,886
- longer than 1 year but not longer than 2 years	9,600	-
- longer than 2 years but no longer than 5 years	5,600	-
	<hr/>	<hr/>
	<b>\$ 24,800</b>	<b>\$ 6,886</b>
	<hr/>	<hr/>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 6: CASH FLOW INFORMATION

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>(a) Reconciliation of Cash</b>		
<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	1,068	26,192
Cash at bank – Fund	24,401	12,266
Cash at bank – Online saver	31,348	-
Undeposited Funds	-	3,040
Cash on hand	69	100
	56,886	41,598
	56,886	41,598

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

Net surplus/(deficit) for the year	26,919	(4,419)
Depreciation	5,589	8,882
(Increase)/Decrease in receivables	(5,917)	969
(Increase)/Decrease in sundry debtors and prepayments	(722)	9,820
Increase/(Decrease) in payables	3,899	841
Increase/(Decrease) in unearned income	846	(9,313)
Increase/(Decrease) in provisions	2,316	(4,296)
	32,930	2,484
	32,930	2,484

**(c) Non-cash Financing Costs and Investing Activities**

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

**(d) Credit Standby Arrangements and Loan Facilities**

There were no standby credit arrangements or loan facilities during the year.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 7: CAPITAL PURCHASES FROM GRANTS**

Expenditure on Capital Assets from Grant income is depreciated according to our depreciation policy, but the Grant income is recognised in full on receipt. The following amounts included in our P&L are the difference between the Grant income and the depreciation on the assets purchased with that income:

2006/7	+\$14913	Increases surplus
2007/8	+\$5878	Increases surplus
2008/9	-\$6930	Reduces surplus
2009/10	-\$6930	Reduces surplus
2010/11	-\$6930	Reduces surplus

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

**AUDITORS' DISCLAIMER**

**PRIVATE INFORMATION FOR THE MEMBERS**

**ON THE 2007 FINANCIAL STATEMENTS**

The additional financial data set out on pages 14 to 15 is in accordance with the books and records of Environmental Defender's Office WA (Inc.) which have been subject to the auditing procedures applied in our audit for the year ended 30 June 2007. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

Dry Kirkness  
Chartered Accountants

P.J.D. Lamprell-Jarrett  
Partner

DATE: 17<sup>th</sup> October 2007

Perth, Western Australia



**ENVIRONMENTAL DEFENDER'S OFFICE WA (INC.)**  
**DETAILED STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>INCOME</b>		
Grants		
- Commonwealth	85,020	83,352
- State	79,078	79,102
- State Outreach set-up	-	5,780
- CLSP	-	1,000
- Conservation Council WA	205	-
- Lotteries	20,116	3,636
- PPT	37,000	40,000
- Other	630	350
Bank Interest	1,600	658
Donations - Fund	10,082	9,701
Fundraising	11,170	-
Publications	664	658
Seminars	-	3,866
Client disbursements recovered	-	419
Legal costs recovered	5,733	-
Legal Education Income – Other	188	1,492
Membership Subscriptions	4,299	5,347
Miscellaneous Income	-	8
	_____	_____
<b>TOTAL INCOME</b>	<b>\$ 255,784</b>	<b>\$ 235,369</b>
	_____	_____

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

**STATEMENT OF INCOME AND EXPENDITURE**

**FOR THE YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>EXPENSES</b>		
Client disbursements	6	728
Communications	4,104	5,275
Contents insurance	730	2,005
Depreciation	5,588	8,882
Directors & Officers Insurance	73	-
Finance, audit & accounting charges	4,275	7,210
Fundraising expenses	4,289	-
Leave provision expense	3,322	-
Legal costs	2,929	-
Legal education expenses	318	12,143
Minor Equipment	135	-
Occupancy	14,597	18,107
Office costs (new premises)	6,812	-
On-costs	1,284	1,332
Overheads	11,854	15,232
Practice certificates	1,900	2,560
Promotions	291	1,303
Reference material	4,312	5,321
Salaries	141,543	139,750
Staff recruitment	-	1,662
Staff training	1,030	885
Subscriptions	1,710	1,470
Sundry expenses	2	8
Superannuation	13,071	13,129
Supervision	1,500	-
Travel	2,721	2,786
Voluntary workers insurance	469	-
	<hr/>	<hr/>
<b>TOTAL EXPENSE</b>	<b>228,865</b>	<b>239,788</b>
	<hr/>	<hr/>
<b>SURPLUS/(DEFICIENCY)</b>	<b>\$ 26,919</b>	<b>\$ (4,419)</b>
	<hr/> <hr/>	<hr/> <hr/>