

# Financial Report 2019-20

Using the power of the law to  
protect nature and community

EJA delivered a financial surplus for the 2019–2020 financial year —this is a testament to the generosity of our supporters coupled with strong budget management by our team.

However, the majority of retained earnings (\$678,584) are funds that are already committed to delivering specific EJA projects carried over into 2020-21. Due to changes in the Australian Accounting Standards, the way we account for this income changed this financial year. We are now required to recognise the income from these grants in the year they were received, rather than as they are expended. Please see our full financial statements for more details. This makes our actual unrestricted reserves \$405,759, which is an increase from \$213,221 in the 2019 financial year.

Philanthropic grants continue to be a critical source of income and are comparable year-on-year. Renewed and multi-year funding commitments support our strategic and long-term approach to working with the communities, particularly in our coal pollution and river laws programs.

Revenue from fundraising and donations grew from \$482,164 to \$595,449, an increase of 23%, in part due to the appointment of a Fundraising Manager in February, a position that was previously vacant since September 2018. This vacancy also means temporary savings were made in fundraising expenses.

Our crowdfunding campaign this year not only allowed us to rapidly launch a case in the Supreme Court in the wake of the bushfires, it meant we reached new audiences supportive of our work. This campaign combined with supporter actions and a strong media presence increased our total supporter base by 18%.

With ever present threats to government funding, the growth in our community-based funding is all the more important. Our team is proud to be funded by the community for the community.

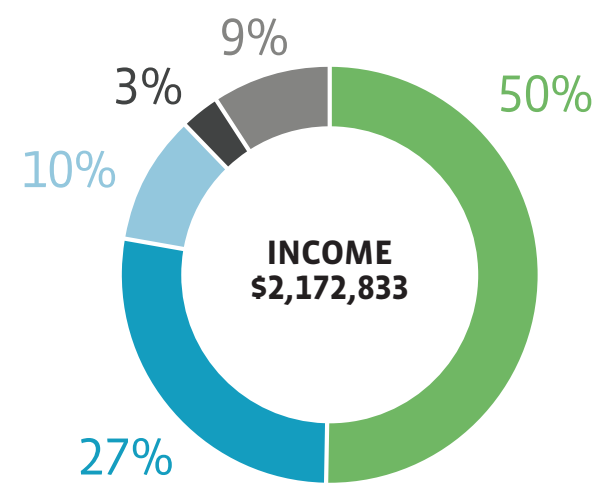
Government funding through Victorian Legal Aid has been ongoing for our community environmental legal service (CELS) program. We also received additional government funding for frontline services and IT support in response to the Covid-19 pandemic. Other income includes membership fees, interest received and this year was supplemented by Commonwealth cash boosts and JobKeeper payments.

Our total employee expenditure grew as we appointed a new lawyer in our CELS program late in the previous financial year. We also appointed a Digital Campaigner to drive our supporter engagement channels, supported by a partnership with Democracy in Colour’s People of Colour Placement Program.

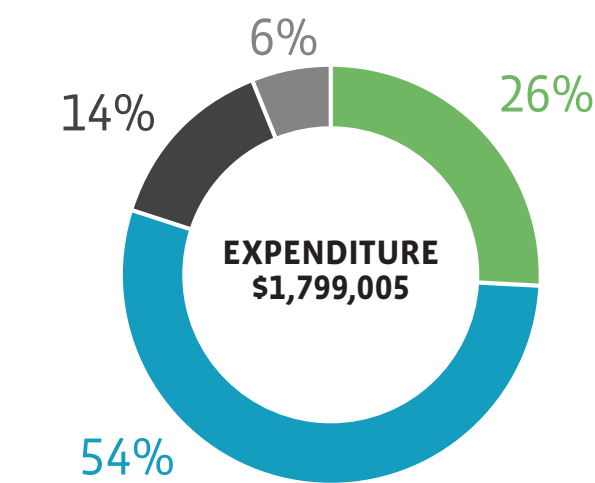
Other increases in costs were to support growing frontline services, including further investment in our IT systems and a move to a larger office in the 60L Green Building. Our legal practice expenses were up 46% due to an increase in delivery of programs.

As we enter our thirtieth year, we have renewed determination and resilience to be a powerful representative for community, nature, and our climate.

Thank you for your generous and continued financial support.



- GRANTS
- DONATIONS
- GOVERNMENT FUNDING
- LEGAL SERVICE FEES
- MEMBERSHIP & OTHER INCOME



- OPERATIONS & MANAGEMENT
- LEGAL PROGRAMS
- CAMPAIGNS & COMMUNICATIONS
- FUNDRAISING

FINANCIAL REPORT

FOR THE YEAR ENDED  
30 JUNE 2020

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DIRECTORS' REPORT

Your directors present this report on Environmental Justice Australia ("the Company") for the year ended 30 June 2020.

**DIRECTORS**

The names of each person who has been a director during the year and to the date of this report are:

Kate Allsopp	Sally Margaret Romanes
Andrew Spenser Cox	Elizabeth Jane McMeekin
Lane Bryce Crockett (appointed 18 Feb 2020)	Hai Chuan Teh
Chiara Louise Lawry	Megan Katherine Utter (resigned 25 Sep 2019)

**PRINCIPAL ACTIVITIES**

The principal activities of the Company in the course of the financial year were providing environmental and planning law services to the community, promoting and developing educational programs for the community in connection with environmental and planning law matters, and promoting and encouraging environmental laws and policies for the conservation, protection and enhancement of the natural or cultural environment.

No significant change in the nature of these activities occurred during the year.

**OPERATING RESULTS**

The surplus from ordinary activities after income tax amounted to \$373,827 (2019: surplus \$41,362).

**INFORMATION ON DIRECTORS**

***Kate Allsopp***

*B.Eng (Chem) (Hons), MEnv Eng,  
Non-executive Director*

Kate is a manager with Sustainability Victoria. She has worked across a number of sectors in leadership roles including manufacturing, banking and the not-for-profit sector, including as CEO of the Alternative Technology Association and National Accreditation Manager for the Clean Energy Council.

***Andrew Spenser Cox***

*BSc, Grad Dip (Environmental Studies)  
Non-executive Director, Vice-Chairperson*

Andrew Cox has a long career working in nature conservation in management and governance roles for government and non-government organisations. He is currently CEO of the Invasive Species Council, a member of the national environmental biosecurity advisory group and the national feral cat taskforce and president of 4nature Inc.

***Lane Bryce Crockett***

*B. Eng (Mech) Grad Dip (Commercial Law)  
Non-executive Director, Chairperson (from 18 February 2020)*

Lane is head of the renewables business at the Impact Investment Group (IIG), a fund manager focussing on shifting capital towards investments that blend financial returns with deep social and environmental impact. Lane has over 30 years of international experience in the energy industries with the last 18 years being heavily involved in the transition to clean energy.

***Chiara Louise Lawry***

*BA, LLB (Hons), GDLP,  
MPA Non-executive Director (Chairperson 25 September 2019 – 18 February 2020)*

Chiara Lawry is a management consultant and policy adviser. Chiara works at Right Lane Consulting where she leads the public sector practice. She has experience in strategy, organisational transformation and business development. Chiara has a deep passion for social impact and has worked with a number of local and international not-for-profit organisations.

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (Cont.)

**Elizabeth Jane McMeekin**

*BA, Certificate in Direct Marketing, Certificate in Fundraising  
Non-executive Director, Secretary*

Libby is an experienced fundraising and direct marketing consultant, working with both not-for-profit and commercial organisations. She is currently the Client Relationship Manager of IVE DDC, a specialist provider of direct marketing services.

**Sally Margaret Romanes**

*LLB (Hons)  
Non-Executive Director*

By training Sally was a corporate and commercial lawyer, however she now works on specific projects ranging from the arts to business transactions, in both for-profit and not-for-profit areas. She was a core member of the community group which campaigned successfully to create an arts and cultural precinct at the Abbotsford Convent and was a founder Director of the not-for-profit Abbotsford Convent Foundation from the time operations began in 2004 until 2017, and apart from her previous experience as a corporate and commercial lawyer, has specific experience in fundraising, corporate governance and the operation of enterprises in the primary production sectors.

**Hai Chuan Teh**

*BCom Accounting, Member of the CPA Australia and Member of the Malaysian Institute of Accountants  
Honorary Treasurer*

HC Teh is a Director with EY Melbourne specialising in corporate governance, risk management, statutory and other reporting. HC Teh is committed in contributing to the community and the environment in his efforts to building a better working world.

**Megan Katherine Utter**

*BA (Hons) / LLB (Hons), Dip Mod Lang (French), MEnv.  
Non-executive Director, Chairperson (to 25 September 2019)*

Megan Utter was a Director in the Infrastructure Regulation Division and, now, in the Strategic Enforcement and Advocacy Division at the Australian Competition and Consumer Commission (ACCC). Previously she practised as a lawyer in environmental and planning law with Phillips Fox (now DLA Piper). She has had long-term involvement with the not-for-profit sector.

MEETINGS OF DIRECTORS

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

	<b>Directors' Meetings</b>	
	Number eligible to attend	Number attended
Kate Allsopp	7	6
Andrew Spenser Cox	7	6
Lane Bryce Crockett	3	3
Chiara Louise Lawry	7	7
Elizabeth Jane McMeekin	7	7
Sally Margaret Romanes	7	7
Hai Chuan Teh	7	6
Megan Katherine Utter	2	2

DIRECTORS' REPORT (cont.)

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the Company are liable to contribute if the Company is wound up is \$790 (2019: \$770).

AFTER BALANCE DATE EVENTS

No matters of circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIVIDENDS PAID OR RECOMMENDED

No Dividends were paid or are recommended for payment, and, in any case, are not permitted to be paid by the Constitution.

LIKELY DEVELOPMENTS AND RESULTS

No changes are envisaged at present.

DIRECTORS AND AUDITORS INDEMNIFICATION

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs.

SHARE OPTIONS

No options to shares in the Company have been granted during the financial year and there were no options outstanding at the end of the financial year. Options are not permitted to be granted as the Company is limited by guarantee.

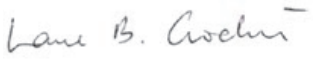
DIRECTORS' BENEFITS

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

  
\_\_\_\_\_  
Director

Dated: 15 September 2020

  
\_\_\_\_\_  
Director

Dated: 15 September 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
307C OF THE CORPORATION ACT 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

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



Sean Denham

Dated: 23rd September 2020  
Sean Denham & Associates  
Suite 1, 707 Mt Alexander Road  
Moonee Ponds VIC 3039

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED  
30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Grants		1,076,671	898,757
VLA Funds		227,880	214,976
Fee for service		72,199	123,259
Donations, Fundraisings, Lectures		595,449	482,164
Commonwealth Subsidies - Cashflow Boost and JobKeeper		194,000	-
Sundry Income		2,232	1,495
Interest Received		4,402	8,687
		<u>2,172,833</u>	<u>1,729,338</u>
<b>Expenditure</b>			
Employee Benefits expenses		1,405,080	1,182,299
Occupancy expenses		32,386	64,716
Depreciation expense		70,509	6,737
Legal Practice expenses		79,619	174,958
IT expenses		74,151	53,389
Consultants expenses		30,220	76,623
Travel expenses		24,146	34,070
Sundry expenses		82,895	95,184
		<u>1,799,006</u>	<u>1,687,976</u>
Surplus before income tax for the year		373,827	41,362
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax for the year		373,827	41,362
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>373,827</u></u>	<u><u>41,362</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	1,054,110	792,527
Trade and other receivables	3	312,108	87,847
Financial assets	4	10,000	10,000
<b>TOTAL CURRENT ASSETS</b>		<b>1,376,218</b>	<b>890,374</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	24,417	21,258
Right of use asset	6	187,584	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>212,001</b>	<b>21,258</b>
<b>TOTAL ASSETS</b>		<b>1,588,219</b>	<b>911,632</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	162,142	76,848
Project funds received in advance	8	-	497,295
Provisions	9	136,894	124,268
Lease liability	10	68,025	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>367,061</b>	<b>698,411</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	14,039	-
Lease liability	10	122,776	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>136,815</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>503,876</b>	<b>698,411</b>
<b>NET ASSETS</b>		<b>1,084,343</b>	<b>213,221</b>
<b>MEMBERS' FUNDS</b>			
Retained profits		1,084,343	213,221
<b>TOTAL MEMBERS' FUNDS</b>	11	<b>1,084,343</b>	<b>213,221</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
30 JUNE 2020

	Retained Earnings \$	Total \$
<b>Balance at 1 July 2018</b>	171,859	171,859
<b>Comprehensive Income</b>		
Surplus for the year	41,362	41,362
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>213,221</b>	<b>213,221</b>
<b>Balance at 30 June 2019</b>	213,221	213,221
<b>Comprehensive Income</b>		
Cumulative adjustment upon adoption of new accounting standards - AASB 1058	497,295	497,295
Balance at 1 July 2019 (Restated)	710,516	710,516
Surplus for the year	373,827	373,827
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>373,827</b>	<b>373,827</b>
<b>Balance at 30 June 2020</b>	<b>1,084,343</b>	<b>1,084,343</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED  
30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grants and customers		1,944,170	1,834,409
Payments to suppliers and employees		(1,616,538)	(1,687,558)
Interest received		4,402	8,687
Net cash generated from operating activities	12	332,034	155,538
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property and equipment		(12,409)	(18,999)
Net cash used in investing activities		(12,409)	(18,999)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Repayment of lease liabilities		(58,042)	-
Net cash used in investing activities		(58,042)	-
Net increase in cash held		261,583	136,539
Cash at the beginning of the year		792,527	655,988
Cash at the end of the year	2	1,054,110	792,527

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies**

**a) Basis of Preparation**

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012. The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012, and are, in the opinion of the directors', appropriate to meet the needs of members:

- i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.
- ii) The Company continues to rely on the on-going support from the state government agency and other private organisations and individuals in the form of grant and donation income to fund its principal activities. The level of support while has been strong in the past is inherently uncertain particularly in view of the current global pandemic. The Company has put in place a plan to continue working closely with the relevant stakeholders to secure the necessary funding for it to execute its principal activities and to continue as a going concern.
- iii) In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports.
- iv) The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. It contains only those disclosures considered necessary by the directors to meet the needs of the members except for the following:
  - AASB 7 *Financial Instruments: Disclosures*
  - AASB 9 *Financial Instruments*
  - AASB 15 *Revenue from Contracts with Customers*
  - AASB 16 *Leases*
  - AASB 1058 *Income of Not-for-Profit Entities*
  - AASB 116 *Property, Plant & Equipment*
  - AASB 137 *Provisions, Contingent Liabilities & Contingent Assets*
- v) The accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report of Environmental Justice Australia for the year ended 30 June 2020 is authorised for issue in accordance with a resolution of the directors on 15 September 2020. The amounts presented in the financial statements have been rounded to the nearest dollar.

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies (cont.)**

**b. Adoption of New and Revised Accounting Standards**

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. With the exception of AASB 15 and 16 as described below, there is no material impact on the financial statements from the adoption in the current year.

**Initial application of AASB 16 : Leases**

The Company has adopted AASB 16: *Leases* with a date of initial application of 1 July 2019. As a result, the Company has changed its accounting policy for lease recognition as detailed in this note.

The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 July 2019.

	As presented on 30 June 2019	Application impact of AASB 16	As at 1 July 2019
Statement of financial position			
CURRENT LIABILITIES			
Right of Use Asset	-	96,780	96,780
CURRENT LIABILITIES			
Lease Liability	-	(43,370)	(43,370)
NON-CURRENT LIABILITIES			
Lease Liability	-	(53,410)	(53,410)

**Initial application of AASB 15: Revenue and AASB 1058: Income of Not-for-Profit Entities**

The Company has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.

The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 July 2019.

	As presented on 30 June 2019	Application impact of AASB 15 and AASB 1058	As at 1 July 2019
Statement of financial position			
CURRENT LIABILITIES			
Deferred income	497,295	(497,295)	-
EQUITY			
Retained surplus	213,221	497,295	710,516

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies (cont.)**

**Initial application of AASB 15: Revenue and AASB 1058: Income of Not-for-Profit Entities (cont.)**

The table below provides details of the significant changes and quantitative impact of the changes as discussed above for the year ended 30 June 2020.

	As presented under previous accounting standard	Application impact of AASB 15 and AASB 1058	As presented at 30 June 2020
Statement of profit or loss and other comprehensive income			
Revenue	1,494,249	678,584	2,172,833
Statement of financial position			
Deferred income	678,584	(678,584)	-

**c. Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investment with original maturities of three months or less.

**d. 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*.

**e. Trade and other receivables**

Trade receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**f. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses. Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use. Leasehold Improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**g. Trade and other payables**

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

**h. Employee Entitlements**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies (cont.)**

**i. Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expenses to the income statement.

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

**k. Revenue**

The Company has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

**In the current year**

***Operating grants, donations and bequests***

When the Company received operating grant revenue, donations or bequests, it assesses whether the contract is 'enforceable' and has 'sufficiently specific' performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

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

Where the contract is not 'enforceable' or does not have 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 1058 where the Company:

- 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, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies (cont.)**

**k. Revenue (cont.)**

***Fees for Service***

Fees for service are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

***Interest Revenue***

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

**In the comparative period**

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as deferred revenue.

***Grant Income***

A number of programs are supported by grants received from State Government, as well as private organisations. If conditions are attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

***Fees for Service***

Fees for service are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

***Interest Revenue***

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

***Donations***

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

**l. Leases**

***The Company as Lessee***

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies (cont.)**

**I. Leases (cont.)**

***The Company as Lessee (cont.)***

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

**Note 2: Cash and cash equivalents**

Cash on hand

Cash at bank

**Note 3: Trade and other receivables**

Accounts receivable

Sundry receivables

**Note 4: Financial Assets**

Term deposits

**Note 5: Property, plant and equipment**

Office equipment - at cost

Less accumulated depreciation

**Movements in carrying amounts**

Carrying amount at beginning of year

Additions at cost

Disposals

Depreciation expense

Carrying amount at end of year

**Note 6: Right of Use Asset**

Right of Use Asset - 60 Leicester Street, Carlton

Less amortisation

**Note 7: Trade and other payables**

Accounts Payable

Sundry creditors and accruals

**Note 8: Project funds received in advance**

Project funds received in advance

**Note 9: Provisions**

**Current**

Provision for annual leave

Provision for long service leave

**Non-current**

Provision for long service leave

2020 \$	2019 \$
200	200
1,053,910	792,327
<u>1,054,110</u>	<u>792,527</u>
265,011	87,847
47,097	-
<u>312,108</u>	<u>87,847</u>
10,000	10,000
77,697	65,288
(53,280)	(44,030)
<u>24,417</u>	<u>21,258</u>
21,258	8,996
12,409	18,999
-	-
(9,250)	(6,737)
<u>24,417</u>	<u>21,258</u>
222,789	-
(35,205)	-
<u>187,584</u>	<u>-</u>
33,476	22,641
128,666	54,207
<u>162,142</u>	<u>76,848</u>
-	497,295
70,370	82,925
66,524	41,343
<u>136,894</u>	<u>124,268</u>
14,039	-
<u></u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

	2020 \$	2019 \$
<b>Note 10: Lease Liability</b>		
<b>Current</b>		
Lease liabilities	<u>68,025</u>	<u>-</u>
<b>Non-current</b>		
Lease liabilities	<u>122,776</u>	<u>-</u>

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related interpretations. Refer to Note 13 for information about lease commitments in 2019.

During 2020 the Company entered into a lease for larger office premises at 60 Leicester St Carlton, terminating the former lease. The current lease is due to expire in February 2023.

	2020 \$	2019 \$
<b>Note 11: Members Funds</b>		
Retained profits	<u>1,084,343</u>	<u>213,221</u>

The 2020 retained profits includes the following commitments in relation to funds received. The amounts have not been recognised as liabilities since there is either no enforceable obligation, or the performance obligations under the contract are not sufficiently specific under AASB 15.

<b>COVID-19 Legal Assistance</b>	\$
Legal assistance provided through a grant from VLA for use for Frontline Services and IT that will be expended in 2020-21	<u>121,500</u>
<b>Other non-government funding and philanthropic donations</b>	
Funds committed for delivering specific EJA projects in 2020-21	<u>557,084</u>

	2020 \$	2019 \$
<b>Note 12: Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax</b>		
Surplus after income tax	373,827	41,362
<b>Non-cash flows in profit</b>		
- Depreciation	9,248	6,737
- Amortisation - right of use asset	61,261	-
<b>Changes in assets and liabilities;</b>		
- (Increase)/decrease in trade and other receivables	(224,261)	7,640
- Increase/(decrease) in creditors	85,294	(6,598)
- Increase in amounts received in advance	-	106,115
- Increase in provisions	26,665	282
- Increase in lease liability	-	-
Net cash generated from Operating Activities	<u>332,034</u>	<u>155,538</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020

	2020 \$	2019 \$
<b>Note 13: Operating Lease Commitments</b>		
Operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- no later than 12 months	-	45,660
- between 12 months and five years	-	53,270
- greater than five years	-	-
	<u>-</u>	<u>98,930</u>

The Company had a property lease commitment, (a non-cancellable operating lease) with a five-year term with rent payable monthly in advance. The lease had an option to renew which was exercised in August 2016 for a further term of 5 years. Increases in lease commitments may occur as a result of a market rent review in accordance with the agreement.

Refer to Note 10 for information about leases in 2020.

**Note 14: Company Details**  
The registered office and principal place of business of the entity is:  
L3, 60 Leicester Street  
Carlton VIC 3054

**Note 15: Members Guarantee**  
The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding's and obligations of the entity. At 30 June 2020 the number of members was 79 (2019: 77).

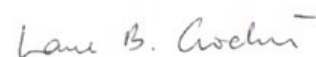
**Note 16: Related Party Transactions**  
No transactions were entered into with related parties in the 2020 financial year (2019: nil)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Environmental Justice Australia, we state that in the opinion of the directors:

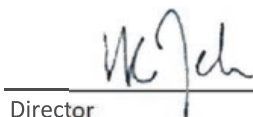
- a) the Company is not a reporting entity as defined in the Australian Accounting Standards;
- b) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:



Director

Dated: 15 September 2020



Director

Dated: 15 September 2020

ENVIRONMENTAL JUSTICE AUSTRALIA

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ENVIRONMENTAL JUSTICE AUSTRALIA

Opinion

I have audited the accompanying financial report, of Environmental Justice Australia, which comprises the statement of financial position as at 30 June 2020, statement of changes in equity, statement of cash flows and the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of Environmental Justice Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) gives a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibility of the Board for the Financial Report

The board of the company is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The board's responsibility also includes such internal control as the board determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.



As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of responsible entities' 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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I 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 I identify during my audit.

  
Sean Denham

Dated: 23rd September 2020  
Suite 1, 707 Mt Alexander Road  
Moonee Ponds VIC 3039



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