

Financial Report 2015–16

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Environmental Justice Australia

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Directors' Report

Your directors present this report on Environmental Justice Australia for the year ended 30 June 2016.

DIRECTORS

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

Samuel Thomas Broughton
Andrew Spenser Cox
Richard Dominic Hilton
Thea Margaret Lange
Sally Romanes
Elizabeth McMeekin
Megan Utter

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 loss from ordinary activities after income tax amounted to \$15,548 (2015: surplus \$114,168).

INFORMATION ON DIRECTORS

Samuel Thomas Broughton

Diploma Management Practices - Marketing, Certificate of Direct Marketing
Non-executive Director

Sam Broughton has worked within the not-for-profit sector in the areas of fundraising, marketing and communications since 1983. During his career Sam has held senior positions with national organisations such as Australian Red Cross, The Salvation Army and CARE Australia. He currently provides fundraising related consultancy services and works part-time for the Eastern Health Foundation.

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 NSW biosecurity advisory committee and the national feral cat taskforce and president of 4nature Inc.

Directors' Report

Richard Dominic Hilton

BSc Management Sciences, Fellow of the Institute of Chartered Accountants in England and Wales, Member of the Institute of Chartered Accountants Australia
Non-executive Director, Honorary Treasurer

Richard Hilton is a Director in the Assurance Group at Ernst & Young Melbourne, specialising in external audit and statutory reporting, process analysis and design, due diligence and risk management. His key industry experience covers the energy, utilities, infrastructure and telecoms sectors.

Thea Margaret Lange

LLB (Hons) / BEng (Environmental) (Hons)
Non-executive Director, Secretary

Thea Lange is a consultant, helping companies to improve their business operations and processes. Her industry experience spans Australia and the UK and includes media, health, utilities and mining. Previously she has worked as a commercial lawyer and as an environmental engineer supporting site assessments and statutory audits of contaminated land.

Sally Margaret Romanes

LLB (Hons) Exon
Non-Executive Director

Sally Romanes is a consultant and artist. By training a corporate and commercial lawyer she now works as a consultant on specific projects ranging from the arts to business transactions, in both for profit and not for profit areas. She has been a Director of the not for profit Abbotsford Convent Foundation since operations began in 2004, 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.

Elizabeth Jane McMeekin

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

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 Bluestar Direct, a specialist provider of direct marketing services.

Directors' Report

Megan Katherine Utter

BA (Hons) / LLB (Hons), Dip Mod Lang (French), MEnv.

Non-executive Director, Chairperson

Megan Utter is a Director in the infrastructure regulation 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:

	Directors' Meetings	
	Number eligible to attend	Number attended
Samuel Thomas Broughton	7	4
Andrew Spenser Cox	7	6
Richard Dominic Hilton	7	6
Thea Margaret Lange	7	5
Elizabeth Jane McMeekin	7	6
Sally Margaret Romanes	7	5
Megan Katherine Utter	7	7

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 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$910 (2015: \$1,140).

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 as the company is limited by guarantee.

LIKELY DEVELOPMENTS AND RESULTS

No changes are envisaged at present.

AUDIT COMMITTEE

At the date of this report the Company does not have an audit committee.

Directors' Report

CORPORATE GOVERNANCE

At the date of this report, the Company does not have a policy covering Corporate Governance.

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 lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 5 of the financial report.

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



Director

Dated: 12/10/16



Director

Dated: 13/10/16

Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2016 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: 14th October 2016
Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

Statement of Profit or Loss and Other Comprehensive Income

	Note	2016 \$	2015 \$
Revenue			
Grants		644,111	191,373
VLA Funds		191,140	187,145
VLA Surplus Carried Forward (incl. ERO State and Extra)		(7,275)	(29,862)
Fee for service		29,513	66,648
Donations, Fundraisings, Lectures		186,780	221,560
Donations - Reichstein Foundation		-	20,000
Sundry Income		17,097	4,591
Interest Received		8,671	3,601
		<u>1,070,037</u>	<u>665,056</u>
Expenditure			
Employee Benefits expenses		808,452	577,475
Occupancy expenses		50,377	45,504
Depreciation expense		1,568	2,792
Legal Practice expenses		38,098	5,180
IT expenses		32,862	12,466
Consultants expenses		36,406	54,227
Travel expenses		40,480	16,553
Sundry expenses		77,342	65,027
		<u>1,085,585</u>	<u>779,224</u>
Surplus before income tax for the year		(15,548)	(114,168)
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax for the year		(15,548)	(114,168)
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(15,548)</u></u>	<u><u>(114,168)</u></u>

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	2	636,308	318,951
Trade and other receivables	3	97,258	37,173
Financial Assets	4	10,000	10,000
TOTAL CURRENT ASSETS		<u>743,566</u>	<u>366,124</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>13,276</u>	<u>1,686</u>
TOTAL NON-CURRENT ASSETS		<u>13,276</u>	<u>1,686</u>
TOTAL ASSETS		<u>756,842</u>	<u>367,810</u>
CURRENT LIABILITIES			
Trade and other creditors	6	44,299	24,351
Amounts received in advance	7	491,810	118,057
Provisions	8	45,054	33,811
TOTAL CURRENT LIABILITIES		<u>581,163</u>	<u>176,219</u>
NON-CURRENT LIABILITIES			
Provisions	8	<u>41,942</u>	<u>42,306</u>
TOTAL NON-CURRENT LIABILITIES		<u>41,942</u>	<u>42,306</u>
TOTAL LIABILITIES		<u>623,105</u>	<u>218,525</u>
NET ASSETS		<u>133,737</u>	<u>149,285</u>
MEMBERS' FUNDS			
Retained profits		<u>133,737</u>	<u>149,285</u>
TOTAL MEMBERS' FUNDS		<u>133,737</u>	<u>149,285</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	263,453	263,453
Comprehensive Income		
Surplus for the year	(114,168)	(114,168)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(114,168)</u>	<u>(114,168)</u>
Balance at 30 June 2015	149,285	149,285
Comprehensive Income		
Surplus for the year	(15,548)	(15,548)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>(15,548)</u>	<u>(15,548)</u>
Balance at 30 June 2016	<u><u>133,737</u></u>	<u><u>133,737</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and customers		1,375,034	695,082
Payments to suppliers and employees		(1,053,190)	(783,578)
Interest received		<u>8,671</u>	<u>3,601</u>
Net cash (used in)/generated from operating activities	9	<u>330,515</u>	<u>(84,895)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of term deposits		-	182,958
Payments for purchase of property and equipment		<u>(13,158)</u>	<u>-</u>
Net cash generated from investing activities		<u>(13,158)</u>	<u>182,958</u>
Net increase in cash held		317,357	98,063
Cash at the beginning of the year		318,951	220,888
Cash at the end of the year	2	<u><u>636,308</u></u>	<u><u>318,951</u></u>

The accompanying notes form part of these financial statements.

Note 1: Statement of Significant Accounting Policies

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Corporations Act 2001 and 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 Corporations Act 2001, the Australian Charities and Not-for-Profits Commission Act 2012 and with previous years, and are, in the opinion of the directors, appropriate to meet the needs of members.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

The requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Environmental Justice Australia because it is not a "reporting entity".

a. 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.

b. 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.

c. 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.

d. 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.

Provision is made for the entity's liability for long service leave when an employee reaches 5 years of consecutive service with the company.

Note 1: Statement of Significant Accounting Policies (cont.)

e. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f. 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 expensed to the income statement.

g. Revenue

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

Grant Income

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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).

Notes to the Financial Statements

Note 1: Statement of Significant Accounting Policies (cont.)

h. 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.

i. 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.

j. New Accounting standards for Application in Future Periods

No accounting standards issued but not yet effective are expected to impact the company.

Notes to the Financial Statements

	2016 \$	2015 \$
Note 2: Cash and cash equivalents		
Cash on hand	200	400
Cash at Bank	636,108	318,551
	<u>636,308</u>	<u>318,951</u>
Note 3: Trade and other receivables		
Accounts receivable	<u>97,258</u>	<u>37,173</u>
Note 4: Financial Assets		
Term Deposits	<u>10,000</u>	<u>10,000</u>
Note 5: Property, plant and equipment		
Office equipment - at cost	42,652	29,494
Less accumulated depreciation	(29,376)	(27,808)
	<u>13,276</u>	<u>1,686</u>
Movements in carrying amounts		
Carrying amount at beginning of year	1,686	4,478
Additions at cost	13,158	-
Disposals	-	-
Depreciation expense	(1,568)	(2,792)
Carrying amount at end of year	<u>13,276</u>	<u>1,686</u>
Note 6: Trade and other payables		
Accounts Payable	7,857	4,109
Sundry creditors and accruals	36,442	20,242
	<u>44,299</u>	<u>24,351</u>
Note 7: Project funds received in advance		
Project funds received in advance	340,921	63,195
Project funds received in advance - Reichstein	-	25,000
VLA Innovation and Transformation	113,750	-
VLA Surplus carried forward - ERO Extra (a)	26,896	16,551
VLA Surplus carried forward - Surplus	10,243	13,311
	<u>491,810</u>	<u>118,057</u>
(a) VLA ERO Extra comprises amounts carried forward from the following years		
- 2015/2016	10,345	-
- 2014/2015	8,844	8,844
- 2013/2014	6,020	6,020
- 2012/2013	1,687	1,687
	<u>26,896</u>	<u>16,551</u>

	2016 \$	2015 \$
Note 8: Provisions		
Current		
Provision for annual leave	45,054	33,811
Non-current		
Provision for long service leave	41,942	42,306
Note 9: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit after income tax	(15,548)	(114,168)
Cash flows excluded from operating profit attributable to operating activities:		
Non-cash flows in profit		
- Depreciation	1,568	2,792
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other receivables	(60,085)	(8,989)
- Increase/(decrease) in creditors	19,948	(8,665)
- Increase/(decrease) in amounts received in advance	373,753	42,594
- Increase/(decrease) in provisions	10,879	1,541
Net cash (used in)/generated from Operating Activities	330,515	(84,895)

Note 11: Comparative Figures

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

When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Note 12: Company Details

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

Note 13: 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 outstandings and obligations of the entity. At 30 June 2016 the number of members was 91 (2015: 114).

Notes to the Financial Statements

Note 14: Correction of prior period error

During the year, an error was identified in the balance of VLA Surplus Funds carried forward resulting in less surplus funds being carried forward. The error has been rectified by restating each of the affected financial statement line items for prior periods as follows:

	Previous Amount \$	Adjustment \$	Restated Amount \$
Statement of Financial Position (extract)			
Amounts Received in Advance	(121,722)	3,665	(118,057)
Retained Earnings	(145,642)	(3,665)	(149,285)
Income and Expenditure Statement (extract)			
VLA Funds	179,416	7,729	187,145
VLA Surplus Carried Forward	(25,798)	(4,064)	(29,862)

Directors' Declaration

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

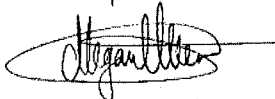
- a) the Company is not a reporting entity as defined in the Australian Accounting Standards;
- b) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* and the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2016 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 Corporations Regulations 2001 and 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: 13/10/16



Director

Dated: 13/10/16

Independent Audit Report to the Members of Environmental Justice Australia

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Environmental Justice Australia, which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report are appropriate to meet the requirements of the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 judgment, 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the Australian Charities and Not-for-Profits Commission Act 2012. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion, the financial report of Environmental Justice Australia is in accordance with the Corporations Act 2001, including:

- (i) giving true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, 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 directors' financial reporting responsibilities under the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.



Sean Denham

Sean Denham & Associates

Dated: 14TH OCTOBER 2016

Suite 1, 707 Mt Alexander Road, Moonee Ponds Vic 3039