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a better world

FINANCIAL PERFORMANCE
Summary

Environmental Justice Australia (EJA) achieved a financial surplus of \$465,101 in the 2021–22 financial year, including a generous \$700,000 donation towards a new EJA Future Fund. As the Future Fund is an ongoing endowment, this donation was not used for this year’s operating costs. The remaining funds for operating costs were drawn from funds received for specific programs late in the previous financial year.

There are retained earnings of \$2,555,206, with the majority committed to EJA programs in 2022–23. The retained earnings can be broken down as follows:

- \$833,790 in funds received from grants or philanthropic donations that are funding specific programs in the coming year;
- \$700,000 invested in the EJA Future Fund;
- \$425,018 in donations received in the 2021–22 financial year which are being carried over to support our Climate and Ecosystems teams and employ key Operations staff; and
- \$596,398 of unrestricted reserves, to provide for the organisation’s financial sustainability goals.

A FUND FOR THE FUTURE

The Future Fund was established to build an endowment that will provide long-term financial viability, sustainability, and independence to EJA.

The initial seed donation to the Future Fund was received in June 2022. At 30 June 2022, the investment portfolio was still held in cash while investment decisions were being finalised.

The Future Fund is now fully operational and available for other donors to contribute to EJA’s financial future.

GENERAL STATEMENT ON FINANCIALS

Grants revenue was up 38% on the previous year, as EJA developed and expanded relationships with granting organisations.

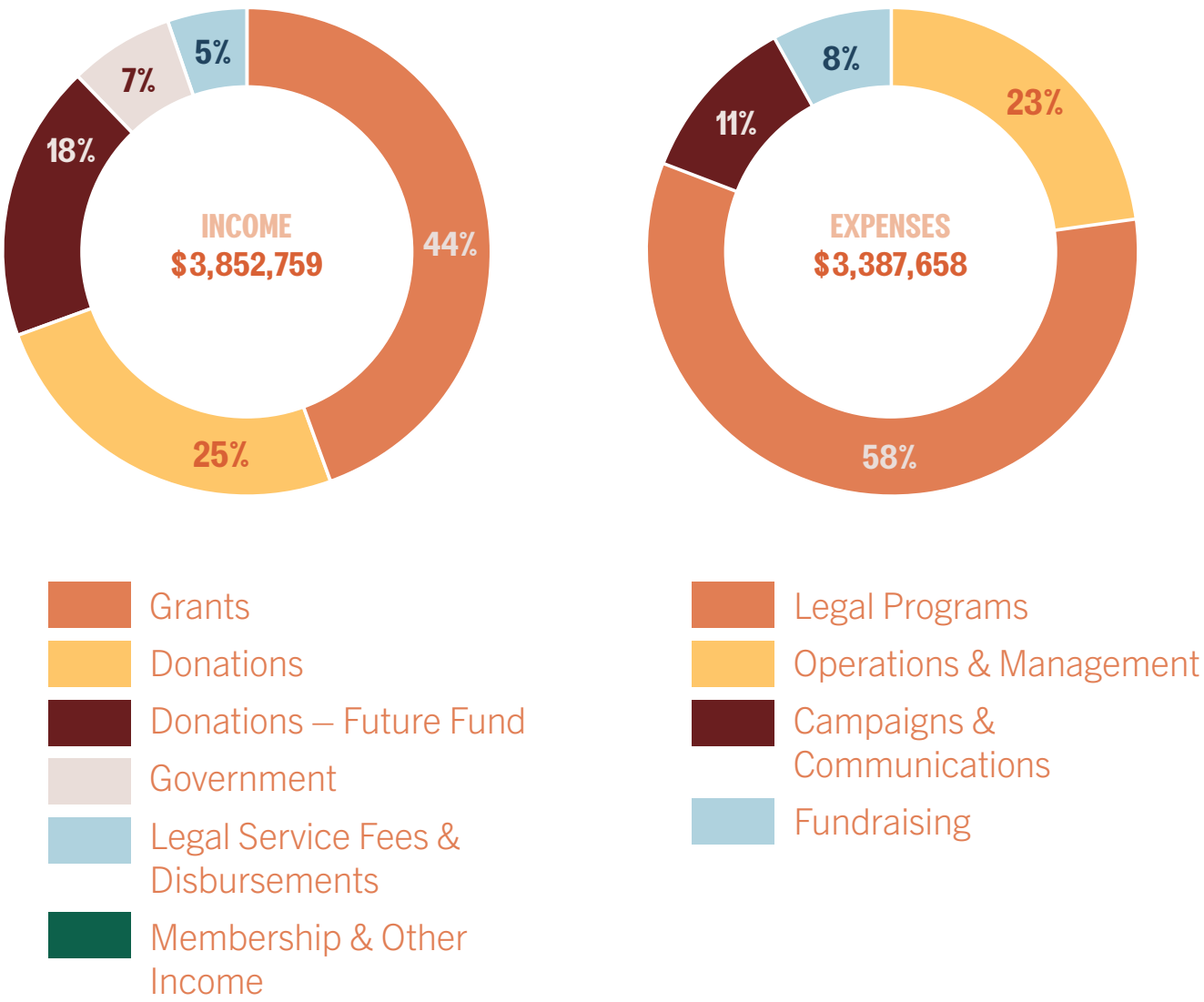
General donations revenue and major donations remained steady. The organisation welcomed a major donation which has underpinned the creation of the EJA Future Fund.

Government funding through Victoria Legal Aid also remained steady at 7% of overall income.

Legal practice income, consisting of legal fees and reimbursement of legal matters, was similar to last year, although the fee portion of this amount was significantly lower than last year as EJA provided more pro-bono support in litigation matters.

Our total employee expenditure grew by 42% as our staff numbers grew from 18 to 30. We expanded our nature, climate, and clean air teams with additional lawyers and two paralegals to support them. We also recruited staff for a new First Nations program. To support the legal programs, we recruited two additional Operations roles, a fundraising support role, and a media advisor.

We continued to invest in our legal programs, and in our communications, fundraising and campaign activities to strengthen and broaden the reach of our work.



FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2022

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DIRECTORS' REPORT

Your directors present this report on Environmental Justice Australia ("the Company") for the year ended 30 June 2022.

DIRECTORS

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

| | |
|-----------------------|---|
| Kate Allsopp | Chiara Louise Lawry (resigned 16 February 2022) |
| Lane Bryce Crockett | Sally Margaret Romanes |
| Arjuna Charles Dibley | Elizabeth Jane McMeekin |
| Anthony Patrick Kelly | Ann-Maree Smith (appointed 20 October 2021) |

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 \$465,101 (2021: surplus \$1,005,762).

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.

Lane Bryce Crockett

B. Eng (Mech) Grad Dip (Commercial Law) Non-executive Director, Chairperson

Lane is an Executive Director at the Sentient Impact Group, a fund manager focussing on shifting institutional capital towards investments that blend financial returns with positive 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.

Arjuna Charles Dibley

B. Asian Studies (Hons), LLB (Hons), JSD Non-executive Director

Arjuna is a Director at Pollination, a climate change advisory and investment business, and an Honorary Research Associate at Oxford University. He advises governments, corporations and not-for-profits on various aspects of climate change policy, finance and energy decarbonisation. Previously, Arjuna worked as a researcher at the Steyer-Taylor Centre for Energy Policy and Finance at Stanford University in the US, and the Centre for Policy Development, an Australian think tank working on democratic renewal and climate change policy. He was formerly a commercial lawyer for several years.

Anthony Patrick Kelly

BSc (Australian Environmental Studies), BSocWk, JD Non-executive Director from 27 October 2020

Tony is the CEO of First Nations Legal & Research Services and has for the last 12 years worked to advance the land justice aspirations of Victorian Traditional Owners. Tony began his professional life as a park ranger in the Northern Territory and worked for many years as a social worker before returning to university in the mid-nineties to study law. Tony has many years’ governance experience across a range of not-for-profit organisations and currently sits on the board of the National Native Title Council. Tony is the co-author of Growing Pineapples in the Outback (UQP), with his partner Rebecca Lister.

ENVIRONMENTAL JUSTICE AUSTRALIA
ABN 74 052 124 375

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (Cont.)

Chiara Louise Lawry

BA, LLB (Hons), GDLP, MPA Non-executive Director, Deputy Chairperson, (resigned 16 February 2022)

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.

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.

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 Grants Manager at the Epworth Medical Foundation.

Ann-Maree Smith

FCPA MAICD AGIA MAcc MIntBus GradDipACG Non-Executive Director, Treasurer, (appointed 20 October 2021)

Ann-Maree Smith is the Chief Financial Officer and Company Secretary of Conservation Volunteers Australia and New Zealand. She has held a number of board and/or executive finance, governance and compliance roles with not-for-profit charitable organisations. Ann-Maree is a Fellow member of CPA, member of the Australian Institute of Company Directors and associate member of the Governance Institute of Australia.

MEETINGS OF DIRECTORS

During the financial year, 8 meetings of directors were held. Attendances by each director were as follows:

| | <i>Directors' Meetings</i> | |
|-------------------------|----------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Kate Allsopp | 8 | 7 |
| Lane Bryce Crockett | 8 | 8 |
| Arjuna Charles Dibley | 8 | 8 |
| Anthony Patrick Kelly | 8 | 8 |
| Chiara Louise Lawry | 6 | 5 |
| Elizabeth Jane McMeekin | 8 | 7 |
| Sally Margaret Romanes | 8 | 8 |
| Ann-Maree Smith | 4 | 4 |

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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 2022, the total amount that members of the Company are liable to contribute if the Company is wound up is \$720 (2021: \$920).

AFTER BALANCE DATE EVENTS

No matters or 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 2022 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: 28 September 2022



Director

Dated: 21 September 2022

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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 2022 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: *28th September 2022*
Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

ENVIRONMENTAL JUSTICE AUSTRALIA
ABN 74 052 124 375

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|-----------------------|-------------------------|
| Revenue | | | |
| Grants | | 1,707,094 | 1,234,846 |
| Bequests | | - | 558,090 |
| VLA Funds | | 287,768 | 283,144 |
| Fee for service | | 29,818 | 102,683 |
| Client Reimbursements | | 173,227 | 119,235 |
| Donations, Fundraisings, Lectures | | 950,346 | 920,282 |
| Donations - Future Fund | | 700,000 | - |
| Commonwealth Subsidies - Cashflow Boost and JobKeeper | | - | 227,000 |
| Sundry Income | | 2,359 | 2,310 |
| Interest Received | | 2,147 | 2,747 |
| | | <u>3,852,759</u> | <u>3,450,337</u> |
| Expenditure | | | |
| Employee Benefits expenses | | 2,500,863 | 1,755,106 |
| Occupancy expenses | | 43,527 | 66,229 |
| Depreciation expense | | 78,947 | 81,469 |
| Legal Practice expenses | | 364,358 | 195,925 |
| IT expenses | | 159,284 | 110,366 |
| Consultants expenses | | 118,828 | 110,204 |
| Travel expenses | | 16,110 | 15,294 |
| Sundry expenses | | 105,741 | 109,982 |
| | | <u>3,387,658</u> | <u>2,444,575</u> |
| Surplus before income tax expense | | 465,101 | 1,005,762 |
| Income tax expense | | <u>-</u> | <u>-</u> |
| Surplus after income tax expense | | 465,101 | 1,005,762 |
| Total other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u><u>465,101</u></u> | <u><u>1,005,762</u></u> |

| ENVIRONMENTAL JUSTICE AUSTRALIA ABN 74 052 124 375 | | | |
|---|------|------------|------------|
| STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 | | | |
| | Note | 2022 \$ | 2021 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 2,151,561 | 2,301,291 |
| Trade and other receivables | 3 | 93,413 | 118,545 |
| Financial assets | 4 | 710,000 | 10,000 |
| TOTAL CURRENT ASSETS | | 2,954,974 | 2,429,836 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 5,457 | 13,170 |
| Right of use asset | 6 | 46,761 | 117,173 |
| TOTAL NON-CURRENT ASSETS | | 52,218 | 130,343 |
| TOTAL ASSETS | | 3,007,192 | 2,560,179 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 196,687 | 178,757 |
| Project funds received in advance | 8 | - | - |
| Provisions | 9 | 196,726 | 147,265 |
| Lease liability | 10 | 47,831 | 82,261 |
| TOTAL CURRENT LIABILITIES | | 441,244 | 408,283 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 9 | 10,742 | 15,511 |
| Lease liability | 10 | - | 46,280 |
| TOTAL NON-CURRENT LIABILITIES | | 10,742 | 61,791 |
| TOTAL LIABILITIES | | 451,986 | 470,074 |
| NET ASSETS | | 2,555,206 | 2,090,105 |
| MEMBERS' FUNDS | | | |
| Retained earnings | | 2,555,206 | 2,090,105 |
| TOTAL MEMBERS' FUNDS | 11 | 2,555,206 | 2,090,105 |

| ENVIRONMENTAL JUSTICE AUSTRALIA ABN 74 052 124 375 | | |
|--|----------------------------|-------------|
| STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022 | | |
| | Retained Earnings \$ | Total \$ |
| Balance at 30 June 2020 | 1,084,343 | 1,084,343 |
| Comprehensive Income | | |
| Surplus attributable to the entity | 1,005,762 | 1,005,762 |
| Other comprehensive income | - | - |
| Total comprehensive income | 1,005,762 | 1,005,762 |
| Balance at 30 June 2021 | 2,090,105 | 2,090,105 |
| Comprehensive Income | | |
| Surplus attributable to the entity | 465,101 | 465,101 |
| Other comprehensive income | - | - |
| Total comprehensive income | 465,101 | 465,101 |
| Balance at 30 June 2022 | 2,555,206 | 2,555,206 |

| ENVIRONMENTAL JUSTICE AUSTRALIA ABN 74 052 124 375 | | | |
|---|------|-------------------------|-------------------------|
| STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022 | | | |
| | Note | 2022 \$ | 2021 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from grants and customers | | 3,883,148 | 3,641,153 |
| Payments to suppliers and employees | | (3,254,316) | (2,334,459) |
| Interest received | | <u>2,147</u> | <u>2,747</u> |
| Net cash provided by operating activities | 12 | <u>630,979</u> | <u>1,309,441</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment in investment funds | | (700,000) | |
| Payments for purchase of property and equipment | | <u>-</u> | <u>-</u> |
| Net cash used in investing activities | | <u>(700,000)</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of lease liabilities | | <u>(80,709)</u> | <u>(62,260)</u> |
| Net cash used in financing activities | | <u>(80,709)</u> | <u>(62,260)</u> |
| Net cash (decrease)/increase cash held | | (149,730) | 1,247,181 |
| Cash at the beginning of the year | | <u>2,301,291</u> | <u>1,054,110</u> |
| Cash at the end of the year | 2 | <u><u>2,151,561</u></u> | <u><u>2,301,291</u></u> |

| ENVIRONMENTAL JUSTICE AUSTRALIA ABN 74 052 124 375 | |
|---|--|
| NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 | |
| 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 <i>Australian Charities and Not-for-profits Commission Act 2012</i> . The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> , 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 it has been strong in the past is inherently uncertain which is not uncommon for a not-for-profit organisation. 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. |
| 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 <i>Australian Charities and Not-for-profits Commission Act 2012</i> . It contains only those disclosures considered necessary by the directors to meet the needs of the members except for the following: AASB 7 <i>Financial Instruments: Disclosures</i> AASB 9 <i>Financial Instruments</i> AASB 15 <i>Revenue from Contracts with Customers</i> AASB 16 <i>Leases</i> AASB 1058 <i>Income of Not-for-Profit Entities</i> AASB 116 <i>Property, Plant & Equipment</i> AASB 137 <i>Provisions, Contingent Liabilities & Contingent Assets</i> |
| 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 2022 is authorised for issue in accordance with a resolution of the directors on 21 September 2022. The amounts presented in the financial statements have been rounded to the nearest dollar.

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. There was no material impact on the financial statements from the adoption in the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022

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

k. Revenue

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.

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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022**

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.

m. Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs

i. Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Fair value through other comprehensive income - Equity Instruments

The Company has a number of investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income.

ENVIRONMENTAL JUSTICE AUSTRALIA
ABN 74 052 124 375

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022**

| | 2022 | 2021 |
|--|------------------|------------------|
| | \$ | \$ |
| Note 2: Cash and cash equivalents | | |
| Cash on hand | 200 | 200 |
| Cash at bank | 2,151,361 | 2,301,091 |
| | <u>2,151,561</u> | <u>2,301,291</u> |

Note 3: Trade and other receivables

| | | |
|------------------------------------|---------------|----------------|
| Accounts receivable | 70,009 | 102,545 |
| Sundry receivables and prepayments | 23,404 | 16,000 |
| | <u>93,413</u> | <u>118,545</u> |

Note 4: Financial Assets

| | | |
|---------------|----------------|---------------|
| Future Fund | 700,000 | - |
| Term deposits | <u>10,000</u> | <u>10,000</u> |
| | <u>710,000</u> | <u>10,000</u> |

The Future Fund was established to build an endowment that will provide long-term financial viability, sustainability and independence to EJA. The initial donation to the Future Fund was received in June 2022, so at balance date the investment portfolio was held in cash.

| | 2022 | 2021 |
|--|--------------|---------------|
| | \$ | \$ |
| Note 5: Property, plant and equipment | | |
| Office equipment - at cost | 54,951 | 54,951 |
| Less accumulated depreciation | (49,494) | (41,781) |
| | <u>5,457</u> | <u>13,170</u> |

Movements in carrying amounts

| | | |
|--------------------------------------|---------|----------|
| Carrying amount at beginning of year | 13,170 | 24,417 |
| Additions at cost | - | - |
| Disposals | - | (189) |
| Depreciation expense | (7,713) | (11,058) |
| Carrying amount at end of year | 5,457 | 13,170 |

Note 6: Right of Use Asset

| | | |
|---|-----------|-----------|
| Right of Use Asset - 60 Leicester Street, Carlton | 222,789 | 222,789 |
| Less amortisation | (176,028) | (105,616) |
| | 46,761 | 117,173 |

Note 7: Trade and other payables

| | | |
|-------------------------------|----------------|----------------|
| Accounts Payable | 57,009 | 53,419 |
| Sundry creditors and accruals | <u>139,678</u> | <u>125,338</u> |
| | 196,687 | 178,757 |

Note 8: Project funds received in advance

| | | |
|-----------------------------------|---|---|
| Project funds received in advance | - | - |
|-----------------------------------|---|---|

| ENVIRONMENTAL JUSTICE AUSTRALIA ABN 74 052 124 375 | | |
|---|------------------|------------------|
| NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 | | |
| | 2022 \$ | 2021 \$ |
| Note 9: Provisions | | |
| Current | | |
| Provision for annual leave | 133,872 | 91,739 |
| Provision for long service leave | <u>62,854</u> | <u>55,526</u> |
| | <u>196,726</u> | <u>147,265</u> |
| Non-current | | |
| Provision for long service leave | <u>10,742</u> | <u>15,511</u> |
| Note 10: Lease Liability | | |
| Current | | |
| Lease liabilities | <u>47,831</u> | <u>82,261</u> |
| Non-current | | |
| Lease liabilities | <u>-</u> | <u>46,280</u> |
| The current lease is due to expire in February 2023. | | |
| | 2022 \$ | 2021 \$ |
| Note 11: Members Funds | | |
| Retained earnings | <u>2,555,206</u> | <u>2,090,105</u> |
| Retained earnings 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. | | |
| Other non-government funding and philanthropic donations | | |
| Funds committed for delivering specific EJA projects in future years | <u>833,790</u> | <u>1,125,265</u> |

| ENVIRONMENTAL JUSTICE AUSTRALIA ABN 74 052 124 375 | | |
|---|----------------|------------------|
| NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 | | |
| | 2022 \$ | 2021 \$ |
| Note 12: Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax | | |
| Surplus after income tax | 465,101 | 1,005,762 |
| <i>Non-cash flows in profit</i> | | |
| - Depreciation | 7,713 | 11,058 |
| - Amortisation - right of use asset | 70,411 | 70,411 |
| - Loss on assets written-off | - | 189 |
| <i>Changes in assets and liabilities;</i> | | |
| - Decrease in trade and other receivables | 25,132 | 193,563 |
| - Increase in trade and other payables | 17,930 | 16,615 |
| - Increase in provisions | <u>44,692</u> | <u>11,843</u> |
| Net cash generated from Operating Activities | <u>630,979</u> | <u>1,309,441</u> |
| Note 13: Company Details | | |
| The registered office and principal place of business of the entity is: Suite 3-01, 60 Leicester Street Carlton VIC 3054 | | |
| Note 14: Members Guarantee | | |
| The entity is incorporated under the <i>Corporations Act 2001</i> 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 2022 the number of members was 72 (2021: 92). | | |
| Note 15: Related Party Transactions | | |
| No transactions were entered into with related parties in the 2022 financial year (2021: nil). | | |

ENVIRONMENTAL JUSTICE AUSTRALIA
ABN 74 052 124 375

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 2022 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: 28 September 2022



Director

Dated: 21 September 2022

Sean Denham & Associates Pty Ltd
Accountants & Auditors

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 2022, 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 2022 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: 28th September 2022
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

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