

Human
Rights
Law
Centre.

Special Purpose Financial Statements

Human Rights Law Centre Ltd

ACN 117 719 267

30 June 2020

Human
Rights
Law
Centre

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Directors' Report

Your directors submit the financial statements of the Company for the financial 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:

Name	Position	Date of Appointment	Meetings Attended / Eligible
James Morison Gardiner Vice-President, Liberty Victoria	Board Member	16-11-2010	7/7
Jonathan James Webster Consultant, Allens	Board Member	12-10-2012 Retired 14-10-2019	2/2
Catherine Margaret Branson Former President Australian Human Rights Commission	Chair	09-08-2013	5/7
Andrew Carriline Non-executive director	Board Member	14-12-2017	6/7
Padma Raman Chief Executive, Australian Human Rights Commission	Board Member	08-02-2018	5/7
Christopher Sidoti Executive Director, Human Rights Council of Australia	Board Member	08-02-2018	6/7
Timothy Goodwin Barrister, Victorian Bar	Deputy Chair	08-02-2018	6/7
Susan Dorothy Woodward Head, Not-for-profit Law, Justice Connect	Board Member	06-04-2018	7/7
Jessica Kendall Co-director, Economic Media Centre	Board Member	14-10-2019	6/6
Ben Kiely Partner, King & Wood Mallesons	Board Member	14-10-2019	4/5
Fiona Smith Non-executive director	Board Member	01-01-2020	4/4
Hugh William de Kretser Executive Director	Company Secretary	12-04-2013	4/7

Directors' Report

Principal Activities

The Human Rights Law Centre uses strategic legal action, policy solutions and advocacy to support people and communities to eliminate inequality and injustice and build a fairer, more compassionate Australia. The Company is an independent, not-for-profit, non-government organisation that is a charity registered with the Australian Charities and Not-for-profits Commission.

Company Objectives

The Company's principal purpose is to relieve the suffering or distress of people whose human rights are compromised or abused by, without limitation:

- (a) providing support to those in need;
- (b) taking legal action to promote or protect the human rights of people in need;
- (c) advising governments on and reviewing law, policy and practice to ensure human rights are upheld;
- (d) conducting and disseminating research on human rights abuses; and
- (e) providing education about human rights.

Company Strategies

To achieve these objectives, the Company has undertaken legal action, developed policy solutions and engaged in advocacy. The Company works closely in partnership with other not-for-profit organisations to advance shared goals and with law firms and barristers who provide significant expert pro bono resources to support our work.

Key Performance Indicators

The Company measures its own performance through the use of quantitative and qualitative measures. These measures are used by the directors to assess the financial sustainability of the Company and whether the Company's objectives are being achieved.

Limitation of Members Liability

If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 30 June 2020 the collective liability of members was \$1,000 (2019: \$1,000).

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under Australian Charities and Not-for-profits Commission Act 2012 is set out at page 6.

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



Catherine Margaret Branson
Chair of the Board



Hugh William de Kretser
Company Secretary

Dated this 20th day of November 2020

Auditor's Independence Declaration

To the Directors of Human Rights Law Centre

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor of Human Rights Law Centre for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 20 November 2020

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	2	3,360,606	2,997,190
Expenses			
Employee benefits expense		(2,163,136)	(1,811,385)
Occupancy expenses		(46,453)	(37,315)
Operational and administrative expenses		(767,595)	(1,032,100)
Total Expenses		<u>(2,977,184)</u>	<u>(2,880,800)</u>
Surplus for the year		383,422	116,390
Other Comprehensive Income		-	-
Total comprehensive income for the year		383,422	116,390

This statement should be read in conjunction with the notes to the financial statements

Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,998,138	2,126,067
Trade and other receivables	4	187,329	63,330
Total current assets		3,185,467	2,189,397
Non-current assets			
Property, plant and equipment	5	118,144	158,273
Total non-current assets		118,144	158,273
TOTAL ASSETS		3,303,611	2,347,670
LIABILITIES			
Current liabilities			
Trade and other payables	6	155,991	95,213
Provisions	7	268,775	276,806
Contract liabilities		1,489,049	978,239
Total current liabilities		1,913,815	1,350,258
Non-current liabilities			
Provisions	7	39,307	30,345
Total non-current liabilities		39,307	30,345
TOTAL LIABILITIES		1,953,122	1,380,603
NET ASSETS		1,350,489	967,067
Equity			
Accumulated surplus		1,350,489	967,067
TOTAL EQUITY		1,350,489	967,067

This statement should be read in conjunction with the notes to the financial statements

Statement of Changes in Equity

For the year ended 30 June 2020

	Accumulated Surplus \$
Balance as at 1 July 2018	850,677
Surplus for the year	116,390
Total comprehensive income (loss) for the year	<u>116,390</u>
Balance as at 30 June 2019	<u>967,067</u>
Balance as at 1 July 2019	967,067
Surplus for the year	383,422
Total comprehensive income (loss) for the year	<u>383,422</u>
Balance as at 30 June 2020	<u>1,350,489</u>

This statement should be read in conjunction with the notes to the financial statements

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 \$	2010 \$
Cash flows from operating activities			
Receipts from grants, donations and other revenue		3,721,339	2,845,065
Payments to suppliers and employees		(2,875,277)	(2,809,927)
Interest received		32,962	38,315
Net cash provided by/(used in) operating activities	8	<u>879,024</u>	<u>73,453</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(6,953)	(3,808)
Net cash used in investing activities		<u>(6,953)</u>	<u>(3,808)</u>
Net increase in cash and cash equivalents		872,071	69,645
Cash and cash equivalents at beginning of financial year		2,126,067	2,056,422
Cash and cash equivalents at end of financial year	8	<u>2,998,138</u>	<u>2,126,067</u>

This statement should be read in conjunction with the notes to the financial statements

Notes to the financial statements

For the year ended 30 June 2020

1. Statement of significant accounting policies

General information

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on 30 October 2020 by the directors of the Company.

Basis of preparation

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous period unless stated otherwise.

Reporting basis and conventions

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Cash and Cash Equivalents

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

(b) Contract liabilities

The Company receives grant monies to fund projects. These are treated as unexpended grants in the statement of financial position where there are conditions attached to grant revenue relating to the use of these grants for specific purposes. It is recognised in the statement of financial position as a liability until such performance obligations are met or services provided. Once the conditions are met or services provided, it is disclosed in the statement of comprehensive income as revenue.

(c) Revenue

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as income in advance in the statement of financial position until such time as that performance obligation is fulfilled.

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

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

Notes to the financial statements

For the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

(d) Trade and Other Payables

Accounts 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 amounts normally paid within 30 days of recognition of the liability.

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(f) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) 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.

(h) Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Included in employee entitlements is a provision for parental leave of \$97,934 (2019: \$88,689). Pursuant to Australian Accounting Standard AASB 119 Employee Benefits, parental leave is a non-accumulating paid absence that should only be recognised when the absences occur. The recognition of the provision for parental leave is a departure from AASB 119. The Directors have resolved that it is prudent and desirable to provide for future parental leave due to the nature of the business and its gender composition and age of its workforce.

Notes to the financial statements

For the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

(i) Property, plant and equipment

Property, plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives commencing from the time the asset is ready for use. The following useful lives are applied:

- Office fixtures and furniture: 10 years
- Computer equipment: 3-4 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to profit or loss as part of the profit or loss on disposal.

(j) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Company.

There are no significant estimates or judgements incorporated into the financial statements.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the impact on revenue, expenses, operations and staffing.

(k) Comparative Figures

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

Notes to the financial statements

For the year ended 30 June 2020

1. Statement of significant accounting policies (continued)

(I) New or amended Accounting Standards and Interpretations adopted

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of AASB 15 did not have a material impact on the company's statement of profit or loss and other comprehensive income, statement of financial position or statement of cash flows for the year ending 30 June 2020.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of AASB 1058 did not have a material impact on the company's statement of profit or loss and other comprehensive income, statement of financial position or statement of cash flows for the year ending 30 June 2020.

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
2. Revenue		
Operating grants	2,389,525	2,146,044
Event Registrations	-	90,291
Donations	665,890	689,129
Interest income	32,962	38,315
Other income	48,229	33,411
Other income – government support	224,000	-
Total revenue	<u>3,360,606</u>	<u>2,997,190</u>
3. Cash and cash equivalents		
Cash at bank	<u>2,998,138</u>	<u>2,126,067</u>
	<u>2,998,138</u>	<u>2,126,067</u>
4. Trade and other receivables		
CURRENT		
Trade receivables	117,263	27,751
Other receivables and prepayments	70,066	35,579
	<u>187,329</u>	<u>63,330</u>
5. Property, plant and equipment		
Computer Equipment - at cost	19,819	19,819
Accumulated depreciation – computer equipment	(13,090)	(8,135)
Furniture and Fittings - at cost	200,853	193,900
Accumulated depreciation – furniture and fittings	(89,438)	(47,311)
	<u>118,144</u>	<u>158,273</u>
6. Trade and other payables		
CURRENT		
Trade payables	119,960	46,862
Other payables and accruals	36,031	48,351
	<u>155,991</u>	<u>95,213</u>
7. Provisions		
CURRENT		
Employee benefits	<u>268,775</u>	<u>276,806</u>
NON CURRENT		
Employee benefits	<u>39,307</u>	<u>30,345</u>

Notes to the financial statements

For the year ended 30 June 2020

	2020 \$	2019 \$
8. Cash flow information		
Reconciliation of cash and cash equivalents		
Cash at bank	2,998,138	2,126,067
	<u>2,998,138</u>	<u>2,126,067</u>
Surplus (loss) for the year:	383,422	116,390
Non-cash flows in profit		
Depreciation and Amortisation	47,082	45,949
Changes in assets and liabilities		
Increase in trade and other receivables	(123,999)	40,669
Increase in trade and other payables	60,778	6,501
Increase in provisions	931	22,859
Increase in contract liabilities	510,810	(158,915)
Net cash provided by operating activities	<u>879,024</u>	<u>73,453</u>
9. Auditor's remuneration		
Remuneration of the auditor for:		
- Auditing the financial statements	<u>3,737</u>	3,535

10. Limitation of members' liability

If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 30 June 2020 the collective liability of members was \$1,000 (2019: \$1,000).

11. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. The pandemic has negatively impacted on the company's revenue from events. However, due to government support, the overall financial impact for the company up to 30 June 2020 has not been material. The company is continuing to monitor the likely financial impact beyond the reporting date and is taking measures to respond to the risks of lower revenue due to the economic downturn. The situation continues to change and is dependent on measures imposed by governments, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

12. Company details

Registered office

The registered office of and principal place of business of Human Rights Law Centre Ltd is:
Level 17, 461 Bourke Street
Melbourne VIC 3000

This special purpose financial report covers Human Rights Law Centre Ltd as an individual entity.

The special purpose financial report is presented in the Australian currency.

Directors' declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 15, present fairly the Company's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, and have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Catherine Margaret Branson
Chair of the Board



Hugh William de Kretser
Company Secretary

Dated this 20th day of November 2020

Independent Auditor's Report

To the Members of Human Rights Law Centre Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Human Rights Law Centre Limited (the "Company"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Human Rights Law Centre Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, and:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2020 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- b complies with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report are appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act. The Directors' responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 20 November 2020