

Human
Rights
Law
Centre.

Special Purpose Financial Statements

Human Rights Law Centre Ltd

ACN 117 719 267

30 June 2021

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Directors' Report

Your directors submit the financial statements of the Company for the financial year ended 30 June 2021.

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	5/5
Catherine Margaret Branson Former President Australian Human Rights Commission	Chairperson	09-08-2013 Retired 28-03-21	3/3
Padma Raman Chief Executive Officer, Australia's National Research Organisation for Women's Safety	Board Member	08-02-2018	5/5
Christopher Sidoti Executive Director, Human Rights Council of Australia	Board Member	08-02-2018	5/5
Timothy Goodwin Barrister, Victorian Bar	Board Member	08-02-2018	4/5
Andrew Carriline Non-executive director	Board Member	14-12-2017	5/5
Susan Dorothy Woodward Chief Adviser, Not-for-profit Law, Justice Connect	Board Member	06-04-2018	5/5
Jessica Kendall Co-director, Economic Media Centre	Board Member	14-10-2019	5/5
Ben Kiely Partner, King & Wood Mallesons	Board Member	14-10-2019	4/5
Fiona Smith Non-executive director	Board Member	01-01-2020	3/5
Robynne Quiggin Professor, UTS Business School and Law Faculty	Chairperson	29-03-2021	2/2
Hugh William de Kretser Executive Director	Company Secretary	12-04-2013	5/5

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 undertakes legal action, develops policy solutions and engages 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 performance using quantitative and qualitative measures. These measures are used by the directors to assess the Company's financial sustainability 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 2021, the collective liability of members was \$1,000 (2020: \$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 5.

Signed in accordance with a resolution of the board of directors:



Robynne Quiggin
Chairperson



Hugh William de Kretser
Company Secretary

Dated 12 November 2021

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 2021, 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, 12 November 2021

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	4,982,472	3,360,606
Expenses			
Employee benefits expense		(2,694,798)	(2,163,136)
Occupancy expenses		(53,814)	(46,453)
Operational and administrative expenses	3	(1,438,220)	(767,595)
Total Expenses		<u>(4,186,832)</u>	<u>(2,977,184)</u>
Surplus for the year		795,640	383,422
Other Comprehensive Income		-	-
Total comprehensive income for the year		<u>795,640</u>	<u>383,422</u>

Statement of Changes in Equity

For the year ended 30 June 2021

	Accumulated Surplus \$
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>
Balance as at 1 July 2020	1,350,489
Surplus for the year	<u>795,640</u>
Total comprehensive income (loss) for the year	<u>795,640</u>
Balance as at 30 June 2021	<u><u>2,146,129</u></u>

Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	3,798,115	2,998,138
Trade and other receivables	5	264,000	187,329
Total current assets		4,062,115	3,185,467
Non-current assets			
Property, plant and equipment	6	115,227	118,144
Total non-current assets		115,227	118,144
TOTAL ASSETS		4,177,342	3,303,611
LIABILITIES			
Current liabilities			
Trade and other payables	7	432,979	155,991
Provisions	8	265,049	268,775
Contract liabilities		1,264,897	1,489,049
Total current liabilities		1,962,925	1,913,815
Non-current liabilities			
Provisions	8	68,288	39,307
Total non-current liabilities		68,288	39,307
TOTAL LIABILITIES		2,031,213	1,953,122
NET ASSETS		2,146,129	1,350,489
Equity			
Accumulated surplus		2,146,129	1,350,489
TOTAL EQUITY		2,146,129	1,350,489

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from grants, donations and other revenue		4,666,886	3,721,339
Payments to suppliers and employees		(3,836,939)	(2,875,277)
Interest received		15,697	32,962
Net cash provided by/(used in) operating activities	9	845,644	879,024
Cash flows from investing activities			
Payments for property, plant and equipment		(45,667)	(6,953)
Net cash used in investing activities		(45,667)	(6,953)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		2,998,138	2,126,067
Cash and cash equivalents at end of financial year	9	3,798,115	2,998,138

Notes to the financial statements

For the year ended 30 June 2021

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 18 October 2021 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 2021

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 Division 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 \$73,302 (2020: \$97,934). 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 the gender and age composition of its workforce.

Notes to the financial statements

For the year ended 30 June 2021

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.

COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the company based on known information. This consideration extends to the Company's services, staffing and operations. Other than as addressed in specific notes, there does not currently appear to be any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

(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 2021

1. Statement of significant accounting policies (continued)

(l) New or amended Accounting Standards and Interpretations adopted

IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)

The Company has adopted the IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets) from 1 January 2021. The Agenda Decision clarifies how a customer accounts for costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement. The Agenda Decision requires management to capitalise elements of expenditure that meet the definition of an Intangible Asset as defined by AASB 138 Intangible Assets and recognise any additional amounts as an expense as the entity benefits from the expenditure either by applying AASB 138 or applying another accounting standard.

The Agenda Decision did not have any impact on the Company's financial statements as any expenditure incurred in relation to Cloud Computing Arrangements was appropriately capitalised or expensed in accordance with the requirements of AASB 138.

Notes to the financial statements

For the year ended 30 June 2021

	2021	2020
	\$	\$
2. Revenue		
Grants	2,856,920	2,389,525
Event Registrations	700	-
Donations	702,872	665,890
Interest income	15,697	32,962
Other income – including legal costs recovered	1,065,283	48,229
Other income – government support	341,000	224,000
Total revenue	<u>4,982,472</u>	<u>3,360,606</u>
3. Operational and administrative expenses		
Legal costs recovered paid to legal team	771,147	-
Other operational and administrative expenses	664,073	767,595
	<u>1,438,220</u>	<u>767,595</u>
4. Cash and cash equivalents		
Cash at bank	3,798,115	2,998,138
	<u>3,798,115</u>	<u>2,998,138</u>
5. Trade and other receivables		
CURRENT		
Trade receivables	250,000	117,263
Other receivables and prepayments	14,000	70,066
	<u>264,000</u>	<u>187,329</u>
6. Property, plant and equipment		
Computer equipment - at cost	63,686	19,819
Accumulated depreciation – computer equipment	(16,570)	(13,090)
Furniture and fittings - at cost	200,853	200,853
Accumulated depreciation – furniture and fittings	(132,742)	(89,438)
	<u>115,227</u>	<u>118,144</u>
7. Trade and other payables		
CURRENT		
Trade payables	112,088	119,960
Other payables and accruals	320,891	36,031
	<u>432,979</u>	<u>155,991</u>
8. Provisions		
CURRENT		
Employee benefits	<u>265,049</u>	<u>268,775</u>
NON CURRENT		
Employee benefits	<u>68,288</u>	<u>39,307</u>

Notes to the financial statements

For the year ended 30 June 2021

	2021	2020
	\$	\$
9. Cash flow information		
Reconciliation of cash and cash equivalents		
Cash at bank	<u>3,798,115</u>	<u>2,998,138</u>
	<u>3,798,115</u>	<u>2,998,138</u>
Surplus for the year:	795,640	383,422
Non-cash flows in profit		
Depreciation and Amortisation	48,584	47,082
Changes in assets and liabilities		
Increase in trade and other receivables	(76,671)	(123,999)
Increase in trade and other payables	276,988	60,778
Increase in provisions	25,255	931
(Decease)/Increase in contract liabilities	(224,152)	510,810
Net cash provided by operating activities	<u>845,644</u>	<u>879,024</u>
10. Auditor's remuneration		
Remuneration of the auditor for:		
- Auditing the financial statements	<u>6,553</u>	<u>3,737</u>

11. 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 2021 the collective liability of members was \$1,000 (2020: \$1,000).

12. Events after the reporting period

The impact of the COVID-19 pandemic is ongoing. The pandemic negatively impacted on the Company's revenue from events during the year ended 30 June 2021 by preventing the Company from holding its normal fundraising dinner and other in-person events. However, government support offset revenue loss. The Company continues to monitor the likely financial impact beyond the reporting date and continues to take measures to respond to the risks of lower revenue due to economic downturn. The situation continues to change and is dependent on public health and other measures imposed by governments.

No other matter or circumstance has arisen since 30 June 2021 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.

13. 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 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 2021 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.



Robynne Quiggin
Chairperson



Hugh William de Kretser
Company Secretary

Dated 12 November 2021

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 accompanying financial report of Human Rights Law Centre Limited (the "Company"), which comprises the statement of financial position as at 30 June 2021, and 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 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*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b complying 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 audit 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 purposes of fulfilling the Company's financial reporting responsibilities under the ACNC 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 2021, 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 of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act. The Directors' responsibility also includes such internal control as the Directors determine 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 have 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, 12 November 2021