

Human
Rights
Law
Centre.

Special Purpose Financial Statements

Human Rights Law Centre Ltd

ACN 117 719 267

30 June 2022

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Directors' Report

The directors present their report, together with the financial statements, on 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:

Name	Position	Date of Appointment
James Morison Gardiner Vice-President, Liberty Victoria	Board Member	16-11-2010
Padma Raman Chief Executive Officer, Australia's National Research Organisation for Women's Safety	Board Member	08-02-2018
Christopher Sidoti Executive Director, Human Rights Council of Australia	Board Member	08-02-2018
Timothy Goodwin Barrister, Victorian Bar	Board Member	08-02-2018
Andrew Carriline Non-executive director	Board Member	14-12-2017
Susan Dorothy Woodward Chief Adviser, Not-for-profit Law, Justice Connect	Board Member	06-04-2018 (Resigned 18-11-2022)
Jessica Kendall Co-director, Economic Media Centre	Board Member	14-10-2019
Ben Kiely Partner, King & Wood Mallesons	Board Member / Chairperson	14-10-2019 (Appointed Chairperson 28-10-2022)
Fiona Smith Non-executive director	Board Member	01-01-2020 (Died 18-10-2022)
Robynne Quiggin Professor, UTS Business School and Law Faculty	Chairperson	29-03-2021 (Resigned 21-10-2022)
Hugh William de Kretser Executive Director	Company Secretary	12-04-2013 (Resigned 08-08-2022)
Katherine Frost	Company Secretary	Appointed 08-08-2022

Directors' Report

Principal Activities

Human Rights Law Centre Ltd 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 2022, the collective liability of members was \$1,000 (2021: \$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:



Ben Kiely
Chairperson



Katherine Frost
Company Secretary

Dated this 12th day of December 2022

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
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Melbourne VIC 3001
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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 for the audit of Human Rights Law Centre for the year ended 30 June 2022, 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 December 2022

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2	4,482,996	4,982,472
Expenses			
Operational and administrative expenses	3	(655,105)	(1,438,220)
Employee benefits expense		(2,670,713)	(2,694,798)
Occupancy expenses		(55,966)	(53,814)
Total Expenses		<u>(3,381,784)</u>	<u>(4,186,832)</u>
Surplus for the year		1,101,212	795,640
Other Comprehensive Income		-	-
Total comprehensive income for the year		<u>1,101,212</u>	<u>795,640</u>

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	3,744,371	3,798,115
Trade and other receivables	5	100,383	264,000
Total current assets		3,844,754	4,062,115
Non-current assets			
Property, plant and equipment	6	72,270	115,227
Total non-current assets		72,270	115,227
TOTAL ASSETS		3,917,024	4,177,342
LIABILITIES			
Current liabilities			
Trade and other payables	7	153,642	432,979
Provisions	8	257,630	265,049
Contract liabilities		200,339	1,264,897
Total current liabilities		611,611	1,962,925
Non-current liabilities			
Provisions	8	58,072	68,288
Total non-current liabilities		58,072	68,288
TOTAL LIABILITIES		669,683	2,031,213
NET ASSETS		3,247,341	2,146,129
Equity			
Accumulated surplus		3,247,341	2,146,129
TOTAL EQUITY		3,247,341	2,146,129

Statement of Changes in Equity

For the year ended 30 June 2022

	Accumulated Surplus \$
Balance as at 1 July 2020	1,350,489
Surplus for the year	795,640
Total comprehensive income (loss) for the year	<u>795,640</u>
Balance as at 30 June 2021	<u>2,146,129</u>
Balance as at 1 July 2021	2,146,129
Surplus for the year	1,101,212
Total comprehensive income (loss) for the year	<u>1,101,212</u>
Balance as at 30 June 2022	<u>3,247,341</u>

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from grants, donations and other revenue		3,572,671	4,666,886
Payments to suppliers and employees		(3,610,970)	(3,836,939)
Interest received		9,384	15,697
Net cash provided by/(used in) operating activities	9	(28,915)	845,644
Cash flows from investing activities			
Payments for property, plant and equipment		(24,828)	(45,667)
Net cash used in investing activities		(24,828)	(45,667)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		3,798,115	2,998,138
Cash and cash equivalents at end of financial year	9	3,744,372	3,798,115

Notes to the financial statements

For the year ended 30 June 2022

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.

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.

(b) Contract liabilities

The Company receives grant monies to fund projects. These are treated as contract liabilities in the statement of financial position where there are conditions attached to grant revenue relating to the use of these grants for specific purposes. These are 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, these are disclosed in the statement of comprehensive income as revenue.

(c) Revenue

Revenue from donations and interest are recognised as revenue when received.

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

(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.

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of significant accounting policies (continued)

(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.

(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.

The Company has reviewed the application of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities. The Company has assessed that the combination of AASB 15 and 1058 as they apply to Human Rights Law Centre Ltd should result in recognising grant income earlier than initially expected. This has resulted in a reduction in Contract Liabilities as at 30 June 2022 compared to 30 June 2021, along with a corresponding increase in revenue from Grants recognised.

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of significant accounting policies (continued)

No other new significant estimates or judgements have been incorporated into the financial statements.

(k) New or amended Accounting Standards and Interpretations adopted

No new or amended Accounting Standards and Interpretations have been incorporated into the financial statements.

(l) Comparative Figures

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

(m) Key Management Personnel Remuneration

In accordance with the disclosure requirements under the Australian Accounting Standards Board Standards 1060 and 124, the Company has only one key management person and does not use any separate management entity. All other staff including management personnel are remunerated in accordance with the HUMAN RIGHTS LAW CENTRE ENTERPRISE AGREEMENT 2021

	2022	2021
	\$	\$
2. Revenue		
Grants	3,777,256	2,856,920
Event Registrations	-	700
Donations	689,431	702,872
Interest income	9,384	15,697
Other income – including legal costs recovered	6,925	1,065,283
Other income – government support	-	341,000
Total revenue	<u>4,482,996</u>	<u>4,982,472</u>
3. Operational and administrative expenses		
Legal costs recovered paid to legal team	-	771,147
Other operational and administrative expenses	655,105	667,073
	<u>655,105</u>	<u>1,438,220</u>
4. Cash and cash equivalents		
Cash at bank	<u>3,744,371</u>	3,798,115
	<u>3,744,371</u>	<u>3,798,115</u>
5. Trade and other receivables		
CURRENT		
Trade receivables	17,627	250,000
Other receivables and prepayments	82,756	14,000
	<u>100,383</u>	<u>264,000</u>
6. Property, plant and equipment		
Computer equipment - at cost	88,514	63,686
Accumulated depreciation – computer equipment	(41,056)	(16,570)
Furniture and fittings - at cost	200,853	200,853
Accumulated depreciation – furniture and fittings	(176,040)	(132,742)
	<u>72,270</u>	<u>115,227</u>

Notes to the financial statements

For the year ended 30 June 2022

7. Trade and other payables

CURRENT

Trade payables	79,035	112,088
Other payables and accruals	74,607	320,891
	<u>153,642</u>	<u>432,979</u>

8. Provisions

CURRENT

Employee benefits	<u>257,630</u>	<u>265,049</u>
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NON CURRENT

Employee benefits	<u>58,072</u>	<u>68,288</u>
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2022	2021
\$	\$

9. Cash flow information

Reconciliation of cash and cash equivalents

Cash at bank	<u>3,744,371</u>	<u>3,798,115</u>
	<u>3,744,371</u>	<u>3,798,115</u>

Surplus for the year:	1,101,212	795,640
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Non-cash flows in profit

Depreciation and Amortisation	67,785	48,584
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Changes in assets and liabilities

Decrease/(Increase) in trade and other receivables	163,617	(76,671)
(Decrease)/Increase in trade and other payables	(279,336)	276,988
(Decrease)/Increase in provisions	(17,634)	25,255
(Decrease)/Increase in contract liabilities	(1,064,558)	(224,152)
Net cash provided by operating activities	<u>(28,915)</u>	<u>845,644</u>

10. Auditor's remuneration

Remuneration of the auditor for:

Audit of the financial statements	15,450	6,553
Compilation of the financial statements	4,500	-
	<u>19,950</u>	<u>6,553</u>

Notes to the financial statements

For the year ended 30 June 2022

11. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2022 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 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 14, present fairly the Company's financial position as at 30 June 2022 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.



Ben Kiely
Chairperson



Katherine Frost
Company Secretary

Dated this 12th day of December 2022

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 2022, 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 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 Registered Entity's financial position as at 30 June 2022 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 Registered Entity 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 Registered Entity'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 Registered Entity's annual report for the year ended 30 June 2022, 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 Registered Entity 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 ACNC 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 Registered Entity'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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity'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 December 2022