

## Special Purpose Financial Statements

Human Rights Law Centre Ltd

A.C.N.117 719 267

30 June 2016

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# Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2016.

## Directors

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

Name	Position	Date of Appointment	Meetings Attended / Eligible
James Morison Gardiner Vice-President, Liberty Victoria	Director	16-11-2010	6/6
Fiona Ruth McLeay Chief Executive Officer, Justice Connect	Director	23-11-2011	5/6
Melanie Schleiger Equality Law Program Manager, Victoria Legal Aid	Director	10-10-2008	6/6
Edward Michael Kingston Solicitor	Chairperson	12-10-2012	6/6
Jonathan James Webster Partner, Allens	Director	12-10-2012	5/6
Ilana Rachel Atlas Non-executive director	Director	12-10-2012	5/6
Catherine Margaret Branson Former President Australian Human Rights Commission	Director	09-08-2013	6/6
Carolyn Creswell Founder & Managing Director, Carman's Fine Foods	Director	19-02-2015	4/6
Hugh William de Kretser Executive Director	Company Secretary	12-04-2013	6/6

# Directors' Report

## Principal Activities

The company is an independent, non-profit, non-government organisation which protects and promotes human rights. The company's work contributes to protecting human dignity, alleviating disadvantage, and advancing equality through a strategic combination of research, advocacy, litigation and education.

## Company Objectives

The objectives of the company are to advance the following goals:

- 1 Promote, protect and contribute to the fulfilment of human rights in Australia, particularly the human rights of people who are disadvantaged or living in poverty, including those human rights contained in the:
  - 1.1 Universal Declaration of Human Rights
  - 1.2 International Covenant on Civil and Political Rights;
  - 1.3 International Covenant on Economic, Social and Cultural Rights;
  - 1.4 Convention on the Elimination of All Forms of Discrimination Against Woman;
  - 1.5 Convention on the Elimination of All Forms of Racial Discrimination
  - 1.6 Convention on the Rights of the Child;
  - 1.7 Convention on the Rights of Persons with Disabilities;
  - 1.8 Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment;
  - 1.9 Declaration on the Rights of Indigenous Peoples; and
  - 1.10 Customary international human rights law;
- 2 Contribute to the harmonisation of law, policy and practice in Australia with regard to human rights;
- 3 Empower people who are disadvantaged or living in poverty by operating within a human rights framework, including by:
  - 3.1 Treating people with fairness, dignity and respect;
  - 3.2 Promoting equality and freedom from discrimination;
  - 3.3 Promoting participation and the principle that people should have a say in processes and decisions that affect them; and
  - 3.4 Promoting social inclusion and community development.

# Directors' Report

## **Company Strategies**

To achieve these objectives, the company has undertaken a combination of principled, strategic, evidence-based research, advocacy, litigation and education. The company works in coalition with key partners, including community organisations, law firms and barristers, academics and experts, and international and domestic human rights organisations. The work of its dynamic, innovative and committed staff is fundamental to its achievement of these objectives.

## **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 2016 the collective liability of members was \$1,000 (2015: \$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:



Edward Michael Kingston  
Chairperson



Hugh William de Kretser  
Company Secretary

Dated this 9th day of November 2016

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**Auditor's Independence Declaration  
To the Directors of Human Rights Law Centre Ltd**

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 Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

*Eric W Passaris*

Eric Passaris  
Partner - Audit & Assurance

Melbourne, 9<sup>th</sup> November 2016

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# Statement of Profit and Loss and Other Comprehensive Income

**For the year ended 30 June 2016**

	Note	2016 \$	2015 \$
Revenue	2	1,596,641	856,240
<b>Expenses</b>			
Occupancy expenses		(35,982)	(31,163)
Operational and administrative expenses		(370,126)	(173,877)
Employee benefits expense		(987,859)	(730,005)
Total Expenses		<u>(1,393,967)</u>	<u>(935,045)</u>
<b>Surplus/(loss) for the year</b>		202,674	(78,805)
Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>202,674</u></u>	<u><u>(78,805)</u></u>

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

# Statement of Financial Position

**As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	1,786,481	611,866
Trade and other receivables	4	121,338	60,750
<b>Total current assets</b>		<b>1,907,819</b>	<b>672,616</b>
<b>TOTAL ASSETS</b>		<b>1,907,819</b>	<b>672,616</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5	75,638	36,603
Provisions	6	113,722	51,843
Grants received in advance		1,215,595	279,839
<b>Total current liabilities</b>		<b>1,404,955</b>	<b>368,285</b>
<b>Non-current liabilities</b>			
Provisions	6	27,869	32,010
<b>Total non-current liabilities</b>		<b>27,869</b>	<b>32,010</b>
<b>TOTAL LIABILITIES</b>		<b>1,432,824</b>	<b>400,295</b>
<b>NET ASSETS</b>		<b>474,995</b>	<b>272,321</b>
<b>Equity</b>			
Retained earnings		474,995	272,321
<b>TOTAL FUNDS</b>		<b>474,995</b>	<b>272,321</b>

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 2016**

	<b>Retained Earnings \$</b>
<b>Balance as at 1 July 2014</b>	351,126
Surplus/(loss) for the year	<u>(78,805)</u>
Total comprehensive income/(loss) for the year	<u>(78,805)</u>
<b>Balance as at 30 June 2015</b>	<u><u>272,321</u></u>
<b>Balance as at 1 July 2015</b>	272,321
Surplus/(loss) for the year	<u>202,674</u>
Total comprehensive income/(loss) for the year	<u>202,674</u>
<b>Balance as at 30 June 2016</b>	<u><u>474,995</u></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 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from grants, donations and other revenue		2,478,724	1,100,715
Payments to suppliers and employees		(1,318,480)	(943,012)
Interest received		14,371	9,704
<b>Net cash provided by operating activities</b>	7	<u>1,174,615</u>	<u>167,407</u>
<b>Net change in cash and cash equivalents held</b>		1,174,615	167,407
Cash and cash equivalents at beginning of financial year		611,866	444,459
<b>Cash and cash equivalents at end of financial year</b>	7	<u><u>1,786,481</u></u>	<u><u>611,866</u></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 2016**

## **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 9 November 2016 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) Grants - received in advance**

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 conditions 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 purpose 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 2016**

## **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**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

### **(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) 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 the 2016 employee entitlements is a provision for parental leave of \$45,191 (2015: \$769). 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.

### **(h) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

# Notes to the financial statements

**For the year ended 30 June 2016**

## **1. Statement of significant accounting policies (continued)**

### **(i) 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.

### **(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.

### **(k) Comparative Figures**

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

### **(l) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entities' preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019;

(ii) AASB 15 Revenue from Contracts with Customers, effective for annual reporting periods beginning on or after 1 January 2019. Based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

# Notes to the financial statements

**For the year ended 30 June 2016**

	2016 \$	2015 \$
<b>2. Revenue</b>		
Operating grants	913,849	402,512
Event Registrations	110,024	58,211
Donations	534,639	367,529
Interest income	14,371	9,704
Other revenue	23,758	18,284
Total revenue	<u>1,596,641</u>	<u>856,240</u>
<b>3. Cash and cash equivalents</b>		
Cash at bank	<u>1,786,481</u>	<u>611,866</u>
	<u>1,786,481</u>	<u>611,866</u>
<b>4. Trade and other receivables</b>		
<b>CURRENT</b>		
Trade receivables	43,095	3,793
Other receivables and prepayments	78,243	56,957
	<u>121,338</u>	<u>60,750</u>
<b>5. Trade and other payables</b>		
<b>CURRENT</b>		
Trade payables	42,810	10,063
Other payables and accruals	32,828	26,540
	<u>75,638</u>	<u>36,603</u>
<b>6. Provisions</b>		
<b>CURRENT</b>		
Employee benefits	<u>113,722</u>	<u>51,843</u>
<b>NON CURRENT</b>		
Employee benefits	<u>27,869</u>	<u>32,010</u>

# Notes to the financial statements

For the year ended 30 June 2016

	2016	2015
	\$	\$

## 7. Cash flow information

### Reconciliation of cash and cash equivalents

Cash at bank	1,786,481	611,866
	<u>1,786,481</u>	<u>611,866</u>

Surplus (loss) for the year:	202,674	(78,805)
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### Changes in assets and liabilities

Increase in trade and other receivables	(60,588)	(18,774)
Increase in trade and other payables	39,035	8,684
Increase in provisions	57,738	11,460
Increase in grants received in advance	935,756	244,842
Net cash provided by operating activities	<u>1,174,615</u>	<u>167,407</u>

## 8. Auditor's remuneration

Remuneration of the auditor for:

- Auditing the financial statements	<u>3,000</u>	<u>5,650</u>
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## 9. 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 2016 the collective liability of members was \$1,000 (2015: \$1,000).

## 10. Company details

### (a) 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 7 to 15, present fairly the company's financial position as at 30 June 2016 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.



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Edward Michael Kingston  
Chairperson



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Hugh William de Kretser  
Company Secretary

Dated this 9th day of November 2016



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## **Independent Auditor's Report To the Members of Human Rights Law Centre Ltd**

We have audited the accompanying financial report, being a special purpose financial report, of Human Rights Law Centre Ltd (the "Company"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors.

### **Responsibility 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, which form part of the financial report, are appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the needs of the Members. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

**Auditor's Opinion**

In our opinion, the financial report of Human Rights Law Centre Ltd is 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 2016 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- ii complying with the Australian Accounting Standards to the extent disclosed in Note 1 and the Australian Charities and Not-for-profits Commission Regulation 2013.

**Basis of accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare financial statements. As a result, the financial report may not be suitable for another purpose.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Eric Passaris  
Partner - Audit & Assurance

Melbourne, 9<sup>th</sup> November 2016