



Human Rights
Law Centre

Special Purpose Financial Statements

Human Rights Law Centre Ltd

A.C.N.117 719 267

30 June 2017

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Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2017.

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	6/6
Fiona Ruth McLeay Chief Executive Officer, Justice Connect	Board Member	23-11-2011	5/6
Melanie Schleiger Equality Law Program Manager, Victoria Legal Aid	Board Member	10-10-2008	6/6
Edward Michael Kingston Solicitor	Past Chairperson	12-10-2012 Retired 1-12-2016	2/2
Jonathan James Webster Partner, Allens	Board Member	12-10-2012	5/6
Ilana Rachel Atlas Non-executive director	Board Member	12-10-2012	3/6
Catherine Margaret Branson Former President Australian Human Rights Commission	Chairperson	09-08-2013	6/6
Carolyn Creswell Founder & Managing Director, Carman's Fine Foods	Board Member	19-02-2015	2/6
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 legal action, advocacy, research, education and UN engagement.

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 2017 the collective liability of members was \$900 (2016: \$1,000).

Auditor's Independence Declaration

A copy of the auditor's 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
Chairperson



Hugh William de Kretser
Company Secretary

Dated this 3rd day of October 2017

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF HUMAN RIGHTS LAW CENTRE LIMITED

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 Limited for the year ended 30 June 2017, 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 AUDIT PTY LTD
Chartered Accountants



Eric Passaris
Partner – Audit & Assurance

Melbourne, 3 October 2017

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Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	2	2,668,146	1,596,641
Expenses			
Employee benefits expense		(1,355,474)	(987,859)
Occupancy expenses		(17,984)	(35,982)
Operational and administrative expenses		(1,039,883)	(370,128)
Total Expenses		<u>(2,413,341)</u>	<u>(1,393,969)</u>
Surplus for the year		254,805	202,672
Other Comprehensive Income		-	-
Total comprehensive income for the year		<u>254,805</u>	<u>202,672</u>

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,148,534	1,786,481
Trade and other receivables	4	44,975	121,338
Total current assets		2,193,509	1,907,819
Non-current assets			
Property, plant and equipment	5	6,691	-
Total non-current assets		6,691	-
TOTAL ASSETS		2,200,200	1,907,819
LIABILITIES			
Current liabilities			
Trade and other payables	6	75,153	75,638
Provisions	7	138,353	113,724
Grants received in advance		1,211,147	1,215,595
Total current liabilities		1,424,653	1,404,957
Non-current liabilities			
Provisions	7	45,749	27,869
Total non-current liabilities		45,749	27,869
TOTAL LIABILITIES		1,470,402	1,432,826
NET ASSETS		729,798	474,993
Equity			
Retained earnings		729,798	474,993
TOTAL FUNDS		729,798	474,993

Statement of Changes in Equity

For the year ended 30 June 2017

	Retained Earnings \$
Balance as at 1 July 2015	272,321
Surplus for the year	202,672
Total comprehensive income (loss) for the year	<u>202,672</u>
Balance as at 30 June 2016	<u>474,993</u>
Balance as at 1 July 2016	474,993
Surplus for the year	254,805
Total comprehensive income (loss) for the year	<u>254,805</u>
Balance as at 30 June 2017	<u>729,798</u>

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from grants, donations and other revenue		2,720,759	2,478,724
Payments to suppliers and employees		(2,377,563)	(1,318,480)
Interest received		26,092	14,371
Net cash provided by operating activities	8	<u>369,288</u>	<u>1,174,615</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(7,235)	-
Net cash used in investing activities		<u>(7,235)</u>	<u>-</u>
Net increase in cash and cash equivalents		362,053	1,174,615
Cash and cash equivalents at beginning of financial year		1,786,481	611,866
Cash and cash equivalents at end of financial year	8	<u>2,148,534</u>	<u>1,786,481</u>

Notes to the financial statements

For the year ended 30 June 2017

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 3 October 2017 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 2017

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 2017 employee entitlements is a provision for parental leave of \$50,614 (2016: \$45,191). 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.

(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.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(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 2017 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 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 2019;

(ii) AASB 15 Revenue from Contracts with Customers, effective for annual reporting periods beginning on or after 1 January 2019. When the revised standard is adopted for the year ending 30 June 2020, it is unlikely to have any significant impact on the entity. The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, 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.

(iii) AASB 1058 Income of Not-for-Profit Entities, effective for annual reporting periods beginning on or after 1 January 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to Not-for-profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers.

(iv) AASB 16 Leases effective for reporting periods beginning on or after 1 January 2019 replaces AASB 117 Leases and some lease-related Interpretations. The standard requires all leases to be accounted for 'on-balance sheet' by lessees. The entity does not believe that the adoption of this Standard will have a material impact on the financial statements.

Notes to the financial statements

For the year ended 30 June 2017

	2017 \$	2016 \$
2. Revenue		
Operating grants	2,100,611	913,849
Event Registrations	75,957	110,024
Donations	454,175	534,639
Interest income	26,092	14,371
Other revenue	11,311	23,758
Total revenue	<u>2,668,146</u>	<u>1,596,641</u>
3. Cash and cash equivalents		
Cash at bank	<u>2,148,534</u>	<u>1,786,481</u>
	2,148,534	1,786,481
4. Trade and other receivables		
CURRENT		
Trade receivables	6,318	43,095
Other receivables and prepayments	38,657	78,243
	<u>44,975</u>	<u>121,338</u>
5. Property, plant and equipment		
Computer Equipment - at costs	7,235	-
Accumulated depreciation	(544)	-
	<u>6,691</u>	-
6. Trade and other payables		
CURRENT		
Trade payables	60,332	72,139
Other payables and accruals	14,821	3,499
	<u>75,153</u>	<u>75,638</u>
7. Provisions		
CURRENT		
Employee benefits	<u>138,353</u>	<u>113,724</u>
NON CURRENT		
Employee benefits	<u>45,749</u>	<u>27,869</u>

Notes to the financial statements

For the year ended 30 June 2017

	2017 \$	2016 \$
8. Cash flow information		
Reconciliation of cash and cash equivalents		
Cash at bank	2,148,534	1,786,481
	<u>2,148,534</u>	<u>1,786,481</u>
Surplus (loss) for the year:	254,805	202,672
Non-cash flows in profit		
Depreciation and Amortisation	544	-
Changes in assets and liabilities		
Increase in trade and other receivables	76,363	(60,588)
Increase in trade and other payables	(487)	39,035
Increase in provisions	(4,447)	57,740
Increase in grants received in advance	42,509	935,756
Net cash provided by operating activities	<u>369,287</u>	<u>1,174,615</u>
9. Auditor's remuneration		
Remuneration of the auditor for:		
- Auditing the financial statements	1,900	3,000

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 2017 the collective liability of members was \$900 (2016: \$1,000).

11. 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 7 to 15, present fairly the company's financial position as at 30 June 2017 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
Chairperson



Hugh William de Kretser
Company Secretary

Dated this 3rd day of October 2017

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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 2017, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

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 Company's financial position as at 30 June 2017 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 of Opinion

We have 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to 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.

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Emphasis of Matter – Basis of Accounting

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

Directors' responsibility for the financial report

The Directors 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 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.

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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 Australian Auditing Standards will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism through the audit. A description of our responsibilities can be found on The Auditing and Assurance Standards Board website <http://www.auasb.gov.au/Home.aspx> (ref: para. Aus A57.1).



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Eric Passaris
Partner – Audit & Assurance

Melbourne, 3 October 2017