Advocacy and Rights Centre Limited

ABN: 23 082 541 240

Financial Report

For the year ended 30 June 2026

Advocacy and Rights Centre Limited
Table of Contents

CONTENTS	Page
Directors' Report	3
Auditor's Independence Declaration	8
Statement of Income and Retained Earnings	9
Statement of Financial Position	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	27
Independent Audit Report	28

Advocacy and Rights Centre Limited
Directors' Report

For the Year Ended 30 June 2026

The directors present their report of the company for the year ended 30 June 2026.

Directors

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

Erin Turner - (Chairperson)	Clare Fountain
Melissa Ralph	Ed Butler
Ian Heycox	Rebecca Hearn
Narlinga Morgan - Resigned 19/11/2025	

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

Principal Activities and Objectives

ARC Justice is an independent, not-for-profit, human rights organisation. Our Vision is for an inclusive community built on a foundation of human rights and equality before the law. Our programs deliver accessible legal services, tenancy advice and support to those in our community in the greatest need. We deliver community education and advocate for systemic change that enhances the rights of rural and regional Victorians.

Operating Result

Operations have continued to perform in line with expectations. The surplus (deficit) of the company for the financial year was:

Year ended 30 June 2026 $	Year ended 30 June 2025 $
(484,294)	(374,798)

Significant Changes

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial report.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Environmental Issues

The company is not subject to any significant environmental regulation.

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnification and Insurance of Directors and Officers

The company has indemnified all directors and the Chief Executive Officer in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or Chief Executive Officer of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on Behalf of the Entity

No person applied to the Court for leave to bring proceedings on behalf of the entity, or intervene in any proceedings on behalf of the entity, during the year.

The entity was not a party to any such proceedings during the year.

Information on Directors

Clare Fountain

Qualifications:	Higher National Diploma Business and Finance (UK), GAICD.
Experience:	Clare Fountain owns an award-winning professional services practice, working with clients across Australia. As the lead consultant, she delivers training, facilitation, consulting and mentoring across multiple sectors as well as designing and delivering strategic and business planning programs. Clare is regarded as a specialist in business model development in the co-operative sector and works in partnership with the peak body, the Business Council of Co-operatives and Mutuals, to deliver sector-informed training and education outcomes. An experienced director, Clare has been a founding member of several initiatives, including a platform co-op and a co-working space. She holds three governance roles.
Special Responsibilities:	Member of the Finance, Risk, Audit and Quality Committee.

Melissa Ralph

Qualifications:	Bachelor of Business; Diploma of Laws
Experience:	The chief executive officer of Hunter Health Insurance, Melissa has more than 19 years' experience across the member-owned financial services sector, with a strong background in strategy development and execution, financial management, risk management and governance. Melissa, previously the chief executive officer of Goulburn Murray Credit Union Co-operative, is a director of the Australian Regional Health Group. She holds memberships with the AICD and the Governance Institute of Australia.
Special Responsibilities:	Deputy Chair of the Board, Chair and Member of Finance, Risk, Audit and Quality Committee.

Ed Butler

Qualifications:	Bachelor, Economics; Economics and Politics.
Experience:	Ed Butler brings a strategic communications and consumer experience focus to the board. He has more than a decade of experience in for-purpose communications, specifically in the legal help and environment sectors. He is the manager of communications and customer services at Mount Alexander Shire Council. Ed has over a decade's experience across corporate, non-profit and state and local government communications. This has given him unique insights into the power of compelling storytelling to motivate action in an audience.
Special Responsibilities:	Member of the People and Culture Committee.

Erin Turner

Qualifications:	Master of Politics and Public Policy, AICD.
Experience:	Erin Turner is a consumer advocate who works with governments and regulators to make markets fairer for Australians. Erin is the CEO of the Consumer Policy Research Centre, a not-for-profit think tank. Erin's most recently led the advocacy and communications team at consumer group CHOICE and she previously worked for not-for-profits including the Australian Communications Consumer Action Network and the Community Broadcasting Association of Australia. Erin has a Bachelor of Arts and a Master of Politics and Public Policy. She is a graduate of the AICD and is a board member of the Australian Financial Complaints Authority.
Special Responsibilities:	Chairperson of the Board; Chairperson of the Executive Remuneration and Assessment Committee, Member of Finance, Risk, Audit & Quality Committee.

Rebecca Hearn

Qualifications:	CPA, Bachelor of Accounting, GAICD.
Experience:	Rebecca Hearn is a CPA with more than 21 years of financial leadership experience, specialising in business consulting, financial management and team development. She excels at streamlining operations, guiding strategic decisions and implementing robust financial systems. Her expertise covers financial reporting, budgeting and regulatory compliance across banking and agriculture. Recognised for a goal-oriented approach, strong organisation and relationship-building, she delivers business growth. Rebecca's passion extends to advocacy and the not-for-profit sector. Believing in the power of organisations to effect social change, she supports not-for-profits with resource management and financial sustainability through her strategic consulting background.
Special Responsibilities:	Member of Finance, Risk, Audit and Quality Committee.

Ian Heycox

Qualifications: Bachelor of Arts (Economics), Graduate Diploma of Commerce (Management), Executive Program (Management), GAICD.

Experience: Ian Heycox has more than 40 years of experience spanning community services, justice, public health, government, manufacturing and resources. As Chief People Officer at the Australian Community Services Organisation from 2018 to 2024, he was part of a leadership team leading initiatives to divert people from the justice system. He has held senior executive roles at Monash and Eastern Health, a private equity firm and BHP, focusing on cultural change, risk management and the employee experience. A champion of equity, diversity and inclusion, Ian is skilled at aligning organisational goals with community and regulatory expectations. He is a Director at Your People Experience and a corporate advisor at Melbourne-based architectural practice Trower Falvo.

Special Responsibilities: Chairperson of the People and Culture Committee.

Narlinga Morgan (Resigned 19/11/2025)

Qualifications: Bachelor International Relations & Affairs, Postgraduate Degree (Public Sector Management).

Experience: Narlinga Morgan, a very proud Yorta Yorta woman, brings experience and passion in social justice and human rights to the board, specifically in working with First Nations communities and underserviced communities and advocating for equality, better access to services and improved holistic health outcomes for all. She has held senior and leadership positions in State Government, not-for-profit community service organisations and Aboriginal community-controlled health services. Narlinga has led programs and projects in the healthcare, justice, disability, community mental health and family violence sectors and is a committee member on the board of a not-for-profit community service organisation that aims to support woman against gender-based violence.

Special Responsibilities: Member of the People and Culture Committee.

Meeting of Directors

During the financial year, 7 board meetings of directors were held. Attendances by each director were as follows:

	Board of Directors		Finance, Risk and Quality Committee		Executive Remuneration and Assessment Committee		People and Culture Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Clare Fountain	7	6	5	4	-	-	-	-
Melissa Ralph	7	5	5	5	1	1	-	-
Ed Butler	7	4	-	-	-	-	3	3
Narlinga Morgan	4	2	-	-	-	-	1	1
Erin Turner	7	7	5	0	1	1	3	0
Rebecca Hearn	7	6	5	4	-	-	-	-
Ian Heycox	7	6	-	-	1	1	3	3

Advocacy and Rights Centre Limited
Directors' Report

Meeting of Directors (continued)

	Nominations Committee	
	Eligible	Attended
Clare Fountain	1	1
Melissa Ralph	-	-
Ed Butler	1	0
Narlinga Morgan	-	-
Erin Turner	1	1
Rebecca Hearn	-	-
Ian Heycox	1	1

Members' Guarantee

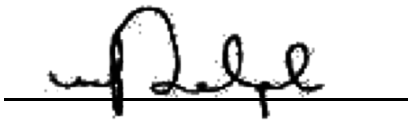
The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding and obligations of the entity. At 30 June 2026 the number of members was 6 (2025:7).

Auditors' Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2026 has been received and can be found on page 8 of the financial report.

The directors' report is signed in accordance with a resolution of the board of directors.





Erin Turner, Chairperson **Melissa Ralph, Deputy Chair**

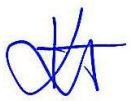
Dated this 13th day of October 2026.

Auditors Independence Declaration

To the Directors of Advocacy and Rights Centre Limited

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Advocacy and Rights Centre Limited. As the lead auditor for the audit of the financial report for the year ended 30 June 2026, 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.





RSD Audit

Kathie Teasdale
Director

19 October 2026

Advocacy and Rights Centre Limited
Statement of Income and Retained Earnings

For the Year Ended 30 June 2026

	Notes	2026 $	2025 $
Revenue	4	9,304,852	7,543,037
Other income	4	227,662	178,529
Employee benefits expense	5(a)	(7,407,262)	(6,652,983)
Depreciation and amortisation expense	5(b)	(324,913)	(327,383)
Finance Costs	5(c)	(79,326)	(83,184)
Administration and Program Expenses		(2,205,307)	(1,032,814)
Surplus/(Deficit)		**(484,294)**	**(374,798)**
Total comprehensive income attributable to members of the entity		**(484,294)**	**(374,798)**
Retained Earnings at the beginning of the reporting period		**2,243,914**	**2,618,712**
Total comprehensive income attributable to members of the entity		(484,294)	(374,798)
Retained Earnings at the end of the reporting period		**1,759,620**	**2,243,914**

The above Statement of Income and Retained Earnings should be read in conjunction with the accompanying notes.

Advocacy and Rights Centre Limited
Statement of Financial Position

As at 30 June 2026

	Notes	2026 $	2025 $
Current assets			
Cash and bank balances	6	2,208,240	3,467,327
Trade and other receivables	7	152,046	70,335
Other assets	8	272,215	182,881
Total current assets		**2,632,501**	**3,720,543**
Non-current assets			
Property, plant and equipment	9	573,325	605,693
Right-of-use Assets	10	1,588,694	1,644,090
Total non-current assets		**2,162,019**	**2,249,783**
Total assets		**4,794,520**	**5,970,326**
Current liabilities			
Trade and other payables	11	562,249	556,116
Deferred government grants	12	12,031	806,500
Provisions	13	648,010	548,457
Lease Liabilities	14	242,396	198,202
Total current liabilities		**1,464,686**	**2,109,275**
Non-current liabilities			
Provisions	13	63,178	38,927
Lease Liabilities	14	1,507,036	1,578,210
Total non-current liabilities		**1,570,214**	**1,617,137**
Total liabilities		**3,034,900**	**3,726,412**
Net assets		**1,759,620**	**2,243,914**
Equity			
Retained earnings		1,759,620	2,243,914
Total equity		**1,759,620**	**2,243,914**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Advocacy and Rights Centre Limited
Statement of Cashflows

For the Year Ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers and government grants		8,559,827	6,313,661
Payments to suppliers and employees		(9,547,232)	(7,632,358)
Interest received		72,365	55,571
Interest expense		(79,326)	(83,184)
Net cash provided by / (used in) operating activities	15	**(994,366)**	**(1,346,310)**
Cash flows from investing activities			
Payments for property, plant and equipment		(46,959)	(291,122)
Net cash used in investing activities		**(46,959)**	**(291,122)**
Cash flows from financing activities			
Payment of finance lease commitments		(217,762)	(195,490)
Net cash used in financing activities		**(217,762)**	**(195,490)**
Net decrease in cash held		(1,259,087)	(1,832,922)
Cash and bank balances at the beginning of the financial year		3,467,327	5,300,249
Cash and bank balances at the end of the financial year	6	**2,208,240**	**3,467,327**

The above Statement of Cashflows should be read in conjunction with the accompanying notes.

Advocacy and Rights Centre Limited
Notes to the Financial Statements
For the Year Ended 30 June 2026

These financial statements cover Advocacy and Rights Centre Limited (ARC Justice) as an individual entity, incorporated and domiciled in Australia. Advocacy and Rights Centre Limited is a company limited by guarantee.

ARC Justice is an independent, not-for-profit, human rights organisation. Our Vision is for an inclusive community built on a foundation of human rights and equality before the law. Our programs deliver accessible legal services, tenancy advice and support to those in our community in the greatest need. We deliver community education and advocate for systemic change that enhances the rights of rural and regional Victorians.

Note 1: Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and 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, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars ($) and have been rounded to the nearest dollar.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated. The company has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:
- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or estimation
- Relates to a complex transaction and is required to explain the treatment to the user.

Going concern
During the year ended 30 June 2026, ARC Justice recorded a net deficit of $484,294. As at 30 June 2026, the organisation had cash and cash equivalents of $2.21 million, net current assets of $1.17 million and net assets of $1.76 million.

The financial statements have been prepared on a going concern basis. In assessing the appropriateness of this basis, the Directors considered the organisation's cash reserves, approved budgets and cash flow forecasts, existing funding agreements with government and statutory funding bodies, the historical renewal of recurrent funding programs, and management's ability to manage operating expenditure. Management notes that the deficits reported at 30 June 2025 and 2026 arose largely from the timing of grant funding and related revenue recognition, following a surplus of $1.12 million at 30 June 2024, and do not indicate a decline in the organisation's underlying financial sustainability.

Based on this assessment, the Directors have a reasonable expectation that ARC Justice will have sufficient resources to continue its operations and meet its obligations as they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

The financial statements were authorised for issue on 13th October 2026 by the directors of the company.

Comparatives are consistent with prior years, unless otherwise stated.

Note 2: Material Accounting Policy Information

(a) Revenue

Grant income
Where grant income arises from an agreement which is enforceable and contains sufficiently specifc performance obligations then the revenue is recognised when control of each performance obligations is satisfied. The performance obligations are varied based on the agreement.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue in the scope of AASB 1058 *Income of Not for Profit Entities* is recognised on receipt unless it relates to a capital grant which satisfies certain criteria, in this case the grant is recognised as the asset is acquired or constructed.

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

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

All revenue is stated net of the amount of goods and services tax.

(b) 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*.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Leasehold improvements and plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2 (e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Note 2: Material Accounting Policy Information (continued)

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's effective life to the company commencing from the time the asset is held ready for use.

The effective life used for each class of depreciable assets are:

Class of Fixed Asset	Effective Life
Leasehold Improvements	4-25 years
Plant and Equipment	3-20 years
Artwork	100 years

(d) Financial Instruments

Financial Assets
The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Impairment of financial assets
Impairment of trade receivables have been determined using the simplfied approach in AASB 9 *Financial Instruments* which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of impairment is recorded in a separate allowance account with the loss being recognised as an expense. Once the receivable is determined to be uncollectable, then the carrying amount is written off against the associated allowance.

Where the company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the orginal effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial Liabilities
The financial liabilities of the company comprise trade payables and lease liabilities.

(e) Impairment of Assets

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Note 2: Material Accounting Policy Information (continued)

(f) Employee Benefits

Short term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages, and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Note 3: Critical Accounting Estimates and Judgements

Judgements, estimates and assumptions are required to be made about the financial information being presented. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Key Estimates

Annual leave

For the purpose of measurement, AASB 119 *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Note 3: Critical Accounting Estimates and Judgements (continued)

Long service leave calculation

The company assesses the long service leave liability in accordance with the requirements of AASB 119 *Employee Benefits* and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2026. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions).

The probability rates have been determined based on management's best estimate and it has not been based on past retention data.

Grant income

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under both AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not for Profit Entities* depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

Advocacy and Rights Centre Limited
Notes to the Financial Statements

For the Year Ended 30 June 2026

Note 4: Revenue and Other Income	2026 $	2025 $
Revenue from government grants and other grants:		
- Victorian Legal Aid	5,203,131	5,222,591
- Department of Families, Fairness and Housing	448,629	434,130
- Federation of Community Legal Centres	508,667	500,993
- Consumer Affairs Victoria	161,830	336,673
- Department of Justice and Regulation	427,337	447,068
- Victorian Legal Services Board	1,970,742	146,250
- Other organisations	584,516	455,332
	9,304,852	7,543,037
Other income:		
- Interest received	72,365	55,571
- Donations received	1,060	2,816
- Other income	154,237	120,142
	227,662	178,529
Total Revenue and Other Income	9,532,514	7,721,566

Note 5: Expenses	2026 $	2025 $
Note 5(a): Employee benefits expense		
- Salary and wages	6,342,687	5,757,352
- Superannuation	753,289	651,464
- Portable LSL	97,960	89,453
- Staff training	176,063	105,041
- HR & Staff Expenses	37,263	49,673
Total Employee Benefits Expense	7,407,262	6,652,983
Note 5(b): Depreciation and amortisation expense		
- Leasehold improvements	36,232	32,543
- Plant and equipment	42,503	52,195
- Right to use assets	246,178	242,645
Total Depreciation and amortisation expense	324,913	327,383
Note 5(c): Finance costs		
- Finance costs on lease liabilities	79,326	83,184
Total Finance costs	79,326	83,184

Note 6: Cash and Bank Balances		
Current		
Cash on hand	188	146
Cash at bank	971,758	2,248,999
Short term bank deposits	1,236,294	1,218,182
Total Cash and Bank Balances	2,208,240	3,467,327

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

Note 7: Trade and Other Receivables	2026 $	2025 $
Government grants receivable	139,700	70,335
Other receivables	12,346	
Total Trade and Other Receivables	152,046	70,335

Trade and other receivables includes amounts due from customers for services performed 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.

Note 8: Other Current Assets		
Prepayments	205,402	133,561
Accrued income	37,789	23,920
Property bond	29,024	25,400
Total Other Current Assets	272,215	182,881

Note 9: Property, Plant and Equipment		
Leasehold improvements		
At cost	673,192	669,841
Less accumulated depreciation	(202,873)	(166,641)
	470,319	503,200
Plant and Equipment		
At cost	245,892	208,340
Less accumulated depreciation	(142,886)	(105,847)
	103,006	102,493
Total Property, Plant and Equipment	573,325	605,693

Movements in carrying amounts:

	Leasehold Improvements $	Plant and Equipment $	Total $
WDV Balance at 1 July 2024	289,900	124,679	**414,579**
Additions	255,853	35,269	**291,122**
Disposals	(10,010)	(5,260)	**(15,270)**
Depreciation expense	(32,543)	(52,195)	**(84,738)**
WDV Balance at 1 July 2025	503,200	102,493	**605,693**
Additions	3,351	43,608	**46,959**
Disposals	-	(592)	**(592)**
Depreciation expense	(36,232)	(42,503)	**(78,735)**
WDV Balance at 30 June 2026	470,319	103,006	**573,325**

Note 10: Right-of-use Assets	2026 $	2025 $
Right-of-use Assets		
Buildings	1,391,752	1,452,634
Vehicles	177,019	144,969
Plant & Equipment	19,923	46,487
Net carrying amount	1,588,694	1,644,090

	Plant and Equipment $	Motor Vehicles $	Buildings $	Total $
WDV Balance at 1 July 2025	46,487	144,969	1,452,634	**1,644,090**
AASB16 Remeasurement	-	-	46,386	**46,386**
Additions		90,419	53,977	**144,396**
Depreciation expense	(26,564)	(58,369)	(161,245)	**(246,178)**
WDV Balance at 30 June 2026	19,923	177,019	1,391,752	**1,588,694**

Additions to right-of-use assets during the 2026 financial year were $144,396 (2025: Nil)

Initial recognition

The right-of-use asset is initially measured at cost comprising of the following:

* the initial amount of the lease liability measured at the present value of the future lease payments;
* any lease payments made at or before the commencement date, less any lease incentives received;
* initial direct costs; and
* estimate of the cost to be incurred upon disassembling or restoring the underlying asset to the condition required by the terms of the lease.

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases (less than 12 months) and low value leases (less than $10,000). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The right-of-use asset is carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

In accordance with AASB 16 *Leases* , a review and increase of our lease payments for our building in High Street, Shepparton, from 1 July 2025, has resulted in the remeasurement of the right-of-use asset of $18,049. This increase has been calculated from the commencement of the lease at 1 July 2019.
In accordance with AASB 16 *Leases* , a review and increase of our lease payments for our building in Hargreaves Street, Bendigo, from 1 July 2025, has resulted in the remeasurement of the right-of-use asset of $28,337. This increase has been calculated from the commencement of the asset at 1 July 2019.

Depreciation and impairment of right-of-use assets

The right-of-use asset is depreciated over the lease term on a straight-line basis.

Note 11: Trade and Other Payables	2026 $	2025 $
Accounts payable	45,239	62,483
Credit cards	5,300	7,836
Net GST payable	98,212	86,585
Payroll liabilities	404,702	383,767
Accrued expenses	8,796	15,445
Total Trade and Other Payables	562,249	556,116

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 12: Deferred Government Grants	2026 $	2025 $
Victorian Legal Aid	-	806,500
Other prepaid income	12,031	-
Total Deferred Government Grants	12,031	806,500

Note 13: Provisions

Current		
Provision for annual leave	532,098	436,413
Provision for long service leave	115,912	112,044
	648,010	548,457
Non-Current		
Provision for long service leave	63,178	38,927
Total Provisions	711,188	587,384

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 3.

Note 14: Lease Liabilities	2026 $	2025 $
Current	242,396	198,202
Non-Current	1,507,036	1,578,210
Total Lease Liabilities	1,749,432	1,776,412
Maturity analysis of future lease payments		
Not later than 1 year	314,285	266,235
Later than 1 year but not later than five years	689,037	719,678
Later than 5 years	1,299,874	1,391,125
Total future lease payments	2,303,196	2,377,038

Initial Measurement

For any new contract entered into, the company considers whether a contract is, or contains a lease. A contract is or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease liability is intially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the incremental borrowing rate.

Lease Payments included in the measurement of the lease liability comprise the following:

* fixed payments, less any lease incentive receivable;
* variable payments based on an index rate;
* amounts expected to be payable under a residual value guarantee; and
* payments arising from purchase and termination options reasonably certain to be exercised.

The interest on the lease liability is recognised in profit and loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

Note 14: Lease Liabilities (continued)

As at 30 June 2026 the company was committed to the following leases:

Right Of Use Asset/Lease Liability	No. of ROU Assets Leased	Range of remaining terms in years	No with extension clause	Range of extension clause terms in years
Vehicles	8	<1-5	-	-
Equipment	1	1	-	-
Buildings	3	1-5	1	9

In determining the lease term, extension options are only included in the lease term if the lease is reasonably certain to be extended. This assessment is reviewed if a significant event or change in circumstance occurs.

Note 15: Cash flow Information

	2026 $	2025 $
Reconciliation of surplus to net cash provided by/(used in) operating activities		
Surplus	(484,294)	(374,798)
Non cash items:		
- Depreciation	324,913	327,383
- Loss on sale of PPE	592	15,270
Changes in assets and liabilities:		
- Decrease in trade and other receivables	(81,711)	201,400
- Increase in other assets	(89,334)	(3,728)
- Increase/(decrease) in trade and other payables	6,133	(90,104)
- Increase/(decrease) in deferred government grants	(794,469)	(1,534,259)
- Increase in provisions	123,804	112,526
Net cash flows provided by operating activities	(994,366)	(1,346,310)

Note 16: Contingent Liabilities and Contingent Assets

There are no known contingent assets or contingent liabilities for Advocacy and Rights Centre Limited as at 30 June 2026.

Note 17: Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year which affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Note 18: Director and Related Party Disclosures

(a) Related party transactions

No director or related entity has entered into a material contract with the company. No director's fees have been paid as the positions are held on a voluntary basis.

The names of directors who have held office during the financial year are:

Erin Turner	Melissa Ralph
Clare Fountain	Ed Butler
Rebecca Hearn	Ian Heycox
Narlinga Morgan	

(b) Remuneration of key management personnel

The total amount of compensation paid or provided to key management personnel for the financial year was $782,772 (2025: $703,300).

Note 19: Remuneration of Auditors

	2026	2025
	$	$
Auditor: (RSD Audit)		
Audit of the financial statements	11,100	10,500
Audit of Financial Acquittals	1,600	1,500
Total Remuneration of Auditors	12,700	12,000

Note 20: Segment Reporting

The company operates predominantly in one business and geographical segment, being the community services sector providing legal and welfare services to communities throughout Central Victoria.

Note 21: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2026	2025
Financial assets		$	$
Cash and bank balances	6	2,208,240	3,467,327
Receivables and other assets	7,8	424,261	253,216
Total financial assets at amortised cost		2,632,501	3,720,543
Financial liabilities			
Trade and other payables	11	562,249	556,116
Deferred government grants	12	12,031	806,500
Lease liabilities	14	1,749,432	1,776,412
Total financial liabilities at amortised cost		2,323,712	3,139,028

Note 22: Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding and obligations of the entity. At 30 June 2026 the number of members was six (2025: seven).

Note 23: Economic Dependence

Advocacy and Rights Centre Limited is dependent upon the State of Victoria, via Legal Aid Victoria, the Department of Families, Fairness and Housing and the Department of Justice and Regulation for the funding of a significant proportion of its operations. At the date of this report the Board of Directors has no reason to believe these departments will not continue to support Advocacy and Rights Centre Limited.

Note 24: New and Revised Standards that are effective for these financial statements

The company has not applied any new or revised Australian Accounting Standards, Interpretations or amendments that have been issued for the first time in 2025-26. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 25: Registered Office/Principal Place of Business

The registered office of the association is:
Advocacy and Rights Centre Limited
171 Hargreaves Street
BENDIGO VICTORIA 3550

The principal place of business is:
Advocacy and Rights Centre Limited
171 Hargreaves Street
BENDIGO VICTORIA 3550

Advocacy and Rights Centre Limited
Directors' Declaration

In accordance with a resolution of the directors of Advocacy and Rights Centre Limited, the directors of the entity declare that:

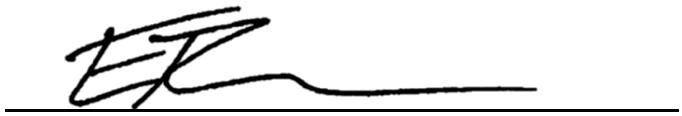
1 The financial statements and notes, as set out on pages 9 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

a. comply with Australian Accounting Standards - Simplified Disclosures; and

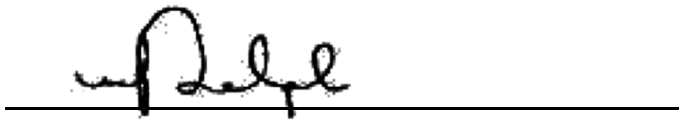
b. give a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the year ended on that date.

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.

Erin Turner
Chairperson



Melissa Ralph
Deputy Chair



Dated this 13th day of October 2026.

Independent Auditor's Report

To the Directors of Advocacy and Rights Centre Limited

Report on the audit of the financial report.

Opinion

We have audited the financial report of Advocacy and Rights Centre Limited (the entity) which comprises the statement of financial position as at 30 June 2026, the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the entity 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 entity's financial position as at 30 June 2026 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 Regulations 2022*.

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 entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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.

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 Directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Directors are responsible for assessing 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSD Audit

Kathie Teasdale
Director

19 October 2026