

# Relationships Australia (Victoria) Limited

## Financial Statements

For the year ended 30 June 2019

ABN 51 263 215 677

# Relationships Australia (Victoria) Limited

ACN 628 873 941

**Board Report**

**for the year ended 30 June 2019**

Your Board presents their financial report of Relationships Australia (Victoria) Limited (RAV) for the financial year ended 30 June 2019.

## **Directors**

The names of Board Members in office at any time during, or since the end of, the year are:

Lyn Littlefield (President)

Kaye Frankcom (Vice President)

John Lovell

Kimberly Hunter

Michael Hunt

Paul Staindl

Ronda Jacobs (appointed 29 October 2018)

Michael Shaw (appointed 29 October 2018)

Peter Gome (until 29 October 2018)

Debra Goldfinch (until 29 October 2018)

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

## **Principal Activities**

The principal activities of Relationships Australia (Victoria) Limited during the financial year were to provide specialist family services including counselling, education, mediation and professional development to families, children, parents, couples and individuals.

There were no significant changes in the nature of these activities that occurred during the year.

## **Operating Results**

The surplus for the financial year amounted to \$785,083 (2018: \$738,935).

## **Review of Operations**

During the year under review, RAV has continued to provide specialist family services and relationship support services predominantly under ongoing and renewed government contracts. Federal funding was provided by the Attorney General's Department and by the Department of Social Services (DSS). State funding was provided through the Department of Human Services and the Department of Justice.

## **Significant Changes in State of Affairs**

No significant changes in RAV's state of affairs occurred during the financial year.

## **Events Subsequent to Balance Date**

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

## **Environmental Issues**

RAV operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

# Relationships Australia (Victoria) Limited

ACN 628 873 941

## Board Report

### Information on current Board Members

#### **Professor Lyn Littlefield OAM – President**

Lyn has recently retired after 17 years as the Executive Director of the Australian Psychological Society, the peak professional body for psychologists in Australia. Lyn still serves on a number of Federal Government expert advisory and reference groups concerned with health and mental health policy, and service delivery. Lyn was formerly Head of the School of Psychological Science, La Trobe University and Inaugural Director of the Victorian Parenting Centre. She is a clinical psychologist specialising in couple, child, family and group therapy, as well as conflict resolution. She is a Fellow of the Australian Institute of Company Directors (AICD) and the Australian Institute of Management. Lyn has been a Board Member since 1993, was Vice-President from May 2013 and has been President of the RAV Board since October 2014.

#### **Ms. Kaye Frankcom - Vice president**

Kaye is a highly accomplished businesswoman and leader in the health sector. She is an endorsed clinical and counselling psychologist, consultant to the insurance industry, in-demand speaker and trainer, and has held national roles in psychology regulation and professional standards. She has operated a successful group psychology practices over her 30+ year career. Kaye is a well-known mentor and supervisor to early career psychologists. She currently operates a consulting company offering business advice and coaching to psychology practices. She was an appointee to the first Psychology Board of Australia. Her current appointments include Independent Chair of the Expert Advisory Group on Mental Health (North Western Melbourne Primary Health Network), NED on the Osteopathy Australia Board. Kaye chairs the Clinical Governance Committee. She joined the RAV Board in 2016.

#### **Mr Michael Hunt**

Michael has practiced as a mediator for more than 30 years and was instrumental in the setting up of the family mediation system in Australia. During the 1990s, Michael was Director of the Family and Child Mediation Service at RAV. He was CEO of RAV from 2001 until he retired in 2010. He is a former Board member of Family Relationships Services Australia. Michael remains an Accredited Mediator under the National Mediator Standards Board and a Clinical Member of the Australian Association of Family Therapists. Now in semi-retirement, he remains active in the sector, providing consulting services to Bond University's Dispute Settlements Centre, The College of Law and various not-for-profit organisations. Michael joined the RAV Board in 2018.

#### **Ms Kimberly Hunter**

A director of Clancy & Triado, Kimberly completed her Bachelor of Laws at Auckland University. She was admitted to practice in 1989 and decided early on to specialise in family law. During a six-month attachment to the Human Rights Commission, Kimberly researched and prepared a submission on Marital Status Discrimination. After living and working in London for five years, she moved to Australia in 1996 and joined Clancy & Triado. She became an accredited specialist in family law in 1999. An active member of the Law Institute of Victoria, she has served on numerous committees, including the Executive of the Law Institute of Victoria's Family Law Section, the Children and Youth Issues Committee and the Courts Practice Committee. She is a member of the Family Law Section of the Law Council of Australia and the RA lawyers' panel. She joined the RAV Board in 2011.

#### **Ms Ronda Jacobs**

Ronda is CEO of Carrington Health and healthAbility community health services. Previously, she has held the roles of Managing Director Australia and South East Asia for Catalent Pharma Solutions, as well as General Manager Australia and South East Asia, and Director Business Development for Cardinal Health (Catalent). Ronda has broad strategic, leadership, marketing and financial credentials and a strong background in Board governance and compliance. She is passionately committed to improving the health and wellbeing of Australian families, with a reputation as an energetic, innovative and strategic thinker in both the private and not-for-profit sectors. She has considerable Board experience, including with the Family Access Network, Greater Metropolitan Cemeteries Trust, TRY Australia, the Regulatory Policy Committee of the Australian Self Medication Industry and Inner East Primary Care Partnership. Ronda was a member of the RAV Board from 2005 to 2013. She re-joined the Board in 2018.

# Relationships Australia (Victoria) Limited

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## Board Report

### Mr John Lovell

John has more than 25 years' experience in the IT industry, both within Australia and internationally. His experience covers IT projects for the introduction of ATMs and EFT/POS within Australia, pay TV systems, broadband services and other significant IT-related projects. Prior to returning to Australia, John was based in Hong Kong, where he was responsible for the IT infrastructure for the Walt Disney Company across Asia Pacific. John has also worked within the education sector, assisting with the integration of IC&T and innovation to effect positive learning outcomes. He joined the RAV Board in 2008.

### Mr Michael Shaw

Michael is a Managing Director at BlueMount Capital Group, and Executive Chairman of BlueMount Capital (Beijing) Co, Ltd. BlueMount Capital is the leading mid-tier investment banking and corporate advisory firm in Australia. Michael has extensive knowledge of both the commercial and not-for-profit sectors. He specialises in assisting mid-tier, growth-oriented private businesses to move through all phases of their life cycle, including creation, growth, transitioning and exit. He is highly experienced across several industry sectors and also in cross border transactions including mergers and acquisitions, international public offerings, divestments and private capital placements. Michael has 30 years' Board experience with 10 organisations, including serving as a member of a key Australian Psychological Society Board Committee for 19 years, of the Relationships Australia National Board for 10 years including as President for four years, and as Executive Chair of Australia's leading healthcare and pharmaceutical recruitment, contract sales and marketing firms. Michael was a member of the RAV Board from 1990 until 2015, before rejoining the RAV Board in 2018.

### Mr Paul Staindl

Paul is an accredited lawyer specialising in family law and the Managing Director of Clancy & Triado, with strong knowledge and experience in family law. He has served on many committees in his professional capacity and also on a number of boards in the not-for-profit sector. He has chaired the Executive of the Law Institute Family Law Section and has also served on and chaired the Specialisation Board of the Law Institute for five years. He has published many papers on family law and participated in many seminars to the profession, the community and on radio. Paul chairs the Governance Committee. He joined the RAV Board in 2018.

### Meetings of the Board

During the financial year, attendances by each board member were as follows:

	Board meetings eligible to attend	Meetings attended
Lyn Littlefield	9	9
Kaye Frankcom	9	7
John Lovell	9	8
Kimberly Hunter	9	8
Michael Hunt	9	9
Paul Staindl	9	9
Ronda Jacobs	7	6
Michael Shaw	7	7
Peter Gome	3	2
Debra Goldfinch	3	1

### Indemnifying Officers or Auditors

RAV has paid premiums to insure the Board Members and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as a director or officer of the Company, other than conduct involving a wilful breach of duty in relation to RAV. Under the terms of the policy, the premium may not be disclosed.

# Relationships Australia (Victoria) Limited

ACN 628 873 941

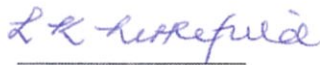
Board Report

## Proceedings on Behalf of RAV

No person has applied for leave of Court to bring proceedings on behalf of RAV or intervene in any proceedings to which RAV is a party for the purpose taking responsibility on behalf of RAV for all or part of those proceedings.

RAV was not a party to any such proceedings during the financial year.

Signed in accordance with a resolution of the Members of the Board.



Lyn Littlefield  
President



Michael Hunt  
Director

Signed in Camberwell this 17th day of September 2019

## Auditor's Independence Declaration

To the Directors of Relationships Australia (Victoria) 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 Relationships Australia (Victoria) Limited for the year ended 30 June 2019, 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



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 17 September 2019

# Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	2	28,674,940	26,003,541
Employee benefits expenses		(20,665,702)	(19,294,968)
Depreciation and amortisation expenses		(156,001)	(21,731)
Occupancy expenses		(2,159,487)	(2,285,030)
Bad debts expenses		(41,139)	(30,337)
Other expenses		(4,867,528)	(3,632,540)
<b>Total Expenses</b>		<b>(27,889,857)</b>	<b>(25,264,606)</b>
<b>Surplus before income tax</b>		<b>785,083</b>	<b>738,935</b>
Income tax expense	1 (f)	-	-
<b>Surplus</b>		<b>785,083</b>	<b>738,935</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of land		-	3,197,000
<b>Other Comprehensive Income</b>		<b>-</b>	<b>3,197,000</b>
<b>Total Comprehensive Income</b>		<b>785,083</b>	<b>3,935,935</b>

# Statement of Financial Position

as at 30 June 2019

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	4a	611,322	960,275
Other financial assets	4b	15,050,972	13,100,972
Trade and other receivables	5	736,230	496,547
<b>Total Current Assets</b>		<b>16,398,524</b>	14,557,794
<b>Non-Current Assets</b>			
Property, plant and equipment	6	6,169,109	6,218,841
<b>Total Non-Current Assets</b>		<b>6,169,109</b>	6,218,841
<b>Total Assets</b>		<b>22,567,633</b>	20,776,635
<b>Current Liabilities</b>			
Trade and other payables	7	2,687,928	2,315,401
Provisions	8	3,965,355	3,445,637
Other current liabilities	9	223,165	148,000
<b>Total Current Liabilities</b>		<b>6,876,448</b>	5,909,038
<b>Non-Current Liabilities</b>			
Provisions	8	837,435	798,930
<b>Total Non-Current Liabilities</b>		<b>837,435</b>	798,930
<b>Total Liabilities</b>		<b>7,713,883</b>	6,707,968
<b>Net Assets</b>		<b>14,853,750</b>	14,068,667
<b>Equity</b>			
Asset revaluation reserves	1(n)	6,582,146	6,582,146
Accumulated surplus		8,271,604	7,486,521
<b>Total Equity</b>		<b>14,853,750</b>	14,068,667



# Statement of Changes in Equity

for the year ended 30 June 2019

	Accumulated Surplus \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2017	6,747,586	3,385,146	10,132,732
Profit for the year	738,935	-	738,935
Other comprehensive income	-	3,197,000	3,197,000
Total comprehensive income	738,935	3,197,000	3,935,935
<b>Balance at 30 June 2018</b>	<b>7,486,521</b>	<b>6,582,146</b>	<b>14,068,667</b>
Balance at 1 July 2018	7,486,521	6,582,146	14,068,667
Profit for the year	785,083	-	785,083
Other comprehensive income	-	-	-
Total comprehensive income	785,083	-	785,083
<b>Balance at 30 June 2019</b>	<b>8,271,604</b>	<b>6,582,146</b>	<b>14,853,750</b>

# Statement of Cash Flows

for the year ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Grants received		27,167,408	23,781,116
Fees & other receipts		3,919,502	4,265,679
Payments to suppliers and employees		(29,744,002)	(27,320,638)
Net cash provided by / (used in) operating activities	16	1,342,908	726,157
<b>Cash flows from investing activities</b>			
Interest received		364,408	335,169
Purchase of property, plant and equipment		(106,269)	-
Investment in term deposits		(1,950,000)	(625,000)
Net cash (used in) / provided by investing activities		(1,691,861)	(289,831)
Net increase in cash held		(348,953)	436,326
Cash and cash equivalents at beginning of financial year		960,275	523,949
Cash and cash equivalents at end of financial year	4a	611,322	960,275

# Notes to the financial statements

for the year ended 30 June 2019

## 1. Statement of significant accounting policies

### (a) Statement of accounting policies

Relationships Australia (Victoria) Ltd ("RAV") applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* and other applicable Australian Accounting Standards - Reduced Disclosure Requirements.

### (b) Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and Australian Charities and Not-for-profits Commission Act 2012. RAV is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 17 September 2019 by the Board.

### (c) Summary of changes in significant accounting policies

The financial statements have been prepared in accordance with the same accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2018, except as described below. Note that the changes in accounting policies specified below only apply to the current year. The accounting policies included in the Company's last annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

#### (i) Impact of adoption of AASB 9 Financial Instruments

New accounting policy for financial instruments applicable from 1 July 2018.

There were no financial assets or liabilities that the Company had previously designated as fair value through other comprehensive income under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification or elected reclassification upon the application of AASB 9. There were no financial assets or liabilities that the Company has elected to designate as fair value through other comprehensive income at the date of initial application of AASB 9.

The Company applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment and general hedge accounting.

The date of initial application was 1 July 2018. The Company has taken the modified approach outlined in (ii) below.

Financial Instrument as at 30/06/2018	AASB 139 Measurement	AASB 9 Classification	Carrying amount as at 30/6/2018 under AASB 139	Carrying amount as at 1/7/2018 under AASB 9
Trade and other receivables	Loan and receivables	Amortised cost	482,603	482,603
Trade and other payables	Amortised cost	Amortised cost	2,301,457	2,301,457

# Notes to the financial statements

for the year ended 30 June 2019

## 1. Statement of significant accounting policies (cont'd)

### (c) Summary of changes in significant accounting policies (cont'd)

#### (ii) Impact of transition to AASB 9

The impact of the transition to AASB 9 both retrospectively and to 30 June 2019 were considered immaterial to the financial report and thus no adjustments were made.

#### New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following paragraphs summarise those future requirements, and their impact on the Company where the standard is relevant.

##### *AASB 16: Leases - Effective 1 January 2019*

This standard replaces AASB 117 Leases and some lease-related Interpretations. It requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases and provides new guidance on the application of the definition of lease and on sale and lease back accounting. This standard largely retains the existing lessor accounting requirements in AASB 117 however requires new and different disclosures about leases.

Management has not yet made an assessment on whether this standard will have a material impact on the transactions and balances when this standard is first adopted for the year ending 30 June 2020.

##### *AASB 1058: Income of Not-for-Profit Entities - Effective 1 January 2019*

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- (a) Contributions by owners;
- (b) Revenue, or a contract liability arising from a contract with a customer;
- (c) A lease liability;
- (d) A financial instrument; or
- (e) A provision.

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

# Notes to the financial statements

for the year ended 30 June 2019

## 1. Statement of significant accounting policies (cont'd)

### (c) Summary of changes in significant accounting policies (cont'd)

*AASB 15: Revenue from Contracts with Customers - Effective 1 January 2019*

This standard replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue related interpretations and establishes a new revenue recognition model.

RAV has chosen not to early adopt AASB 15 before the mandatory application date of 1 July 2019. Therefore this standard will come into effect for the next financial year ended 30 June 2020. As noted above, similar to AASB 1058, this will not have a material impact on the transactions and balances recognised in the financial statements.

### (d) Basis of preparation

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.

### (e) Revenue & Other Income

*Government Grants*

Revenue from government grants is recognised when received, unless there are conditions attaching to particular grants in which case the uncompleted portion of the funding may be recognised as unexpended program and project monies.

Grants for capital expenditures from government are recognised as revenue when the funds are spent or committed on capital expenditures. Amounts not spent or committed are recognised as unexpended program and project monies.

*Client Fees*

Revenue from all services is recognised when delivered.

*Interest Revenue*

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

### (f) Income Tax

No provision for income tax has been raised as RAV is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

### (g) 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 Tax 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

### (h) Cash and Cash Equivalents

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

# Notes to the financial statements

for the year ended 30 June 2019

## **1. Statement of significant accounting policies (cont'd)**

### **(i) Property, Plant & Equipment**

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

#### *Land and building*

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

#### *Plant and Equipment*

Plant and equipment are measured on the cost basis less depreciation and impairment losses. New plant and equipment with a cost of \$3,000 or less is expensed in the year acquired.

#### *Depreciation*

The depreciable amount of all items of plant and equipment and leasehold improvement is depreciated over the term of the grant funding.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### *Restoration costs*

RAV has provided for restoration costs in relation to leased premises. The present value of this amount has been reflected as a liability. Refer to Note 8 for recognition of the liability.

# Notes to the financial statements

for the year ended 30 June 2019

## **1. Statement of significant accounting policies (cont'd)**

### **(j) Provisions**

Provisions are recognised when RAV has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Contributions are made by RAV to an employee superannuation fund and are charged as expenses when incurred.

#### *Provision for Employee Benefits*

Provision is made for RAV's liability for employee benefits arising from services rendered by employees to balance date. Measurement of short-term and long-term employee benefits.

#### *Short-term employee benefits*

Employee benefits expected to be settled wholly within one year have been measured at the undiscounted amount expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by RAV to an employee superannuation fund and are charged as expenses when incurred.

#### *Long-term employee benefits*

Long service leave is provided from the commencement of employment on a pro-rata basis and is accrued at the rate of 13 weeks paid leave for 10 years of continuous service under the management Certified Agreement 2013 - 2018 and Staff Certified Agreement 2013 - 2017. An employee is entitled to pro-rata long service leave if they leave the employment of RAV after the completion of seven years continuous service, otherwise leave may be taken in the normal course of employment following completion of seven years of continuous 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 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 timing of the estimated future cash outflows.

### **(k) Unexpended Program and Project Monies**

Unexpended monies represent funding from government bodies and other organisations for programs and projects including capital expenditure not yet expended or committed at the end of the financial year.

Unexpended monies represent:

- (i) a future sacrifice of economic benefit that RAV is presently obliged to make as a result of a past transaction or other past events; and
- (ii) amounts that may be refunded if not expended within the terms of the respective funding agreements. Terms of the funding agreements range from 1 to 5 years.

### **(l) Leases**

#### *Operating leases*

Where RAV is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

# Notes to the financial statements

for the year ended 30 June 2019

## 1. Statement of significant accounting policies (cont'd)

### (m) Impairment of Assets

At each reporting date, Board Members review the carrying values of RAV's tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

### (n) Reserves

#### *Asset Revaluation Reserve*

The asset revaluation reserve records revaluations of property at 46 Princess Street, Kew.

### (o) Financial Instruments

#### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### *Financial assets at amortised cost*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Company's trade and most other receivables fall into this category of financial instruments that were previously classified as loans and receivables under AASB 139.

The Company does not have any financial instruments in the categories of FVPL or Equity FVTOCI.



# Notes to the financial statements

for the year ended 30 June 2019

## **1. Statement of significant accounting policies (cont'd)**

### **(o) Financial Instruments (cont'd)**

#### **Impairment of financial assets**

Impairment of financial assets AASB 9's new forward-looking impairment model applies to the Company's trade receivables. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

#### *Trade and other receivables and contract assets*

The Company uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

#### **Classification and subsequent measurement of financial liabilities**

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **(p) Economic Dependence**

RAV is dependent on the Commonwealth Government's Attorney-General's Department and the Department of Social Services for a substantial portion of its revenue used for its operations. At the date of this report the Board has no reason to believe the Commonwealth Government through these departments will not continue to fund RAV for delivery of specialist family services and relationships support services.

#### **(q) Comparative figures**

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current year.

# Notes to the financial statements

for the year ended 30 June 2019

## 2. Revenue and other income

	Note	2019 \$	2018 \$
<b>Operating activities:</b>			
Commonwealth Government Grants		17,215,664	16,627,784
State Government Grants		3,490,807	2,173,718
Other grants		3,916,008	2,961,493
Client fees		2,520,152	2,759,710
Professional training and consulting fees		640,354	586,914
<b>Total revenue from operating activities</b>		<b>27,782,985</b>	<b>25,109,619</b>
<b>Non operating activities:</b>			
Interest income		364,408	335,169
Miscellaneous income		527,547	558,753
<b>Total revenue from non operating activities</b>		<b>891,955</b>	<b>893,922</b>
<b>Total revenue</b>		<b>28,674,940</b>	<b>26,003,541</b>

## 3. Key management Personnel Compensation

Total compensation	835,583	797,051
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## 4. (a) Cash and cash equivalents

Cash on hand	12,415	12,035
Cash at bank and bank deposits	598,907	948,240
<b>Total cash and cash equivalents</b>	<b>611,322</b>	<b>960,275</b>

The weighted average interest rate on cash at bank was 0.1% (2018: 0.1%) per annum.

## (b) Other financial assets

Bank term deposits greater than 90 days term	15,050,972	13,100,972
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The weighted average interest rate on term deposits was 1.92% (2018: 2.16%) per annum.

# Notes to the financial statements

for the year ended 30 June 2019

## 5. Trade and other receivables

	Note	2019 \$	2018 \$
<b>Current</b>			
Outstanding client fees		<b>205,390</b>	160,744
Impairment of trade receivables	5(a)	<b>(45,364)</b>	(84,448)
Other receivable		<b>576,204</b>	420,251
<b>Total trade and other receivables</b>		<b>736,230</b>	496,547

### (a) Impairment of trade receivables

Current trade receivables are non-interest bearing receivables and generally are received within 60 days. A provision for impairment is recognised against outstanding client fees in line with the financial instruments recognition criteria noted above.

Movement in the impairment of trade receivables is as follows:

Balance at 1 July	<b>(84,448)</b>	(54,112)
Charge for the year	<b>(2,055)</b>	(60,673)
Written off	<b>41,139</b>	30,337
<b>Balance at 30 June</b>	<b>(45,364)</b>	(84,448)

## 6. Property, plant and equipment

Freehold Land		
At Board valuation 2018	<b>5,801,000</b>	5,801,000
Freehold Building		
At Board valuation 2018	<b>400,000</b>	400,000
Accumulated depreciation	<b>(40,000)</b>	-
	<b>360,000</b>	400,000
Leasehold Improvements		
At cost	<b>106,269</b>	-
Accumulated depreciation	<b>(106,269)</b>	-
	<b>-</b>	-
Plant and equipment		
At cost	<b>66,469</b>	66,469
Accumulated depreciation	<b>(58,360)</b>	(48,628)
	<b>8,109</b>	17,841
<b>Total property, plant and equipment</b>	<b>6,169,109</b>	6,218,841

# Notes to the financial statements

for the year ended 30 June 2019

## 6. Property, plant and equipment (cont'd)

The Board valuation of freehold land and building was based on an independent valuation concluded by Hannah Manson AAPI Certified Practising Valuer of Fitzroy's Pty Ltd in the prior financial period. The Board adopted a conservative approach in valuing the land and building at 90% of the independent valuation and consistent with existing policy. The directors therefore believe the carrying amount of the land and building has not materially changed since the valuation in the prior period and that the value reflects the fair value less cost to sell at 30 June 2019.

Movements in carrying amounts

Movements in carrying amount for each class of property, plant & equipment between the beginning and the end of the current financial year as follows:

	Land & building - Kew	Leasehold improvements	Plant and equipment	TOTAL
	\$		\$	\$
Balance at 1 July 2018	6,201,000	-	17,841	6,218,841
Additions	-	106,269	-	106,269
Disposals / write-offs	-	-	-	-
Depreciation and amortisation	(40,000)	(106,269)	(9,732)	(156,001)
Revaluation increase	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>6,161,000</b>	<b>-</b>	<b>8,109</b>	<b>6,169,109</b>

## 7. Trade and other payables

	2019	2018
	\$	\$
Trade payables and accruals	2,323,905	1,904,741
GST payable	70,194	13,944
Training income received in advance	293,829	396,716
<b>Total trade and other payables</b>	<b>2,687,928</b>	<b>2,315,401</b>

# Notes to the financial statements

for the year ended 30 June 2019

## 8. Provisions

	Note	2019 \$	2018 \$
Provision for employee benefits:			
Balance at 1 July		3,249,668	3,008,234
Additional provisions		446,167	241,434
<b>Balance as at 30 June</b>		<b>3,695,835</b>	<b>3,249,668</b>
Provision for make good:			
Balance at 1 July		994,899	659,286
Additional provision		112,056	335,613
<b>Balance as at 30 June</b>		<b>1,106,955</b>	<b>994,899</b>
<b>Total Provisions</b>		<b>4,802,790</b>	<b>4,244,567</b>
<b>Analysis of Total Provisions</b>			
Current		3,965,355	3,445,637
Non-current		837,435	798,930
<b>Total Provisions</b>		<b>4,802,790</b>	<b>4,244,567</b>

## 9. Other current liabilities

<b>Current</b>			
Unexpended program and project monies		223,165	148,000
<b>Total other liabilities</b>		<b>223,165</b>	<b>148,000</b>

## 10. Capital and leasing commitments

### a. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments			
- not later than 12 months		1,214,157	493,794
- between 12 months and five years		2,134,760	551,333
- greater than five years		125,961	-
<b>Total operating lease commitment</b>		<b>3,474,879</b>	<b>1,045,127</b>
Less GST		(370,898)	(95,012)
<b>Net operating lease commitment</b>		<b>3,103,981</b>	<b>950,115</b>

RAV leases premises on various lease terms. These leases are non-cancellable leases for the term of the lease, between 3 and 6 years. Increase in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

### b. Capital Expenditure Commitments

There are no capital commitments at reporting date (2018: \$0).

# Notes to the financial statements

## for the year ended 30 June 2019

### 11. Contingent liabilities

The Board members are not aware of any contingent liabilities at 30 June 2019 (2018: \$0).

### 12. Post reporting date events

There were no material events that occurred after the reporting date which significantly affected the financial statements of RAV as at 30 June 2019 and its results for that year.

### 13. Related parties

There were no transactions between RAV and any related party during the financial year (2018:\$0).

### 14. Financial assets and liabilities

RAV's principal financial instruments comprise receivables, payables, cash and short-term deposits.

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

	Note	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	4(a)	611,322	960,275
Other financial assets - bank term deposits	4(b)	15,050,972	13,100,972
Trade and other receivables	14(i)	256,637	165,709
<b>Total financial assets</b>		<b>15,918,931</b>	<b>14,226,956</b>
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	14(ii)	1,432,989	652,663
<b>Total financial liabilities</b>		<b>1,432,989</b>	<b>652,663</b>

# Notes to the financial statements

for the year ended 30 June 2019

## 14. Financial assets and liabilities (cont'd)

- (i) Financial assets include assets where there is a contractual right to receive cash and by definition excludes prepayments and GST receivable.
- (ii) Financial liabilities include liabilities where there is a contractual obligation to deliver cash and by definition excludes GST and PAYG payable and unexpended programs and project monies.

### Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability except as disclosed below:

	Note	2019 \$	2018 \$
Pledged as security for leased premises:			
Bank guarantee included in cash and cash equivalents		<b>225,972</b>	225,972
Security bonds included in trade and other receivables		<b>67,923</b>	54,818
		<b>293,894</b>	280,790

There is no collateral held by RAV securing trade and other receivables.

## 15. Fair value measurements

RAV has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition.

RAV does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

### Fair value measurement of non-financial instruments

Freehold land	6,15 (i)	<b>5,801,000</b>	5,801,000
Freehold building	6,15 (i)	<b>360,000</b>	400,000
		<b>6,161,000</b>	6,201,000

The Board valuation of freehold land and building was based on an independent valuation concluded by Hannah Manson AAPI Certified Practising Valuer of Fitzroy's Pty Ltd in the prior financial period. The Board adopted a conservative approach in valuing the land and building at 90% of the independent valuation and consistent with existing policy. The directors therefore believe the carrying amount of the land and building has not materially changed since the valuation in the prior period and that the value reflects the fair value less cost to sell at 30 June 2019.

# Notes to the financial statements

for the year ended 30 June 2019

## 16. Cash flow reconciliation

Reconciliation of cash flow from operations with surplus:

Surplus	<b>785,083</b>	738,935
<u>Non-cash flows in profit:</u>		
Depreciation and amortisation expenses	<b>156,001</b>	21,731
Interest income	<b>(364,408)</b>	(335,169)
<u>Changes in assets and liabilities:</u>		
Decrease / (increase) in trade and other receivables	<b>(239,683)</b>	30,455
(Decrease) / increase in trade and other payables	<b>372,527</b>	(163,043)
Increase in provisions	<b>558,223</b>	577,047
(Decrease) / increase in other current liabilities	<b>75,165</b>	(143,799)
Net cash provided by / (used in) operating activities	<b>1,342,908</b>	726,157

## 17. Company details

Registered Office

The registered office and principal place of business of RAV is:  
1183 Toorak Road, Camberwell, Victoria 3124

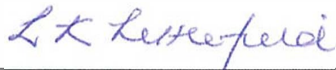


## Directors' declaration

The Directors of the Company declare that:

1. The financial statements, comprising the statement of profit or loss and other income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:
  - (b) give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
  - (a) comply with Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013; and
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 and is signed for and on behalf of the Directors by:



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Lyn Littlefield  
President



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Michael Hunt  
Director

Signed in Camberwell this 17th day of September 2019

# Independent Auditor's Report

## To the Members of Relationships Australia (Victoria) Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Relationships Australia (Victoria) Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Relationships Australia (Victoria) Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2019 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the 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.

### **Information other than the financial report and auditor's report thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial report**

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Australian Charities and Not-for-profits Commission Act 2012. This responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 17 September 2019