Relationships Australia (Victoria) Limited

ABN 51 263 215 677

Financial Statements - 30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Lyn Littlefield (President)
Kaye Frankcom (Vice President)
John Lovell
Michael Shaw
Michael Hunt
Ronda Jacobs
Colin Royse
Helen Rhoades

Objectives
The board will govern Relationships Australia (Victoria) Limited with an emphasis on four core areas:

(1) Ensuring a viable entity;
(2) Governance of quality standards and clinical practice;
(3) Business continuity and risk management; and
(4) Meeting all legislative and compliance requirements.

The core areas are demonstrated through:

(a) Provision of strategic leadership ensuring that the organisation achieves continuing prosperity in the best interests of all stakeholders;
(b) Establishment of Relationships Australia (Victoria) Limited's Mission, Values and Key Result Areas, setting the Strategic Plan as the basis for further planning, e.g. annual and longer term planning;
(c) Adherence to governance policies that provide the framework for the strategic management of Relationships Australia (Victoria) Limited, and ensuring that internal processes and procedures provide effective controls and serve as the basis for reporting to the Board as required;
(d) Ensuring that the CEO monitors operations management and organisation performance against established criteria;
(e) Identifying and monitoring the management of organisational risks;
(f) Ensuring that the organisation complies with all internal and externally imposed legal and compliance requirements; and
(g) Establishing and maintaining an effective interrelationship with key stakeholders.

Strategy for achieving the objectives
Relationships Australia (Victoria) Limited's board is to define and monitor the strategic direction of the organisation and the implementation of that strategy, as amended from time to time. Otherwise framed as setting the goals for the organisation, this includes both general and specific goals. Strategy formulation will generally involve the board:

(a) developing a Strategic plan, which is open to staff and public view and input, and contains the Vision, Mission and Values of the organisation and key result areas;
(b) regularly reviewing the strategic planning process;
(c) setting the corporate direction, including in relation to Relationships Australia (Victoria) Limited's Registered Training Organisation (RTO);
(d) determining Terms of Reference (including reporting) of board sub-committees (and working parties) included in the Board Charter, in relation to key areas of: Governance; Financial and Audit; CEO performance management; procurement processes; and
(e) receiving regular feedback of organisational progress and performance related to the Strategic Plan.

Principal activities
During the financial year the principal continuing activities of the company were to provide counselling, family dispute resolution, relationship education and group programs; family violence, mental health, responsive case management programs and professional training to families, children, parents, couples and individuals.

Performance measures

The Relationships Australia (Victoria) Limited board is responsible for reviewing and monitoring management and company performance. From a financial perspective, this will entail taking steps designed to protect the company's financial position and its ability to meet its debts and other obligations as they fall due, including:

(a) adopting an annual financial plan including an annual budget for the financial performance of the company and monitoring results on a regular basis;
(b) determining that satisfactory arrangements are in place for auditing the organisation's financial affairs and that the scope of the external audit is adequate;
(c) determining that the company accounts are in conformity with the Australian Accounting Standards and are true and fair; and
(d) adopting clearly defined financial delegations of authority from the Board to the CEO of a statement of matters reserved for decision by the Board.

Information on directors

Name:	Professor Lyn Littlefield OAM
Title:	President
Experience and expertise:	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 has served on many 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 at 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 Relationships Australia (Victoria) Limited Board since October 2014. Lyn was recently elected as the inaugural Chair of the National Council of Relationships Australia.

Name:	Ms Kaye Frankcom
Title:	Vice president
Experience and expertise:	Kaye is a highly accomplished businesswoman, and leader in the health sector. She is an endorsed clinical and counselling psychologist, consultant and business coach to psychologists, in-demand speaker and trainer and has held national roles in psychology regulation and professional standards. She built a successful group psychology practice which she sold in 2018. She is a published author of two books on private mental health practice. Her consultancy practice provides program development and review, clinical governance training, executive coaching and supervision services to private practices and NFPs. Her current appointments include as a PHN Chair of the Expert Advisory Group on Mental Health and member of a PHN Clinical Council (North Western Melbourne Primary Health Network). She is the current chair of RAV clinical governance committee. She is an Associate Professor of Psychology (Deakin University). She is a GAICD.

Name:	Mr Michael Hunt
Title:	Director
Experience and expertise:	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 Relationships Australia (Victoria) Limited. He was CEO of Relationships Australia (Victoria) Limited 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 Relationships Australia (Victoria) Limited Board in 2018.

Name:	Ms Ronda Jacobs
Title:	Director
Experience and expertise:	Ronda is an experienced CEO and Non-Executive Director, holding a Bachelor of Business (Marketing) and is a Graduate of the Australian Institute of Company Directors. She is passionately committed to improving the health and wellbeing of Australian families, with a reputation as an energetic, innovative and strategic thinker. Her background includes a range of Board experiences including for purpose, statutory government authority and peak body organisations, all related to the health and wellbeing of Australians. These Non-Executive Director positions were in parallel to a successful career in C-suite roles in the public and private sectors across a range of healthcare and wellbeing organisations within Australia and South East Asia. This diverse background includes regional responsibility (Managing Director South East Asia) for a Pharmaceutical Global Multinational through to leadership (CEO) of a leading For Purpose Community health organisation. Her particular areas of interest and expertise include developing strategic direction and then implementing and measuring progress; fostering business development and innovation; building stakeholder relationships and valuable partnerships; and governance for both risk and opportunity. Ronda is now turning this wealth of experience to further Board roles, mentoring, and other interesting projects. Ronda was a member of the Relationships Australia (Victoria) Limited Board from 2005 to 2013. She re-joined the Board in 2018 and is the Chair of the Board Governance Committee.
Name:	Mr John Lovell
Title:	Director
Experience and expertise:	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 affect positive learning outcomes. He joined the Relationships Australia (Victoria) Limited Board in 2008.
Name:	Mr Michael Shaw
Title:	Director
Experience and expertise:	Michael is a Managing Director at the BlueMount Capital Group, and he also serves as Executive Chairman of BlueMount Capital (Beijing) Co, Ltd and of BlueMount Food and Agriculture Australia Pty Ltd. BlueMount Capital is a 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 over 30 years' Board experience with 14 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 re-joining the Relationships Australia (Victoria) Limited Board in 2018.

Name:	Professor Colin Royse
Title:	Director (appointed October 26, 2020)
Experience and expertise:	Colin is the Academic Director of Custom and Professional Education, at the Faculty of Medicine, Dentistry and Health Sciences, The University of Melbourne. He is also the Co-director of the Mobile Learning Unit, Melbourne Medical School, and Co-Director of the Ultrasound Education Group, Department of Surgery. He has been involved in digital learning for nearly 20 years, and has developed innovative pedagogies for light-touch and flipped-classroom learning. In clinical practice he is a cardiothoracic anaesthetist at the Royal Melbourne Hospital and has research interests in transoesophageal and transthoracic echocardiography, pain management in cardiac surgery, cognition, and quality of recovery after anaesthesia and surgery. Colin joined the RAV Board in October 2020.

Name:	Professor Helen Rhoades
Title:	Director (appointed April 27, 2021)
Experience and expertise:	Helen is an Honorary Professorial Fellow at the University of Melbourne Law School. She is a past Chair of the Family Law Council (2010-2016) and Commissioner at the Australian Law Reform Commission (2017-2018) and a current member of the Editorial Board of the *Australian Journal of Family Law*. She has written extensively on the family law system, including editing two collections on family law and children, and has led a number of national socio-legal research projects on family law issues. Professor Rhoades was admitted to practice as a Barrister and Solicitor of the Supreme Court of Victoria and entered in the Register of Practitioners at the High Court of Australia in April 1994. Helen joined the Board in April 2021.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Lyn Littlefield	8	8
Kaye Frankcom	7	8
John Lovell	8	8
Michael Shaw	8	8
Michael Hunt	8	8
Ronda Jacobs	8	8
Colin Royse	8	8
Helen Rhoades	7	8

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of $1 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is $27, based on 27 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Lyn Littlefield
President

Michael Shaw
Director

27 September 2022
Camberwell

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 2022, 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, 27 September 2022

Contents
30 June 2022

Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	25
Independent auditor's report to the members of Relationships Australia (Victoria) Limited	26

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	4	39,518,229	37,667,944
Other income	5	-	35,090
Interest revenue calculated using the effective interest method		89,351	152,786
Expenses			
Employee benefits expense		(28,169,903)	(26,856,878)
Program costs		(2,596,331)	(3,363,314)
Depreciation and amortisation expense		(1,524,153)	(1,497,923)
Occupancy expense		(1,115,552)	(1,089,812)
Bad debts expense		(246,811)	(61,735)
Other expenses		(4,764,243)	(3,884,663)
Finance costs		(201,244)	(166,242)
Surplus before income tax expense		989,343	935,253
Income tax expense	2	-	-
Surplus after income tax expense for the year attributable to the members of Relationships Australia (Victoria) Limited	16	989,343	935,253
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings, net of tax	9	-	677,000
Other comprehensive income for the year, net of tax		-	677,000
Total comprehensive income for the year attributable to the members of Relationships Australia (Victoria) Limited		989,343	1,612,253

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	6	405,382	541,702
Other financial assets	7	25,562,475	23,512,272
Trade and other receivables	8	1,263,849	924,673
Total current assets		27,231,706	24,978,647
Non-current assets			
Property, plant and equipment	9	6,732,364	6,783,546
Right-of-use assets	10	3,829,700	3,621,709
Total non-current assets		10,562,064	10,405,255
Total assets		37,793,770	35,383,902
Liabilities			
Current liabilities			
Trade and other payables	11	6,689,424	5,276,119
Lease liabilities	12	1,411,716	1,069,678
Provisions	13	6,446,798	5,593,347
Other liabilities	14	1,054,264	2,106,307
Total current liabilities		15,602,202	14,045,451
Non-current liabilities			
Lease liabilities	12	2,758,383	2,758,617
Provisions	13	1,248,229	1,384,221
Total non-current liabilities		4,006,612	4,142,838
Total liabilities		19,608,814	18,188,289
Net assets		18,184,956	17,195,613
Equity			
Reserves	15	6,500,000	6,500,000
Accumulated surpluses	16	11,684,956	10,695,613
Total equity		18,184,956	17,195,613

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity
For the year ended 30 June 2022

	Reserves $	Accumulated surplus $	Total equity $
Balance at 1 July 2020	6,582,146	9,001,214	15,583,360
Surplus after income tax expense for the year	-	935,253	935,253
Other comprehensive income for the year, net of tax	677,000	-	677,000
Total comprehensive income for the year	677,000	935,253	1,612,253
Transfer of revaluation reserve	(759,146)	759,146	-
Balance at 30 June 2021	6,500,000	10,695,613	17,195,613

	Reserves $	Accumulated surplus $	Total equity $
Balance at 1 July 2021	6,500,000	10,695,613	17,195,613
Surplus after income tax expense for the year	-	989,343	989,343
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	989,343	989,343
Balance at 30 June 2022	6,500,000	11,684,956	18,184,956

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Government and other grants received (inclusive of GST)		39,406,976	38,605,489
Receipts from clients and others (inclusive of GST)		3,477,089	2,765,737
Payments to suppliers and employees (inclusive of GST)		(39,519,131)	(34,057,817)
		3,364,934	7,313,409
Interest and other finance costs paid		(201,244)	(166,242)
Net cash from operating activities		3,163,690	7,147,167
Cash flows from investing activities			
Payments for investments in term deposits		(2,050,203)	(6,153,225)
Payments for Right-of-use assets		(1,680,962)	-
Interest received		89,351	119,711
Net cash used in investing activities		(3,641,814)	(6,033,514)
Cash flows from financing activities			
Receipt (Repayment) of lease liabilities		341,804	(1,342,308)
Net cash from/(used in) financing activities		341,804	(1,342,308)
Net decrease in cash and cash equivalents		(136,320)	(228,655)
Cash and cash equivalents at the beginning of the financial year		541,702	770,357
Cash and cash equivalents at the end of the financial year	6	405,382	541,702

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Relationships Australia (Victoria) Limited as an individual entity. The financial statements are presented in Australian dollars, which is Relationships Australia (Victoria) Limited's functional and presentation currency.

Relationships Australia (Victoria) Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2022.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)
During the financial year the International Financial Reporting Interpretations Committee IFRIC identified that various approaches to customisation and configuration costs for cloud computing arrangements were utilised by companies depending on internal policy. These policies varied from expensing all costs in full to capitalisation of all costs in full, with most entities taking a more nuanced approach in their capitalisation policy and differentiating between expenditure with different underlying fact patterns.

The impact of this decision has not had a material impact on the consolidated entity's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparative figures
Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current period.

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Client fees
Revenue from a contract to provide services is recognised at a point in time when the services are rendered based on either a fixed price or an hourly rate.

Grant revenue
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 the 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.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Unexpended program and project revenue
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 Relationships Australia (Victoria) Limited 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 one (1) to five (5) years.

Income tax
As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 60 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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 revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. New plant and equipment with a cost of $3,000 or less is expensed in the year acquired.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives, being the term of the grant funding, as follows:

Freehold buildings	10 years
Plant and equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within agreed credit terms.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other 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 - 2017 and Staff Certified Agreement 2021 - 2025. An employee is entitled to pro-rata long service leave if they leave the employment of Relationships Australia (Victoria) Limited after the completion of seven (7) years continuous service, otherwise leave may be taken in the normal course of employment following completion of seven years of continuous service.

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recognition of grant revenue
The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137.

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 4. Revenue

	2022 $	2021 $
Operating activities:		
Commonwealth government grants	21,312,580	21,539,262
State government grants	9,650,873	8,445,850
Other grants	5,393,786	4,389,807
Client fees	1,936,170	2,041,157
Professional training and consulting fees	563,025	598,262
	38,856,434	37,014,338
Non-operating activities		
Other revenue	661,795	653,606
Revenue	39,518,229	37,667,944

Note 5. Other income

	2022 $	2021 $
Net gain on disposal of property, plant and equipment	-	35,090

Note 6. Cash and cash equivalents

	2022 $	2021 $
Current assets		
Cash on hand	14,365	14,365
Cash at bank and short-term bank deposits	391,017	527,337
	405,382	541,702

The weighted average interest rate on cash at bank was 0.0% (2021: 0.1%) per annum.

Note 7. Other financial assets

	2022 $	2021 $
Current assets		
Cash on deposit	25,562,475	23,512,272

Includes bank deposits with terms greater than 90 days. The weighted average interest rate on cash at bank was 0.44% (2021: 0.29%) per annum.

Note 8. Trade and other receivables

	2022 $	2021 $
Current assets		
Client fees outstanding	460,490	374,698
Less: Allowance for expected credit losses	(315,481)	(76,810)
	145,009	297,888
Other receivables	1,118,840	626,785
	1,263,849	924,673

Allowance for expected credit losses
Current trade receivables are non-interest bearing receivables and generally are received within 60 days. An allowance for expected credit losses is recognised against outstanding client fees in line with the financial instruments recognition criteria as described in note 2.

	2022 $	2021 $
Movement in the allowance for expected credit losses is as follows:		
Carrying amount at the start of the year	(76,810)	(102,272)
Additional provisions recognised	(238,671)	(61,705)
Amounts written off	-	87,167
Carrying amount at the end of the year	(315,481)	(76,810)

Note 9. Property, plant and equipment

	2022 $	2021 $
Non-current assets		
Freehold land - at directors valuation	6,350,000	6,350,000
Freehold building - at directors valuation	400,000	400,000
Less: Accumulated depreciation	(40,000)	-
	360,000	400,000
Leasehold improvements - at cost	106,269	106,269
Less: Accumulated depreciation	(106,269)	(106,269)
	-	-
Plant and equipment - at cost	73,721	73,721
Less: Accumulated depreciation	(51,357)	(40,175)
	22,364	33,546
	6,732,364	6,783,546

Note 9. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Freehold land $	Freehold building $	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2021	6,350,000	400,000	-	33,546	6,783,546
Depreciation expense	-	(40,000)	-	(11,182)	(51,182)
Balance at 30 June 2022	6,350,000	360,000	-	22,364	6,732,364

Valuations of land and buildings
The directors' valuation of freehold land and buildings was based on an independent valuation concluded by Ray Berryman AAPI Certified Practising Valuer of Fitzroy's Pty Ltd in the 2021 financial period. The directors 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 that the value reflects the fair value less cost to sell at 30 June 2022.

Note 10. Right-of-use assets

	2022 $	2021 $
Non-current assets		
Land and buildings - right-of-use	6,921,681	6,000,238
Less: Accumulated depreciation	(3,091,981)	(2,378,529)
	3,829,700	3,621,709

Additions to the right-of-use assets during the year were $1,383,320.

The company leases land and buildings for its offices under agreements of between two (2) to seven (7) years with, in some cases, options to extend. Options to extend have only been included in the calculation of the right-of-use asset where there is reasonable certainty that an option to extend the lease will be exercised. The leases have various escalation clauses.

Note 11. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables and accruals	6,457,578	4,984,240
GST payable	231,846	291,879
	6,689,424	5,276,119

Note 12. Lease liabilities

	2022 $	2021 $
Current liabilities		
Lease liability	1,411,716	1,069,678
Non-current liabilities		
Lease liability	2,758,383	2,758,617
	4,170,099	3,828,295

Note 13. Provisions

	2022 $	2021 $
Current liabilities		
Employee benefits	4,735,531	4,152,026
Lease make good	1,711,267	1,441,321
	6,446,798	5,593,347
Non-current liabilities		
Employee benefits	1,248,229	1,384,221
	7,695,027	6,977,568

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

Note 14. Other liabilities

	2022 $	2021 $
Current liabilities		
Unexpended program and project revenue	653,253	1,592,021
Revenue received in advance	401,011	514,286
	1,054,264	2,106,307

Note 15. Reserves

	2022 $	2021 $
Revaluation surplus reserve	6,500,000	6,500,000

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of freehold land and buildings at 46 Princess Street, Kew.

Note 15. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Revaluation surplus reserve $	Total $
Balance at 1 July 2020	6,582,146	6,582,146
Revaluation - gross	677,000	677,000
Transfer to accumulated surpluses	(759,146)	(759,146)
Balance at 30 June 2021	6,500,000	6,500,000
Balance at 30 June 2022	6,500,000	6,500,000

The reserve is used to recognise increments and decrements in the fair value of freehold land and buildings at 46 Princess Street, Kew. No revaluation took place in the current financial year.

Note 16. Accumulated surpluses

	2022 $	2021 $
Accumulated surpluses at the beginning of the financial year	10,695,613	9,760,360
Surplus after income tax expense for the year	989,343	935,253
Accumulated surpluses at the end of the financial year	11,684,956	10,695,613

Note 17. Financial instruments

Financial assets and liabilities
Relationships Australia (Victoria) Limited'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 note 2 'Significant accounting policies', are as follows:

Financial assets
Financial assets include assets where there is a contractual right to receive cash and by definition excludes prepayments and GST receivable.

	2022 $	2021 $
Cash and cash equivalents	405,382	541,702
Other financial assets	25,562,475	23,512,272
Trade and other receivables	1,263,849	916,395
Total financial assets	27,231,706	24,970,369

Financial liabilities (at amortised cost)
Financial liabilities include liabilities where there is a contractual obligation to deliver cash and by definition excludes GST and PAYG payable and deferred program and project revenue.

	2022 $	2021 $
Trade and other payables	6,457,578	4,984,240

Note 17. Financial instruments (continued)

Financial assets pledged as collateral

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

	2022 $	2021 $
Pledged as security for leased premises:		
Bank guarantee included in other financial assets	262,475	262,272
Security bonds included in trade and other receivables	65,672	65,672
	328,147	327,944

There is no collateral held by Relationships Australia (Victoria) Limited securing trade and other receivables.

Note 18. Fair value measurement

Fair value hierarchy

Relationships Australia (Victoria) Limited has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition. Relationships Australia (Victoria) Limited 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.

The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2022	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Freehold land	-	6,350,000	-	6,350,000
Freehold building	-	400,000	-	400,000
Total assets	-	6,750,000	-	6,750,000

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Freehold land	-	6,350,000	-	6,350,000
Freehold building	-	400,000	-	400,000
Total assets	-	6,750,000	-	6,750,000

The directors valuation of freehold land and building was based on an independent valuation concluded by Ray Berryman AAPI Certified Practising Valuer of Fitzroy's Pty Ltd in the 2021 financial period. The directors 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 value reflects the fair value less cost to sell at 30 June 2022.

Despite the COVID-19 pandemic, the Report and Valuation prepared by Fitzroy's Pty Ltd has been prepared at a time of unprecedented demand from overseas and local developers to secure development sites across the Melbourne and inner city areas. It is difficult to predict the sustainability of this market and in particular the sale prices being maintained and furthermore the potential of supply outstripping demand for this asset class.

The real estate market is cyclical in nature and at times, has historically recorded significant fluctuations in property values especially for development sites. Fitzroy's has cautioned that the property has been valued at a time which has followed a prolonged cyclical upturn in values.

Note 18. Fair value measurement (continued)

There were no transfers between levels during the financial year.

Note 19. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2022 $	2021 $
Board remuneration	209,000	211,350
Management remuneration	898,700	749,612
	1,107,700	960,962

Note 20. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 21. Commitments

The company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Note 22. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 23. Economic dependency

Relationships Australia (Victoria) Limited 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 Relationships Australia (Victoria) Limited for delivery of specialist family services and relationships support services.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

Lyn Littlefield

Lyn Littlefield
President

Michael Shaw
Director

27 September 2022
Camberwell

Grant Thornton

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 2022, 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 2022 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

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of management and those charged with governance for the financial report

Management is 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 management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 27 September 2022