

Relationships Australia (Victoria) Inc.

Financial Statements

For the year ended 30 June 2016

ABN 51 263 215 677

Relationships Australia (Victoria) Inc.

ABN 51 263 215 677

**Board Report
as at 30 June 2016**

Your Board presents their financial report of Relationships Australia (Victoria) Inc. (RAV) for the financial year ended 30 June 2016.

Directors

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

Lyn Littlefield (President)
Peter Gome (Vice President)
Michael Shaw (Retired 26 October 2015)
John Lovell
Kimberly Hunter
Debra Goldfinch
Janine Bush
Rosemary Kelada (Appointed 9 May 2015 and Resigned 16 April 2016)
Kaye Frankcom (Joined April 2016)

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) Inc. 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 \$596,781 (2015: \$186,107).

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.

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Board Report

Environmental Issues

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

Information on Board Members

Professor Lyn Littlefield - President

Lyn is the Executive Director of the Australian Psychological Society, the peak professional body for psychologists in Australia. 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. Lyn sits on a number of Federal Government expert advisory and reference groups to do with mental health policy and service delivery. She is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management. Lyn has been a Board Member since 1993, chairs the Practice Quality Committee and was Vice-President from May 2013. Lyn has been President of the Board since October 2014.

Mr. Peter Gome - Vice president

Peter is an experienced Chief Financial Officer (CFO) with an international career spanning over 30 years. He spent the majority of his career at BP with roles in Australia and internationally including the UK. His last roles at BP were as CFO for various business units including exploration and production and marketing. Subsequently he has held a number of Australian CFO and Chief Operating Officer (COO) roles with mid-tier companies in the oil, transport and printing and construction project management industries. He has just concluded his most recent role as the CEO of Football Federation Victoria, the governing body for soccer in the state. Peter blends his strong leadership and finance background with strategic marketing skills and experience and has lectured in the Master of Marketing and MBA programs at Monash University. He holds Fellow membership of both the AICD and CPA. He joined the RAV Board in 2009 and chairs the Audit Committee. Peter has been Vice-President since October 2014.

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. Kimberly is also a member of the Lawyers' Panel at Relationships Australia. She joined the Board in 2011.

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Ms. Debra Goldfinch

Deborah Goldfinch has had an extensive career in the not-for-profit and health and community sectors with a focus on change management and working with People at Risk. In Deb's 20 years as a CEO she has implemented business restructures and developed corporate strategies to take organisations to their next level. She places emphasis on the people within organisations and develops improved culture within organisations and is able to develop strong teams around her. Deb has participated as a member of a number of Federal and State Committees and Boards relevant to the health, community and non profit sectors. In addition to her current role as CEO of Irabina Childhood Autism Services, Deb is also on the Board of Early Childhood Intervention Australia at the National and State levels. Deb joined the RAV Board in 2013.

Mr. John Lovell

John Lovell 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, introduction of 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 is currently working 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 (Retired 26 October 2015)

Michael is an investment banker with the private investment-banking firm, Bristow Shaw & Co. Michael also serves as a principal advisor to Kennedy Needham Pty Ltd and Lavelle & Co., Chartered Accountants and is a member of the Finance, Investment and Audit Committee of the Australian Psychological Society Ltd. Michael previously served as President of RA National (1994 and from 1998 to 2001); chaired RAV's Audit Committee for 11 years and was RAV's Vice President from 1990 until 2007. He joined the Board in 1990 and chaired RAV's Future Development Committee until 26 October 2015.

Dr. Janine Bush

Janine's diverse career spans across the Victorian Auditor-General's Office, Parliament of Victoria, the health and community sector and academia. As Director, Performance Audit, she oversees audits of government departments across areas that include health, human services and education. As Director of Committee Inquiries, she led Parliamentary inquiries into matters concerned with the welfare of the community, including the welfare of the family. These include the Betrayal of Trust Inquiry on criminal child abuse in organisations and inquiries relating to mental health, disability, public housing and senior Victorians. In previous executive roles, Janine has worked with the Office of the Public Advocate and as CEO for peak organisations in the community sector, including Domestic Violence Victoria and the Victorian Alcohol and Drug Association. Janine has served on management committees of community organisations and been involved with several Australian Research Council linkage projects. Janine joined the Board in 2015.

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Ms. Rosemary Kelada (Resigned 16 April 2016)

Rosemary has over 15 years' experience in senior management roles in the not-for-profit sector, and holds a Master of Business (Accounting) and a Strategic Management of non-profit organisations qualification from the Harvard Business School. As a CEO of Spectrum Migrant Resource Centre from 2008 to 2014, she was responsible for all aspects of leadership and organisational operation. Rosemary combines financial expertise and commercial acumen with a strong understanding and knowledge of the not-for-profit, government and community sectors. She has experience advocating on behalf of organisations and the community, particularly in the multicultural sector. Rosemary is a member of the AICD. She joined the Board in 2015 and resigned in April 2016.

Ms Kaye Frankcom

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 practice in Williamstown, Victoria for 17 years. She is a well known mentor and supervisor to early career psychologists. Her leadership resume includes Deputy Mayor of a country city council for 3 years, membership of a Medicare Local Board, and she co-founded the first Centre against Sexual Assault established outside Melbourne over 25 years ago. She was an appointee to the first Psychology Board of Australia and was instrumental in the process of establishing national standards for the psychology profession. Her other appointments include Independent Chair of a Consortium Advisory Committee for headspace clinics in Western and Northern Melbourne, Director of South West Allied Health Network (a voluntary coalition advocating allied health services in South Western Melbourne) and an appointee to the Melbourne Primary Health Care Clinical Governance Council.

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	6	6
Michael Shaw	2	2
Peter Gome	6	5
John Lovell	6	4
Kimberly Hunter	6	5
Deborah Goldfinch	6	5
Janine Bush	6	4
Kaye Frankcom	2	2
Rosemary Kelada	4	1

Indemnifying Officers or Auditors

RAV has paid premiums (via Relationships Australia Inc. "RA National") 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 Association, 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.

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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 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



Peter Gome
Vice President

Signed in Camberwell this 27th day of September 2016

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2	19,850,755	19,225,326
Employee benefits expenses		(13,954,818)	(13,186,299)
Depreciation and amortisation expenses		(38,926)	(150,108)
Occupancy expenses		(1,830,223)	(1,871,212)
Bad debts expenses		(66,626)	(60,101)
Other expenses		(3,363,381)	(3,771,499)
Total Expenses		(19,253,974)	(19,039,219)
Surplus before income tax		596,781	186,107
Income tax expense	1 (e)	-	-
Surplus		596,781	186,107
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of land		-	1,164,000
Other Comprehensive Income		-	1,164,000
Total Comprehensive Income		596,781	1,350,107

Statement of Financial Position

as at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	4a	494,291	498,587
Other financial assets	4b	12,375,972	9,732,179
Trade and other receivables	5	454,184	395,896
Total Current Assets		13,324,447	10,626,662
Non-Current assets			
Property, plant and equipment	6	3,077,304	3,116,230
Total Non-Current Assets		3,077,304	3,116,230
Total Assets		16,401,751	13,742,892
Current Liabilities			
Trade and other payables	7	2,310,875	1,464,042
Provisions	8	2,932,584	2,638,432
Other current liabilities	9	1,352,823	636,917
Total Current Liabilities		6,596,282	4,739,391
Non-Current Liabilities			
Provisions	8	655,759	450,572
Total Non-Current Liabilities		655,759	450,572
Total Liabilities		7,252,041	5,189,963
Net Assets		9,149,710	8,552,929
Equity			
Reserves	1(m)	3,385,146	3,385,146
Accumulated Surplus		5,764,564	5,167,783
Total Equity		9,149,710	8,552,929

Statement of Changes in Equity

for the year ended 30 June 2016

	Accumulated Surplus \$	Asset Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2014	4,981,676	2,221,146	7,202,822
Profit for the year	186,107	-	186,107
Other comprehensive income	-	1,164,000	1,164,000
Total comprehensive income	186,107	1,164,000	1,350,107
Balance at 30 June 2015	5,167,783	3,385,146	8,552,929
Balance at 1 July 2015	5,167,783	3,385,146	8,552,929
Profit for the year	596,781	-	596,781
Other comprehensive income	-	-	-
Total comprehensive income	596,781	-	596,781
Balance at 30 June 2016	5,764,564	3,385,146	9,149,710

Statement of Cash Flows

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Grants received		19,096,814	17,934,295
Fees & other receipts		3,002,255	2,881,438
Payments to suppliers and employees		(19,820,361)	(19,862,980)
Net cash provided by operating activities		2,278,708	952,753
Cash flows from investing activities			
Interest received		360,789	395,692
Purchase of property, plant and equipment		-	(48,658)
Proceeds from sale of property, plant and equipment		-	158,308
Redemption of term deposits		(2,643,793)	(4,160,651)
Net cash used in investing activities		(2,283,004)	(3,655,309)
Net decrease in cash held		(4,296)	(2,702,556)
Cash and cash equivalents at beginning of financial year		498,587	3,201,143
Cash and cash equivalents at end of financial year	4a	494,291	498,587

Notes to the financial statements

for the year ended 30 June 2016

1. Statement of significant accounting policies

(a) Statement of accounting policies

Relationships Australia (Victoria) Inc. ("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 the Associations Incorporations Reform 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.

(c) 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.

The financial statements were authorised for issue on 29 September 2016 by the Board.

(d) 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.

(e) 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*.

Notes to the financial statements

for the year ended 30 June 2016

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

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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.

(g) 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.

(h) 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.

Notes to the financial statements

for the year ended 30 June 2016

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

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.

(i) 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 - 2017 and Staff Certified Agreement 2013 - 2017. An employee is entitled to pro-rata long service leave if they leave the employment of the RAV after the completion of seven years continuous service, otherwise leave may be taken in the normal course of employment following completion of ten 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.

Notes to the financial statements

for the year ended 30 June 2016

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

(j) 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.

(k) 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.

(l) 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.

(m) Reserves

Asset Revaluation Reserve

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

(n) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when RAV becomes a party to the contractual provisions of the financial 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 initially measured at fair value.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. RAV's trade and most other receivables fall into this category of financial instruments.

Notes to the financial statements

for the year ended 30 June 2016

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

(n) Financial Instruments (cont'd)

Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

Impairment

At each reporting date, RAV assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss.

Derecognition

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.

(o) 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. The major funding agreement has been renewed for a further period of 5 years from July 2014 to June 2019.

(p) Comparative figures

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

(q) New accounting standards and interpretations

In the current year, RAV has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. There was no impact on RAV's financial performance or position.

(r) Standards and interpretations not yet effective which have been early adopted

There are a number of standards and interpretations which have been issued but are not yet effective. The impact of these pronouncements on the reported financial position and performance have yet to be determined. RAV anticipates that all pronouncements will be adopted in the financial statements for the first period beginning after the effective date of the pronouncement.

Notes to the financial statements

for the year ended 30 June 2016

2. Revenue and other income

	Note	2016	2015
		\$	\$
Operating activities:			
Commonwealth Government Grants		15,516,706	14,805,205
State Government Grants		739,903	983,541
Other grants		388,225	363,788
Client fees		2,149,162	2,014,002
Professional training and consulting fees		446,413	358,216
Total revenue from operating activities		19,240,409	18,524,752
Non operating activities:			
Interest income		360,789	395,692
Miscellaneous income		249,557	304,882
Total revenue from non operating activities		610,346	700,574
Total revenue		19,850,755	19,225,326

3. Key management Personnel Compensation

Total Compensation	588,261	555,812
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4. (a) Cash and cash equivalents

Cash on Hand	10,735	10,735
Cash at bank and bank deposits	483,556	487,852
Total cash and cash equivalents	494,291	498,587

The weighted average interest rate on cash at bank was 0.10% (2015: 0.10%) per annum

(b) Other financial assets

Bank term deposits greater than 90 days term	12,375,972	9,732,179
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The weighted average interest rate on term deposits was 2.52% (2015: 3.04%) per annum.

Notes to the financial statements

for the year ended 30 June 2016

5. Trade and other receivables

	Note	2016 \$	2015 \$
Current			
Outstanding client fees		165,823	116,640
Provision for doubtful debts	5(a)	(65,842)	(65,842)
GST receivable		73,095	57,186
Other receivable		281,108	287,912
Total trade and other receivables		454,184	395,896

(a) Provision for impairment of 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 where is objective evidence that an individual trade receivable is impaired.

Movement in the provision for doubtful debts is as follows:

Balance at 1 July	65,842	40,683
Charge for the year	66,156	85,260
Written off	(66,156)	(60,101)
Balance at 30 June	65,842	65,842

6. Property, plant and equipment

Freehold Land

At Board valuation 2015	2,664,000	2,664,000
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Freehold Building

At Board valuation 2015	400,000	400,000
Accumulated depreciation	(24,000)	-
	376,000	400,000

Plant and equipment

At cost	66,469	66,469
Accumulated depreciation	(29,165)	(14,239)
	37,304	52,230

Total property, plant and equipment	3,077,304	3,116,230
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Notes to the financial statements

for the year ended 30 June 2016

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

The Board valuation of freehold land and building was based on an independent valuation concluded by Mars Njoo AAPI Certified Practising Valuer of Fitzroy's Pty Ltd on June 2015. The Board adopted a conservative approach in valuing the land and building at 80% of the independent valuation and consistent with existing policy.

At 30 June 2016, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2015 and do not believe there has been a significant change in the assumptions at 30 June 2016. The directors therefore believe the carrying amount of the land and building correctly reflects the fair value less cost to sell at 30 June 2016.

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 \$	Plant and equipment \$	TOTAL \$
Balance at 1 July 2015	3,064,000	52,230	3,116,230
Additions	-	-	-
Disposals/ Write-offs	-	-	-
Depreciation and amortisation	(24,000)	(14,926)	(38,926)
Revaluation increase	-	-	-
Balance at 30 June 2016	3,040,000	37,304	3,077,304

7. Trade and other payables

	2016 \$	2015 \$
Trade payables and accruals	2,018,543	1,297,327
Training income received in advance	292,332	166,715
Total trade and other payables	2,310,875	1,464,042

Notes to the financial statements

for the year ended 30 June 2016

8. Provisions

	Note	2016 \$	2015 \$
Provision for employee benefits			
Balance as at 1 July		2,569,895	2,134,488
Additional provisions		359,162	435,407
Balance as at 30 June		2,929,057	2,569,895
Provision for make good			
Balance as at 1 July		519,109	393,550
Additional provision		140,177	125,559
Balance as at 30 June		659,286	519,109
Total Provisions		3,588,343	3,089,004
Analysis of Total Provisions			
Current		2,932,584	2,638,432
Non current		655,759	450,572
Total Provisions		3,588,343	3,089,004

9. Other current liabilities

Current

Unexpended program and project monies	1,352,823	636,917
Total other Liabilities	1,352,823	636,917

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	1,017,324	613,333
- between 12 months and five years	1,563,279	915,000
- greater than five years	-	-
Total operating lease liability	2,580,603	1,528,333
Less GST	(258,060)	(118,283)
Net operating lease liability	2,322,543	1,410,050

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 (2015:\$0).

Notes to the financial statements

for the year ended 30 June 2016

11. Contingent liabilities

The Board members are not aware of any contingent liabilities at 30 June 2016 (2015: \$0).

12. Post reporting date events

There were no material events that occurred after the reporting date which significantly affected the financial statements of the RAV as at 30 June 2016 and its results for that year.

13. Related parties

There were no transactions between RAV and any related party during the financial year (2015:\$0).

14. Financial risk management

RAV's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	4(a)	494,291	498,587
Other financial assets - bank term deposits	4(b)	12,375,972	9,732,179
Trade and other receivables	14(i)	185,610	246,349
Total financial assets		13,055,873	10,477,115
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	14(ii)	507,613	408,514
Total financial liabilities		507,613	408,514

Notes to the financial statements

for the year ended 30 June 2016

14. Financial risk management (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	2016 \$	2015 \$
Pledged as security for leased premises:			
Bank guarantee included in cash and cash equivalents		225,972	186,604
Security bonds included in trade and other receivables		38,401	38,401
		264,373	225,005

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)	2,664,000	2,664,000
Freehold building	6,15 (i)	376,000	400,000
		3,040,000	3,064,000

- (i) For the freehold land and building, the fair values have been determined using a market approach using recent observable market data for similar properties, adjusted to 80% of the above valuation. Significant inputs are price per square metre.

16. Association 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 Association declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive 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 Association's financial position as at 30 June 2016 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 Association 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:

Lyn Littlefield

Lyn Littlefield
President

Peter Gome

Peter Gome
Vice President

Signed in Camberwell this 27th day of September 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of Relationships Australia (Victoria) Inc.

We have audited the accompanying financial report of Relationships Australia (Victoria) Inc. (the "Association"), which comprises the statement of financial position as at 30 June 2016, and the statement of Profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the Directors' declaration.

Responsibility of the Directors for the financial report

The Directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting standards – Reduced Disclosure Requirements, *Associations Incorporations Reform Act 2012 (Victoria)* and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion, the financial report of Relationships Australia (Victoria) Inc. is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i giving a true and fair view of the Association's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 27 September 2016

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
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E info.vic@au.gt.com
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Auditor's Independence Declaration
To the Directors of Relationships Australia (Victoria) Inc.

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) Inc. for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 27 September 2016

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